CARIMIN

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

FOCUS

on the opportunity

Annual Report 2023

11th

Annual General Meeting of Carimin Petroleum Berhad

Venue	:	Greens III, Sports Wing, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan.
Date	:	Thursday, 30 November 2023
Time	:	3.00 p.m.

FEATURE IN THIS ANNUAL REPORT

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02 Get access to the soft copy of our reports and contact information

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WHAT'S **INSIDE**

REVENUE

RM254.7
MILLION

PROFIT AFTER TAX

RM22.9
MILLION

TOTAL ASSET

RM275.6
MILLION

The digital version of Carimin Petroleum Berhad Annual Report 2023 is available on our website.

Go to http://www.carimin.com/irannualreport.html or scan the QR code with your smartphone.

Further information can also be found on our website:

http://www.carimin.com/index.html

ABOUT **CARIMIN**

Established in 1989, Carimin grew to become one of the leading companies providing onshore/offshore major maintenance and hook-up & commissioning services in the Malaysian Oil & Gas industry.

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

Carimin specializes in pre-construction engineering inclusive of planning packages, minor engineering, procurement activities, structural/piping fabrication, electrical/instrumentation installation, construction, upgrading and commissioning services. This also includes the deployment of marine vessels such as work barges, accommodation vessels, fast crew boats and anchor handling tug supply vessels.

The business for the group evolved from being an inspection and manpower service company to one of the leading service providers in integrated maintenance, rejuvenation, hook-up and commissioning ("HUC") of onshore/offshore facilities including sub-sea underwater inspections, repair,

ABOUT CARIMIN

maintenance works and services (IRM) for the Oil and Gas industries. Subsequently, the group expanded its services covering engineering, procurement, construction and commissioning (EPCC) works for onshore pipelines and related facilities.

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

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

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

Our competency lies in offering integrated solutions to achieve the desired results in accordance with the Client's expectations. To date, CARIMIN has completed projects valued at more than RM3.0 billion since its inception and among our notable portfolio of clients include oil majors PETRONAS Carigali, PETRONAS Gas, Shell, Murphy Oil, Hibiscus, CPOC, PTTEP, SapuraOMV, Lundin, Prefchem, Carigali HESS, Repsol, ExxonMobil, New Field, Petrofac, HESS and Nippon Oil.

In our registry, we own an anchor handling tug supply vessel ("AHTS") and an accommodation work boat ("AWB") namely CARIMIN Airis and CARIMIN Acacia respectively. Both the AHTS and AWB vessels are integral to the Group's offshore work activities and marine support services.

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

OUR
KEY MILESTONES

1989
Carimin Sdn. Bhd. ("CSB") was incorporated.

1990
CSB began business operations with the provision of manpower supply services.

1992
Secured a 2-year contract from Esso Malaysia to provide general inspection services.

1997
Secured a manpower supply services contract to supply technical professionals. The contract was carried out over a 4-year period.

2000
Secured a manpower supply services contract from Murphy Oil to supply drilling professional.

2003
Diversified our business to provide minor fabrication services for the offshore oil and gas industry.

2004
Continued to diversify our business, and started to provide production platform system maintenance services. Our first production platform system maintenance service project was for Petronas Carigali, involving topside maintenance for a platform offshore Terengganu.

2005
Our minor fabrication yard located at Jalan Jakar in Kemaman, Terengganu began to operate.

2006
Carimin Engineering Services Sdn. Bhd. ("Carimin Engineering") began business operations.

2007
Secured our first offshore hook up and commissioning contract, which was from Murphy Oil in Malaysia.

Secured hook up and commissioning contract from Talisman.

2010
Secured the Sarawak/Sabah hook up and commissioning contract.

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

2011
Carimin Equipment Management Sdn. Bhd. began business operations. We began to provide equipment rental services.

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

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

2012
Through Carimin Marine Services Sdn. Bhd., Carimin acquired 14% of Synergy Kenyalang Offshore Sdn. Bhd., which owns SK Deep Sea, an Accommodation Work Boat, paving the way for Carimin's entry into the provision of offshore marine support vessel services.

2013
Acquired Carimin Airis, an Anchor Handling Tug Supply vessel.

Secured the Peninsular Malaysia hook up and commissioning contract.

2014
Successfully listed on the Main Market of Bursa Malaysia.

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

2015
Secured an Umbrella contract (2 years) for the provision of spot charter marine vessel from Petronas.

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

2016
Received delivery of new built Accommodation Work Boat, Carimin Acacia.

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

OUR KEY MILESTONES

2019

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

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

Secured PAN Malaysia Underwater Services for Petroleum Arrangement

2018

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

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

2017

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

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

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

2020

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

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

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

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

2021

Hibiscus Petroleum

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

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

2022

Secured Provision of Once-Off Maintenance, Construction and Modification (“MCM”) Services for Resak & Tangga Barat Cluster Turnaround for PETRONAS Carigali Sdn. Bhd..

Formed Joint Venture with I Drill Pipelines Constructions Sdn. Bhd. and was awarded LOA for EPCC for Lion Lateral Extension and Metering Station for Nine Dragon Paper (Bougainvillea Project) for PETRONAS Gas Bhd.

MCM Peninsular Malaysia Operations – Oil contract was extended to Dec 2023.

2023

Received Work Order Award for the provision of Anchor Handling Tug Boat (AHTS) for PETRONAS Carigali Sdn. Bhd. for a duration of 184 days with an extension of 30 days.

Received Work Order Award from Hibiscus Oil & Gas Malaysia Limited for the provision of Accommodation Work Boat (AWBOAT) for HML’s Integrated Asset Program 2023 for a duration of 275 days.

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

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

Mokhtar Bin Hashim
Managing Director

Wong Kong Foo
Executive Director

Lim Yew Hoe
Executive Director

Yip Jian Lee
Independent Non-Executive Director

Mohd Rizal Bahari Bin Md Noor
Independent Non-Executive Director

Wan Muhamad Hatta Bin Wan Mos
Independent Non-Executive Director

AUDIT COMMITTEE

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

NOMINATION & REMUNERATION COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

COMPANY SECRETARY

Tea Sor Hua
(MACS 01324)
SSM PC No. 201908001272

Winnie Goh Kah Mun
(MAICSA 7068836)
SSM PC No. 202308000205

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan
Tel : 03-2783 9299
Fax : 03-2783 9222
Email : is.enquiry@my.tricorglobal.com

REGISTERED OFFICE

Third Floor, No. 77, 79 & 81
Jalan SS21/60, Damansara Utama
47400 Petaling Jaya, Selangor
Tel : 03-7725 1777
Fax : 03-7722 3668
Email : cms_cospec@yahoo.com

HEAD OFFICE

B-1-6, Block B, Megan Avenue 1
189, Jalan Tun Razak
50400 Kuala Lumpur
Wilayah Persekutuan
Tel : 03-2168 7000
Fax : 03-2164 2199/ 03-2171 1792
Website : www.carimin.com

KEMAMAN YARD

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

AUDITORS

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

PRINCIPAL BANKERS

Ambank (M) Berhad
Bank Pembangunan Malaysia Berhad
Alliance Bank Malaysia Berhad
Malayan Banking Berhad
United Overseas Bank (Malaysia) Berhad

STOCK INFORMATION

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

CORPORATE STRUCTURE

CARIMIN

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

100 %
CARIMIN SDN. BHD.
Manpower supply services

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

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

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

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

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

- **100 %**
  CARIMIN AIRIS OFFSHORE SDN. BHD.
  Chartering of offshore support vessel
- **100 %**
  CARIMIN ACACIA OFFSHORE SDN. BHD.
  Chartering of offshore support vessel
- **15 %**
  SYNERGY KENYALANG OFFSHORE SDN. BHD.
  Chartering of offshore support vessel

100 %
CARIMIN RESOURCES SERVICES SDN. BHD.
Dormant

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

60 %
CARIMIN SUBSEA SDN. BHD.
Engaging in subsea underwater inspections, repairs and maintenance services

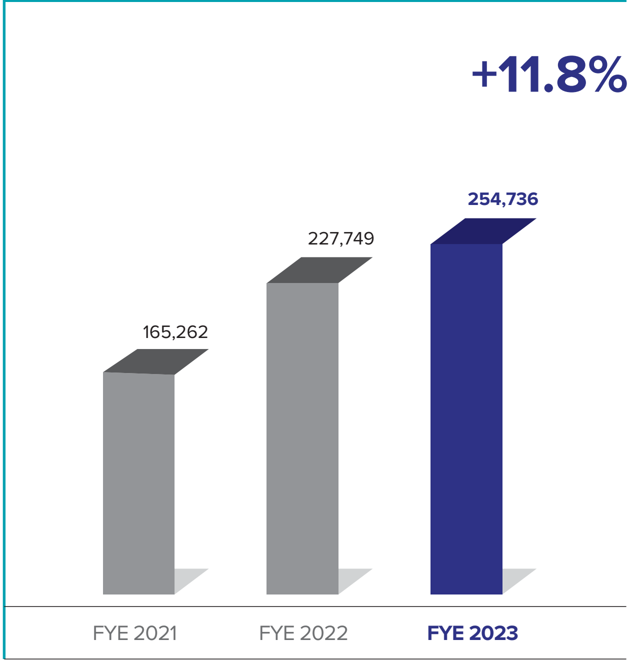
OIL AND GAS SUPPORTED SERVICES | CIVIL ENGINEERING | DORMANT

FINANCIAL **HIGHLIGHTS**

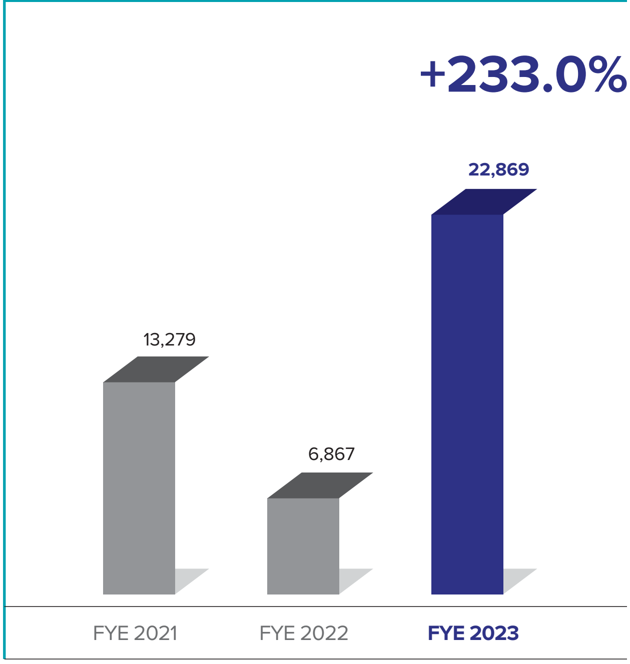
	FYE 2023 RM'000	FYE 2022 RM'000	FYE 2021 RM'000
Financial Results			
Revenue	254,736	227,749	165,262
Profit before tax	27,228	10,872	19,365
Profit after tax	22,869	6,867	13,279
Net profit attributable to:			
Owners of the company	22,946	6,543	13,318
Non - controlling interest	(77)	324	(39)
Financial Position			
Assets			
Property, plant and equipment	92,855	91,471	97,782
Right-of-use assets	7,582	1,937	2,652
Investments	590	590	2,633
Current assets	174,589	191,974	186,339
Total assets	275,616	285,972	289,406
Equity			
Share capital	149,385	149,385	149,385
Reserves	44,443	20,571	26,339
Total equity attributable to owners of the company	193,828	169,956	175,724
Non-controlling interests	16	205	(119)
Liabilities			
Deferred tax liabilities	36	36	36
Bank borrowing	8,054	25,110	30,881
Lease liabilities	541	300	1,024
Current liabilities	73,141	90,365	81,860
Total equity and liabilities	275,616	285,972	289,406
WA no. of ordinary share	233,878,000	233,878,000	233,878,000
Financial Indicators			
Earnings per share (sen)	9.81	2.80	5.69
Net dividend per share (sen)	-	5.50	1.00
Net assets per share (RM)	0.83	0.73	0.75
Return on equity (%)	11.84	3.85	7.58

FINANCIAL HIGHLIGHTS

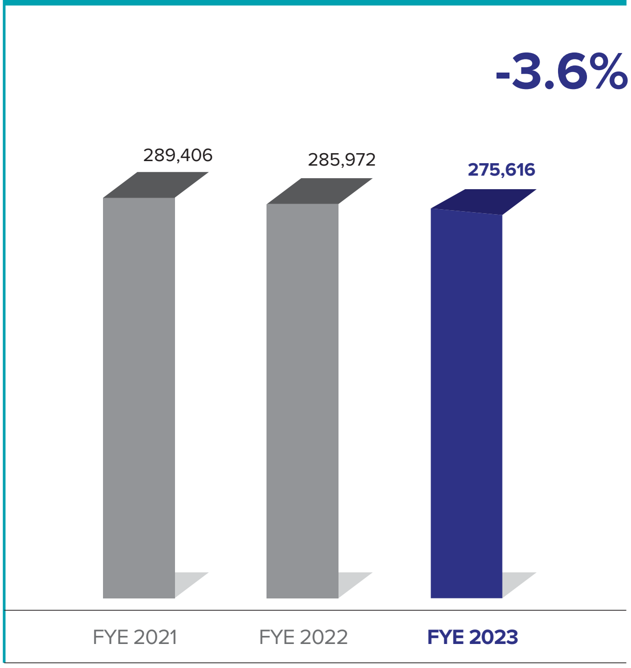
REVENUE (RM'000)



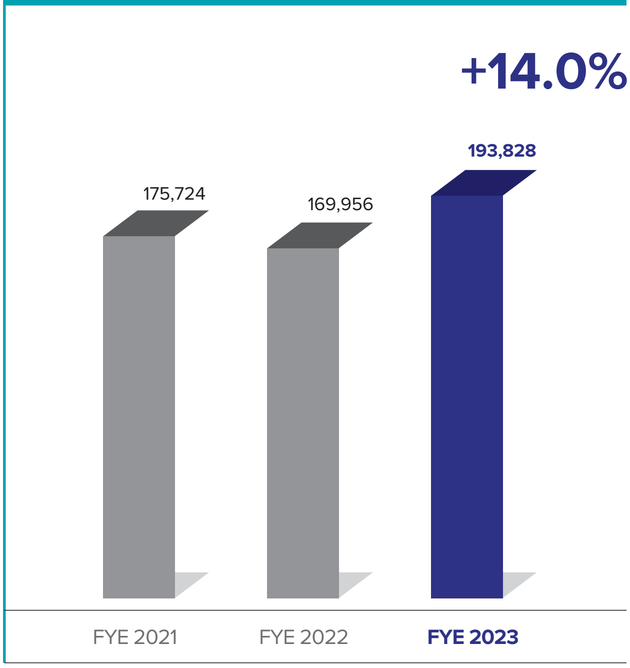
PROFIT AFTER TAX (RM'000)



TOTAL ASSET (RM'000)



SHAREHOLDERS' EQUITY (RM'000)



DIRECTORS' **PROFILE**

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

Tan Sri Dato' Kamaruzzaman Bin Shariff was appointed to the Board on 7 January 2014 as our Non-Independent Non-Executive Chairman. He is a member of the Nomination and Remuneration Committee of the Company. He attended all five (5) Board Meetings held in the financial year.

He graduated with a Bachelor of Arts Degree from the University of Malaya in 1964 and obtained a Diploma in Public Administration from Carleton University, Canada in 1969. Later in 1979, he obtained a Master's in Public Administration from Syracuse University, United States. In 1964, his career started as a Government Service Officer with the Ministry of Education. He then joined the Public Service Department in 1972 as an Assistant Secretary. He then served in the Prime Minister's Department from 1980 to 1988, where he was the Director of External Assistance and General Affairs for the Economic Planning Unit from 1980 to 1983, and the Secretary of the Cabinet Division from 1983 to 1988. He was then appointed as the Penang State Secretary later that same year. Subsequently in 1992, he returned to the Public Service Department as Deputy Director General and, in the same year, he was appointed as Secretary General of the Ministry of Defence. He was Mayor of Kuala Lumpur from 1995 to 2001. He was appointed as a Director of our Group in 2004. He does not hold directorships in any other public companies and listed issuers.

81 M

DATE OF APPOINTMENT

7 January 2014

BOARD MEETINGS ATTENDANCE

5/5

MOKHTAR BIN HASHIM
Managing Director and Key Senior Management

Mokhtar Bin Hashim was appointed to the Board on 7 January 2014 as our Managing Director. He is a member of the Risk Management Committee of the Company. He attended four (4) out of five (5) Board Meetings held in the financial year.

In 1976, he obtained a Malaysian Certificate of Education from the Royal Military College, Sungai Besi, and completed his A-Levels at Llandrillo Technical College, United Kingdom in 1979. In 1982, he graduated with a Bachelor of Science Degree in Civil Engineering from the University of Salford, United Kingdom and in the same year, he started his career with the Public Works Department as a Road Design Engineer. In 1984, he left the Public Works Department and joined Esso Malaysia where he held various posts including Project Construction Supervisor, Senior Contracts Engineer/Administrator, Senior Construction Engineer, Senior Off-Take and Structures Engineer, Lead Construction Supervisor and Senior Fabrication Supervisor. Subsequently in 1994, he left Esso Malaysia and joined our Group. Since then, he has been instrumental in the growth and development of our Group. As the Managing Director, he is currently responsible for the overall management and charting strategic directions of our Group. He does not hold directorships in any other public companies and listed issuers.

64 M

DATE OF APPOINTMENT

7 January 2014

BOARD MEETINGS ATTENDANCE

4/5

DIRECTORS' PROFILE

WONG KONG FOO
Executive Director and Key Senior Management

Wong Kong Foo was appointed to the Board on 27 October 2022 as our Executive Director and attended all three (3) Board meetings of the Company held in the financial year since his appointment to the Board. He is responsible for overseeing the Group's Investments and Business Strategy.

With a career spanning more than three decades, his entrepreneurship has achieved excellence in corporate management, startups, manufacturing, mergers, acquisitions, and strategic investments.

His track record includes successfully nurturing startups, where he transforms innovative ideas into thriving businesses that contribute to industry dynamism. Notably, he founded Emas Kiara Group, a crowning achievement in his career. Under his leadership, he established state-of-the-art facilities with internationally accredited laboratories, ensuring top-notch product quality and excellence. Emas Kiara Group swiftly rose to prominence as a leading producer of geosynthetics and industrial textiles in Asia, exporting products globally.

Furthermore, in his involvement in mergers and acquisitions, among others, he spearheaded the acquisition of Southcorp Industries Sdn. Bhd. from Southcorp Group of Australia and Alidrain Co Ltd from Canada. These strategic acquisitions seamlessly integrated into Emas Kiara Group, ultimately leading to a successful listing on Kuala Lumpur Stock Exchange (KLSE) in 2004. He eventually exited the Group by divesting his interests in 2016.

In the realm of strategic investments, his early investment in Carimin Group, coupled with his prior experience in listing Emas Kiara Group, rendered him a valuable asset in assisting Carimin Group with its listing in 2014.

Currently, his ventures encompass a diverse spectrum, including real estate, property development, civil engineering, credit financing, and asset management. This reflects his enduring passion for innovation and strategic thinking.

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

63 | M

DATE OF APPOINTMENT

27 October 2022

BOARD MEETINGS ATTENDANCE

3/3

LIM YEW HOE
Executive Director and Key Senior Management

Lim Yew Hoe was appointed to the Board on 19 April 2016 as our Executive Director and attended all five (5) Board meetings held in the financial year. He is responsible for overseeing a wide spectrum of matters related to the Group's corporate and finance operations.

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

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

55 | M

DATE OF APPOINTMENT

19 April 2016

BOARD MEETINGS ATTENDANCE

5/5

DIRECTORS' PROFILE

YIP JIAN LEE
Independent Non-Executive Director

Yip Jian Lee was appointed to the Board on 7 January 2014 as an Independent Non-Executive Director. She is the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee of the Company. She attended all five (5) Board meetings held in the financial year.

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

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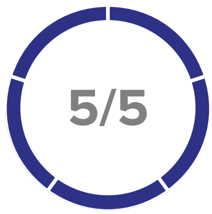
F

DATE OF APPOINTMENT

7 January 2014

BOARD MEETINGS ATTENDANCE



MOHD RIZAL BAHARI BIN MD NOOR
Independent Non-Executive Director

Mohd Rizal Bahari Bin Md Noor was appointed to the Board on 14 February 2014 as an Independent Non-Executive Director. He is the Chairman of Nomination and Remuneration Committee and a member of the Audit Committee and Risk Management Committee of the Company. He attended four (4) out of five (5) Board Meetings held in the financial year.

He is currently practising law in Messrs. Bahari & Bahari. He graduated with a LLB (Hons) Degree from the University of Newcastle Upon Tyne, United Kingdom in 1993. In 1994, he completed his Certificate of Legal Practice and was admitted to the Malaysian Bar in 1995. He has also completed Level 2 (Certificate) of the Chartered Association of Certified Accountants in 1994. He does not hold directorships in any other public companies and listed issuers.

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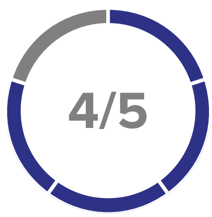
DATE OF APPOINTMENT

14 February 2014

BOARD MEETINGS ATTENDANCE



DIRECTORS' PROFILE

WAN MUHAMAD HATTA BIN WAN MOS
Independent Non-Executive Director

Wan Muhamad Hatta Bin Wan Mos was appointed as an Independent Non-Executive Director on 14 February 2014. He is the Chairman of the Risk Management Committee and a member of the Audit Committee as well as Nomination and Remuneration Committee of the Company. He attended all five (5) Board meetings held in the financial year.

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

He started his career with the Public Works Department in 1977 as a Civil Engineer in the Design and Research Division, and was promoted to Resident Engineer in 1984, where he was responsible for supervising construction works for airport development. During his tenure with the Public Works Department, he attended the University of Birmingham to pursue his Master of Science in 1988 and 1989. Thereafter, he returned to his position in the Public Works Department and served until 1990. He then joined Kinta Kelas Berhad, a project management company as Regional Construction Manager in 1990, and was promoted to Head of Contract Division in 1994. He left Kinta Kelas Berhad in 1996 and joined Cahya Mata Sarawak Berhad as the Executive Director of its construction arm. He was with Cahya Mata Sarawak Berhad between 1996 and 2001, where he was responsible for construction works comprising roads, highways, bridges, buildings, water treatment plants, seaports and airports in Sarawak. In 2002 he acquired an equity stake in Embun Pelangi Sdn. Bhd., a construction company. He is also a shareholder in HTM Consultants Sdn. Bhd., a civil and structural engineering services company. He does not hold directorships in any other public companies and listed issuers.

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M

DATE OF APPOINTMENT

14 February 2014

BOARD MEETINGS ATTENDANCE

5/5

Notes:
1. None of the Directors have family relationships with any Directors and/or major shareholders of the Company.
2. None of the Directors have any conflict of interests with the Company.
3. None of the Directors have been convicted of any offences within the past five (5) years or been imposed on any public sanction or penalty by relevant regulatory bodies during the financial year ended 30 June 2023 other than for traffic offences (if any).

KEY SENIOR
MANAGEMENT PROFILE

MOHD ZAMZURI YUSOFF

Chief Operating Officer

48 M

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

SYED AZLAN BIN SYED IBRAHIM

Chief Corporate Strategy Officer

50 M

Syed Azlan Bin Syed Ibrahim joined Carimin in 2023 as Chief Corporate Strategy Officer. He graduated from Columbia University, New York, USA with a Bachelor of Industrial Engineering in 1996. He has more than 20 years of experience serving in roles spanning corporate strategy and management consulting across various sectors including oil and gas.

Syed Azlan spent majority part of his early career with Accenture, a global management consultancy company. He was part of the program office that led one the largest post-merger exercise in Malaysia involving Sime Darby, Guthrie and Golden Hope. During his tenure with Shell, he held several regional roles for the Upstream Global SAP team and was relocated to the Hague in 2009 to manage the SAP implementation for two Shell joint ventures in Kazakhstan.

In 2013, Syed Azlan joined the Malaysia Petroleum Resources Corporation (MPRC), a government agency that supported the National Economic Transformation Program (ETP). He led the Industry Development division responsible for initiatives to support the local Oil and Gas Services and Equipment (OGSE) industry's transition towards increased competitiveness. Prior to joining Carimin, Syed Azlan was the Chief Strategy Officer for Uzma Berhad responsible for the overall planning and implementation of the 5 Year Strategic plan.

In 2022, Syed Azlan completed a 1-year on-line leadership program from Stanford Graduate School of Business.

KEY SENIOR MANAGEMENT PROFILE

ANNUAR BIN TUMAR

General Manager - Project Management

55 M

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

PATRICK CHOONG

General Manager - Finance

48 M

Patrick Choong joined Carimin in April 2016 as Corporate Finance Manager. He is currently the General Manager of Finance heading the Finance department of Carimin. He graduated from Association of Chartered Certified Accountants (ACCA) and is a member of Malaysia Institute of Accountant (MIA).

He began his career in 1997 and has over 20 years of working experience in finance operation, reporting and corporate finance across various industries such as investment holding, civil engineering, property development, management services and as well as oil & gas industry.

SYED KAMIL SYED IBRAHIM

Head - Corporate Compliance & Control

62 M

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

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

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

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

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

Notes:

1. None of the Key Senior Management holds directorships in public companies and listed issuers.
2. None of the Key Senior Management personnel has any family relationships with any Directors and/or major shareholders of the Company.
3. None of the Key Senior Management has any conflict of interests with the Company.
4. None of the Key Senior Management has been convicted of any offences (other than traffic offences, if any) within the past five (5) years or been imposed on any public sanction or penalty by relevant regulatory bodies during the financial year ended 30 June 2023.

MANAGEMENT
DISCUSSION AND ANALYSIS

DEAR VALUED SHAREHOLDERS,

The financial year ended 30 June 2023 ("FY2023") saw Carimin Petroleum Berhad ("Carimin" or "the Group") delivering another resilient performance amidst challenging economic and operational conditions. Not only did we surpass the RM250 million revenue mark but we posted a stellar 233% hike in profit after tax ("PAT") of RM22.87 million as a result of more work orders for the Group following the upswing in demand for domestic oil and gas activities.

Our core businesses delivered mixed performances over the course of FY2023. Our Construction, Hook Up & Commissioning and Topside Major Maintenance ("CHUCTMM") Division maintained its position as the main contributor to the Group's total revenue as it continued to carry out work orders under the integrated Hook Up and Commissioning ("iHUC") as well as Maintenance, Construction and Modification ("MCM") contracts awarded by PETRONAS Carigali Sdn. Bhd. ("PCSB").

The Group's Manpower Services ("MPS") Division also turned in a robust performance as a consequence of higher demand for specialised personnel. Meanwhile, our Marine Services ("MS") Division delivered a solid performance following the surge in demand within the domestic offshore oil and gas sector and the rise in vessel charter rates. The Group's Civil Construction ("CC") Division, on the other hand, maintained a selective approach when bidding for tenders in view of higher raw materials and labour costs.

The period in review also saw us continuing to remain prudent in managing our level of debt funding and our cash position – all of which led to a healthy balance sheet. We set our sights on securing new contracts for our existing businesses whilst we ventured into new business segments within the industry. By maintaining our commitment to implementing strategies for growth and exploring new opportunities in FY2023, we continued to deliver value to our stakeholders.

Moving forward, whilst the resurgence of domestic oil and gas activities will undoubtedly provide more opportunities, the Group remain cautiously optimistic of our prospects given the unpredictable operating environment.

MANAGEMENT DISCUSSION AND ANALYSIS

Not only did we surpass the RM250 million revenue mark but we posted a stellar 233% hike in profit after tax ("PAT") of RM22.87 million as a result of more work orders for the Group following the upswing in demand for domestic oil and gas activities.

NAVIGATING FY2023'S OPERATING LANDSCAPE

The period from January 2022 to June 2023 was undoubtedly a defining era for the global energy sector, marked by a series of challenges and opportunities.

A Volatile Global Energy Landscape

The Russia-Ukraine conflict, which broke out in February 2022, significantly disrupted the global landscape and injected considerable volatility into energy prices. On 7 March 2022, Brent Crude oil prices soared to a 14-year high, exceeding USD133 per barrel[1] – up from around USD80 per barrel at the start of the year.[5] This sharp increase not only highlighted geopolitical tensions but also underscored the vulnerability of global energy security.

However, these gains were fleeting as the market braced for a global economic slowdown. Inflation rates began to climb, putting pressure on consumer spending and business investments. Despite these challenges, the global economy showed resilience, achieving a growth rate of 3.4% in 2022.

This resilience can be partly attributed to the diversification strategies employed by various nations and the accelerated adoption of renewable energy sources, which helped mitigate the impact of fossil fuel price volatility.[2]

The Lingering Shadow of COVID-19

Amidst the turbulence, the COVID-19 pandemic persisted as a formidable influence on the global energy landscape. The closure of refining capacities, amounting to three (3) million barrels per day, had a profound impact on the supply chain. This, when combined with the Russia-Ukraine conflict, led to a tightened supply of petroleum products, propelling global refining margins to unprecedented levels.[3] Additionally, the pandemic hastened the shift to remote work, which, while reducing oil demand in transportation, increased the need for electricity and natural gas for home-based activities. This created a multifaceted demand matrix for energy resources that we had to navigate carefully.[4]

The Ebb and Flow of Brent Crude Prices

Brent Crude prices have typically served as a pivotal barometer of both economic vitality and geopolitical stability and this was especially evident in the period under review.

1 *Extracted from ScienceDirect's preview of an article titled "Unveiling the impact of geopolitical conflict on oil prices: A case study of the Russia-Ukraine War and its channels' in "Energy Economics" (Volume 126, October 2023, 106956) - refer https://www.sciencedirect.com/science/article/abs/pii/S0140988323004541?via%3Dihub*
2 *Extracted from the International Monetary Fund's World Economic Outlook: Inflation Peaking Amid Low Growth publication (January 2023) – refer https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023*
3 *Extracted from a Reuters' article titled "White House demands U.S. refiners make more gasoline and diesel", dated June 17, 20229 – refer https://www.reuters.com/markets/commodities/white-house-demands-us-refiners-make-more-gasoline-diesel-2022-06-16/*
4 *Extracted from an article on the National Center for Biotechnology Information website titled "The impact of the COVID-19 pandemic and behavioral restrictions on electricity consumption and the daily demand curve in Turkey" dated 28 February 2022 – refer https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8882403/*

MANAGEMENT DISCUSSION AND ANALYSIS

According to US Energy Information Administration ("EIA") reports, Brent Crude started at an average of USD75 per barrel in 2022 but saw significant fluctuations due to various key developments. As mentioned, prices rocketed to an astounding USD133 per barrel in March 2022, largely due to the Russia-Ukraine war. However, they moderated as 2022 drew to a close. Throughout 2023, Brent Crude prices were averaging some USD83 per barrel and in mid-October 2023, they were trading at some USD90 per barrel, suggesting a market that has found some equilibrium but remains sensitive to geopolitical shifts and policy changes.[5]

Some analysts forecast that Brent Crude will average around USD93 per barrel in the final quarter of 2023, suggesting a cautiously optimistic outlook for the industry.[6] Having said that, the geopolitical instability in the Middle East at the time of writing introduces another layer of complexity to the already volatile oil market. That region remains a critical one for oil production, and any escalation in tensions could potentially disrupt supply chains and elevate Brent Crude prices.

Malaysia's Remarkable Strides in Oil and Gas

Turning to the home front, Malaysia's oil and gas sector registered one of its most commendable performances in 2022. National oil giant PETRONAS was well on its way to achieving its ambitious RM100 billion earnings target for the financial year, largely buoyed by elevated oil prices. The Bursa Energy Index peaked in May 2022, reaching a high of 864.15 points, further underscoring the sector's resilience. Even in the face of global recession worries and rising interest rates, the sector demonstrated robustness, offering a beacon of stability.[7]

The Accelerated Transition to Renewable Energy

During the period under review, the clarion call for cleaner energy and sustainable growth reached a crescendo with the spotlight intensely focused on energy transition and environmental stewardship. Financial institutions and investors intensified their scrutiny on oil and gas companies, urging them to fulfil their climate commitments. Milestone international events, such as the United Nations' Conference of the Parties (COP27) on climate change, gained traction, catalysing transformative policies that propelled large-scale migration towards renewable and low-carbon energy avenues, including wind, solar, and hydrogen.[8] Concurrently, substantial investments flowed into battery technologies, aimed at bolstering the viability of renewable energy. Governments globally rolled out incentives for electric vehicles, amplifying the demand for clean energy.[9]

December 2021 marked a pivotal moment with the introduction of the Malaysia Renewable Energy Roadmap ("MyRER"), setting the stage for the nation's green energy transition. The MyRER underscores the significance of solar, wind, and hydropower, laying down ambitious targets for renewable energy adoption in the forthcoming years. It also serves as a cornerstone for subsequent domestic policies, offering a holistic strategy for carbon emissions reduction and bolstering energy security.[10]

5 *Refer to Oil - Brent Crude chart at https://www.ig.com/en/commodities/markets-commodities/brent-crude*

6 *Extracted from an article on OilPrice.com titled "Why Oil Could Top $100 In Q4 2023" dated 13 September 2023 – refer https://oilprice.com/Energy/Oil-Prices/Why-Oil-Could-Top-100-In-Q4-2023.html*

7 *Extracted from an article in Business Times titled "Malaysia's O&G posts one of best performances in 2022" dated 3 January 2023 – refer https://www.nst.com.my/business/2023/01/866628/malaysias-og-posts-one-best-performances-2022#:~:text=Maybank%20IB%20said%20Petronas%20was,net%20profit%20to%20RM72%20billion*

8 *Adapted from the "Letter from the Vice President and Chief Sustainability Officer" on page 59 of the PETRONAS Integrated Report 2022 – refer https://www.petronas.com/integrated-report-2022/assets/pdf/PETRONAS-Integrated-Report-2022.pdf*

9 *Extracted from articles on electric vehicle trends on the International Energy Agency website – refer https://www.iea.org/energy-system/transport/electric-vehicles*

10 *Extracted from an article in The Edge Malaysia titled "Putrajaya kicks off Renewable Energy Roadmap to achieve 40% RE capacity by 2035 dated 30 December 2022" – refer https://theedgemalaysia.com/article/putrajaya-kicks-renewable-energy-roadmap-achieve-40-re-capacity-2035*

MANAGEMENT DISCUSSION AND ANALYSIS

September 2022 heralded another milestone with the unveiling of the National Energy Policy 2040 ("NEP 2040"). This comprehensive framework not only aims to optimise the value of national oil and gas resources but also positions the nation to seize growth opportunities emanating from the global energy transition.[11] Further fortifying Malaysia's commitment to sustainability, December 2022 saw the launch of the Bursa Carbon Exchange ("BCX"), the world's first shariah-compliant carbon exchange. This groundbreaking platform opens new vistas for investment and talent acquisition, reinforcing Malaysia's leadership in sustainable energy.[12]

In July 2023, the Malaysia National Energy Transition Roadmap ("NETR") was introduced, building upon the foundational work of the MyRER and NEP 2040. The NETR outlines a strategic trajectory for Malaysia's transition to sustainable energy, focusing on renewable sources, energy efficiency, and carbon emissions reduction. It also delineates plans for smart grid integration and electric vehicle adoption, targeting a significant reduction in Malaysia's carbon footprint by 2030. This is a significant step in aligning Malaysia's energy policies with global sustainability goals and making the country a regional leader in renewable energy adoption.[13]

Traversing the Renewable Energy Frontier

As the opportunities in the renewable energy sector abound, financial institutions and investors are pivoting towards renewable energy projects, exerting pressure on traditional oil and gas companies to diversify their portfolios. In Malaysia, the rollout of the MyRER, NEP 2040, and NETR has catalysed new investment avenues in renewable energy technologies, including solar, wind, and hydroelectric power.

As Carimin navigates this transformative period and rapidly-evolving market landscape, we are keenly aware of the challenges and opportunities that lie ahead. The global and domestic shifts towards renewable energy not only align with our commitment to sustainability but also open new horizons for growth and innovation. For us, the period in review has been both complex and challenging. We have not only weathered the challenges but have also identified new avenues for growth. As we look ahead, we remain committed to leveraging the opportunities that have arisen, armed with the insights and strategies that will enable us to navigate an ever-changing landscape with confidence and agility.

11 Refer to the National Energy Policy 2022-2040 publication at https://www.ekonomi.gov.my/sites/default/files/2022-09/National%20Energy%20Policy_2022_2040.pdf
12 Refer to the Bursa Carbon Exchange website at https://bcx.bursamalaysia.com/web
13 Refer to the Malaysia National Energy Transition Roadmap publication at https://www.ekonomi.gov.my/sites/default/files/2023-08/National%20Energy%20Transition%20Roadmap.pdf

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE CARIMIN GROUP AND OUR BUSINESS STRATEGY

Today, Carimin continues to solidify its reputation as one of the leading Malaysian oil and gas companies, offering technical and engineering support services across four (4) key business segments. Three (3) segments – CHUCTMM, MPS, and MS – serve the oil and gas industry, while the fourth, the CC segment focuses in the construction industry.

Our CHUCTMM segment aims to grow its operations and assets to secure more contracts from PETRONAS and other Petroleum Arrangement Contractors ("PACs"). The recent addition of an engineering, procurement, construction and commissioning ("EPCC") capability for onshore gas pipeline infrastructure bodes well for this segment.

The MPS business is growing steadily, meeting the increasing demand for technical expertise as more oil and gas projects are implemented. We aim to be the go-to supplier for manpower services in both upstream and downstream sectors.

Our MS Division provides crucial support to CHUCTMM projects, offering marine vessel charter and subsea underwater inspection, repair, and maintenance ("IRM") services. Given the upturn in this segment, we continue to actively seek higher utilisation and rates for our vessels.

Our Short-term Priorities

The recovery of domestic oil and gas activities in the second half of FY2023 marked a promising phase following the pandemic era. Driven by a surge in energy demand, this upswing was underpinned by a critical need to resume previously delayed projects and execute essential maintenance work that was put on hold both during the pandemic period and industry downturn.

Looking ahead, the outlook for Malaysia's upstream oil and gas sector remains robust for the next two (2) to three (3) years. This comes off the back of PETRONAS' goal to boost domestic production to 2.0 million barrel of oil equivalent ("MBOE").[14] This growth trajectory is a leap from the existing domestic production rate of 550,000 barrels per day of liquids and 6,100 million standard cubic feet per day of gas totalling approximately 1.63 MBOE.

With regard to our value creation efforts, these developments are poised to have a highly positive impact on Carimin's core businesses. In particular, we anticipate a surge in demand for our CHUCTMM Division as oil and gas companies focus on maintenance and construction work as well as hook-up and commissioning projects on their existing offshore facilities. (More details can be found in the segmental review of the CHUCTMM business within this Management Discussion & Analysis).

In line with these developments, we are fully focused on bolstering our capacity in anticipation of the workload expected to materialise over the next five (5) years. Our strategic priorities also involve strengthening the readiness of our yard facilities in both Kemaman and Labuan with the goal of having it ready for operations by the end of 2024. We will also focus on expanding our resources and acquiring the necessary equipment to ensure we can deliver on our promises.

Our Mid-to Long-Term Strategies

Over the years, Carimin has strategically positioned itself for significant growth by capitalising on key developments and meeting the demands of an evolving energy landscape. In continuing this strategy, we aim to strengthen the Group's value-creation capabilities to ensure sustained revenue growth for the long term.

The unveiling of the NETR outlines a transformative trajectory for Malaysia's energy mix with a substantial emphasis on renewable energy and a phased reduction of coal usage. Central to this shift will be the increasing role of natural gas, a lower carbon-emission energy source, which is expected to rise from 43% in 2023 to 56% in 2050.

As the demand for natural gas grows, especially for domestic use in power generation, industrial processes, and commercial applications, it is expected to drive an expansion in Malaysia's offshore gas production and LNG imports. The Group aims to leverage this demand by building on our recent successful EPCC projects for onshore gas infrastructure, such as the gas pipeline extension and metering station for the Bougainvillea project. Moving forward, we will continue to expand our EPCC business by offering services such as the construction and installation of onshore gas infrastructure, as well as the replacement of aging main pipelines.

14 Extracted from a Reuters' article titled "Malaysia's Petronas sees domestic oil, gas output peaking by 2024" dated 28 June 2023 - refer https://www.reuters.com/business/energy/malaysias-petronas-sees-domestic-oil-gas-output-peaking-2-mln-boepd-by-2024-2023-06-27/

MANAGEMENT DISCUSSION AND ANALYSIS

With the price of oil having stabilised, we anticipate that a significant amount of restoration and maintenance work will need to be undertaken over the next few years. Carimin for one is well positioned to actively participate in this area, particularly within the MCM segment.

Another compelling avenue for Carimin's growth lies in the offshore facilities decommissioning sector. PETRONAS is focusing in preparing for future facilities removal campaigns from 2024 to 2030. Carimin aims to leverage these opportunities through strategic partnerships that enable participation in offshore facilities decommissioning campaigns.

Furthermore, as part of the NETR, Carbon Capture Storage ("CCS") clusters are poised to play a pivotal role in mitigating carbon emissions. PETRONAS has identified 16 depleted gas fields for conversion into carbon storage sites, catering to both domestic and regional carbon dioxide (CO2) emission needs. Carimin, with its core business expertise in CHUCTMM, is strategically positioned to participate in CCS hook-up and commissioning-related work, aligning with its commitment to sustainability and environmental responsibility.

FINANCIAL PERFORMANCE IN FY2023

Overview

For the financial year in review, the Carimin Group's revenue rose by 11.8% or RM27.0 million from RM227.7 million to RM254.7 million. Given the increasing in requirement for oil and gas products, the Group was able to leverage the demand uptrend for our MCM and iHUC projects. In tandem with the increase in revenue, the Carimin Group's PAT surged by a stellar 233.0% or RM16.0 million from RM6.9 million to RM22.9 million in the financial year ended 30 June 2023 (FY2023). The increase in PAT was attributable to the higher utilisation of marine assets with better margins, completed projects, and the lower expected credit loss ("ECL") from a major customer as compared to the previous financial year.

The period in review saw us posting a higher gross profit ("GP") margin of 18.7% in comparison to a GP margin of 14.4% in FY2022. This increase in our GP margin was due to the recognition of the final completion of the B11 compressor changeout project under our iHUC projects and higher charter days secured by our in-house vessel under the MS Division.

We also registered a stronger performance from the EPCC onshore pipeline project which contributed a revenue of RM24.2 million and a PAT of RM3.6 million for the year upon achieving its gas-in milestone in August 2023. The year also saw us provide for an additional ECL of RM2.0 million from an individual customer due to the extension of a restraining order until March 2024.

While it contributed the bulk or approximately 56.2% of the Group's total revenue in FY2023, the CHUCTMM Division saw its revenue decline by 8.3% or RM13.0 million from RM156.2 million in FY2022 to RM143.2 million in FY2023. The CHUCTMM segment was involved in completing fewer iHUC-related projects given the completion of the majority of the works for the B11 compressor changeout and the Kumang redevelopment in FY2022.

Meanwhile, the MPS Division which garnered some 22.7% of the year's revenue, recorded a 33.7% or RM14.6 million increase in revenue from RM43.1 million in the preceding year to RM57.7 million in FY2023 on the back of higher personnel payroll and reimbursable expense claims.

FY2023 also saw the Group's MS Division revenue register 89.4% or RM25.4 million jump in revenue from RM28.4 million to RM53.8 million due to the surge in demand within Malaysia's offshore oil and gas sector and a notable rise in vessel charter rates. The higher revenue was also attributable to improved vessel occupancy and utilisation rates. Overall, the MS Division contributed 21.1% of the Group's total revenue in FY2023.

Carimin's ability to post better revenue and PAT amidst a challenging operating environment bodes well for the Group as we move forward. It shows that we have remained resilient during the industry downturn and are now in a much stronger position to capitalise on opportunities as oil and gas industry activities escalate.

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity and Capital Resources

As at 30 June 2023, the Group's total cash and cash equivalents stood at RM46.0 million (excluding pledged). This was a 15.5% or RM8.4 million million decrease from the RM54.5 million (excluding pledged) registered as at 30 June 2022 due to the full settlement of the term loan for the vessel Carimin Acacia during the period in review. Of the RM65.5 million in hand, approximately RM32.4 million was placed in short-term investments with financial institutions, some RM19.4 million was placed in fixed deposits as security for the bank facilities granted to the Group, while the remainder took the form of cash and cash balances.

During the period in review, capital expenditure amounting to some RM5.5 million was utilised for the acquisition of new land in Labuan, while another RM7.3 million was invested for the development of the yard at Kemaman. Other major outflows for FY2023 included the term loan repayment for our marine vessels and the purchase of operation tools and equipment for use in projects.

Gearing Ratio

As at the end of FY2023, the Group's gearing ratio dropped to 0.04 times from 0.15 times as at the end of FY2022 following the full settlement of the vessel term loans. Our total equity in FY2023 amounted to RM193.8 million (FY2022: RM170.0 million), whereas our net cash position stood at RM46.0 million (FY2022: RM54.5 million).

Over the course of FY2023, Carimin Engineering Services Sdn. Bhd. ("CESSB") accepted an additional RM2.0 million on top of an initial RM10.0 million term loan to part finance its new Teluk Kalung yard in Kemaman. Additionally, CESSB also accepted a RM11.0 million term loan to part finance the land acquisition at Labuan and the associated yard development costs.

Capital Management, Future Commitments, and Funding Sources

The Group's new Telok Kalung Yard, which will comprise an office building, warehouses and workshops for open fabrication, equipment storage, blasting and painting, is currently under construction. Upon its completion in 2024, this integrated facility will complement our existing two-acre fabrication yard as well as expand our capacity to manage larger projects and multiple contracts.

Meanwhile, CESSB has acquired another piece of land measuring 9,278 m^2 at Rancha-Rancha, Labuan and construction is expected to commence in 2024 comprising warehouses and workshops for open fabrication, equipment storage, blasting and painting. This upcoming integrated facility will support the works in East Malaysia.

Dividend Payments

On 18 August 2023, the Board announced the payment a single-tier interim dividend of 2 sen per ordinary share for FY2023. This payment amounting to RM4.7 million was distributed on 4 October 2023.

Trends and Events that May Materially Affect Carimin's Business

There are several developments that may materially impact the Group's business for the medium term.

The oil and gas sector is already facing cost pressures due to inflationary impact on materials, manpower resources, supply chain disruptions and higher financing costs.

As conflicts such as the Russia-Ukraine war and the more recent Middle-East war persist, the expectation is that the price of crude will remain escalated. We anticipate that as long as the current price of oil remains stable, oil and gas projects would still be commercially viable.

On the domestic front, oil and gas service providers are headed towards a steady oil and gas capital expenditure ("CAPEX") rhythm guided by PETRONAS's expanded budget – an increase of 12% from RM101 billion for the 2018-2022 period to RM113 billion for the 2023-2027 period. This translates into an average of RM22.6 billion per annum domestic CAPEX allocated for 2023 and the next four years. In tandem with this, we are seeing a gradual increase and higher demand for work orders in several areas.

MANAGEMENT DISCUSSION AND ANALYSIS

PERFORMANCE BY BUSINESS SEGMENTS

CHUCTMM

Carimin's CHUCTMM Division operates under the ambit of Group subsidiary, CESSB. With its diverse service portfolio and multiple sources of revenue, the Division remains the cornerstone of the Group's overall revenue generation activities. In addition to its CHUCTMM operations, CESSB offers its clients a comprehensive suite of services encompassing engineering, procurement, construction, installation & commissioning ("EPCIC"); rejuvenation, decommissioning, plug and abandonment activities, as well as onshore pipeline installation and related services.

During the year in review, the Division saw a recovery in its activities. We continued to secure contributions from our Angsi and Dulang Top Side Maintenance CTSM works as well as Field Improvement Projects. The Division also saw an RM18.4 million uplift in revenue from MCM Gas Cluster activities.

Several projects were successfully brought to a close in FY2023 which included the iHUC B11 compressor changeout and the Kumang redevelopment work orders as well as the Hibiscus project, among others. As works on the Division's Shallow clastic offshore project were extended, this too contributed to the financial year's revenue.

In line with Carimin's aspiration to expand its core competencies, it entered into a joint venture to carry out the Bougainvillea EPCC project for Petronas Gas Berhad. This EPCC pipeline construction project for the Group achieved its gas-in milestone in August 2023.

As a testament to the success of the CHUCTMM Division's diversification and growth focus, it also generated RM19.6 million in revenue from third-party services for FY2023.

As a testament to the success of the CHUCTMM Division's diversification and growth focus, it also generated RM19.6 million in revenue from third-party services for FY2023. These achievements highlight Carimin's proficiency in delivering successful projects across various domains, strengthening our financial performance.

Looking Ahead

According to the PETRONAS Activity Outlook 2023-2025, higher man-hours have been allocated in FY2023 to offshore facilities for maintenance, construction and modification works as well as hook-up and commissioning projects throughout Malaysia. This number is expected to rise in tandem with the number of pending projects scheduled to take place over the next few years.

MANAGEMENT DISCUSSION AND ANALYSIS

MAINTENANCE, CONSTRUCTION & MODIFICATION WORKS	ACTUAL	THREE-YEAR OUTLOOK			THREE-YEAR AVERAGE
Year	2022	2023	2024	2025	
Million Man Hours	8.67	11.88	12.30	13.09	12.42

HOOK-UP & COMMISSIONING (BROWNFIELD) WORKS	ACTUAL	THREE-YEAR OUTLOOK (BASE)			THREE-YEAR OUTLOOK (HIGH)			THREE-YEAR AVERAGE (BASE)	THREE-YEAR AVERAGE (HIGH)
Year	**2022**	**2023**	**2024**	**2025**	**2023**	**2024**	**2025**		
Million Man Hours	3.40	5.00	3.10	4.50	5.20	3.80	6.20	4.20	5.07

As one of the top five (5) players in the domestic MCM and HUC segments, Carimin is well-prepared to leverage the overall industry expansion. To maintain its competitive advantage, the CHUCTMM Division will continue to seek out opportunities in underwater works, decommissioning services, associated well plugging and abandonment activities, as well as late-life asset management. With many oil and gas assets operating for more than 40 years, domestic decommissioning presents an interesting growth opportunity that is only expected to intensify going forward. Moving into financial year ending 30 June 2024 ("FY2024"), Carimin is bidding for the following domestic contracts which will further strengthen our position within the industry:

- **New HUC and MCM Contract:** This comprehensive contract not only entails works for PCSB but also extends to other key PACs such as Exxon, Shell and Enquest, among others. The contract duration is five years, with the potential for an additional three years plus another two years.

- **Asset Integrity Findings ("AIF") Backlog Clearance Project for PCSB:** This three-year AIF project (with the possibility of a one-year extension) will demonstrate Carimin's commitment to ensuring the integrity and reliability of assets.

As mentioned in our strategic initiatives, the CHUCTMM Division will also continue to focus on upscaling its operations and expanding its resources and services to accommodate the anticipated growth. Key initiatives to support this expansion will involve:

- **Expansion and readiness of yard facilities:** Preparing the necessary infrastructure to accommodate the increased workload, thereby ensuring efficiency and capacity for simultaneous projects;

- **Increasing manpower:** Expanding the workforce to meet the demands of multiple contracts and to maintain our high standards of service delivery;

- **Investment in additional equipment:** Acquiring new and additional equipment to enhance capabilities and efficiency in project execution; and

- **Establishing strategic partnerships:** Collaborating with key industry stakeholders to foster long-term relationships and bolster the Division's standing in the market.

In terms of growth, the CHUCTMM Division will continue to focus on growing its EPCC onshore gas pipeline business and to include major pipeline installation and replacement.

By focusing on these initiatives, Carimin is proactively positioning itself to not only meet but exceed the expectations of its clients and the industry. With a strong foundation and a clear strategy, Carimin's CHUCTMM Division is set to thrive in the coming years.

MANAGEMENT DISCUSSION AND ANALYSIS

MS

Carimin's MS Division plays a vital role in supporting the Malaysian oil and gas industry by providing essential marine support services through its wholly-owned vessels. The Division's primary assets include the Carimin Airis Offshore Sdn. Bhd. ("Carimin Airis"), an anchor handling tug supply ("AHTS") vessel, and the Carimin Acacia Offshore Sdn. Bhd. ("Carimin Acacia"), a dynamic positioning accommodation work boat (DP2 AWB). These vessels are pivotal to the Group's facilitation of various offshore operations and transportation needs.

To enhance efficiency and cost-effectiveness, our MS Division not only manages its own vessels but also offers ship management and in-house catering services to chartered offshore vessels. This strategic approach aligns with the Group's broader strategy of optimising operational expenses and improving margins.

In FY2023, the MS Division observed higher demand within Malaysia's offshore oil and gas sector, primarily driven by increased activities at offshore facilities. These activities necessitated various types of vessels for transporting personnel and materials, as well as providing accommodation and working spaces. This resulted in a favourable rise in vessel charter rates where our vessels achieved an average of 66% utilisation rate.

The increase in daily charter rates in the market, as well as improved utilisation rates, saw the Division record a significant increase in revenue by RM25.4 million (+89.4%) over the preceding financial year.

The MS Division also went on to secure the following contracts in FY2023:

- **The provision of one AHTS (the Carimin Airis) for PCSB for 184 + 30 days; and**
- **The provision of one AWB (the Carimin Acacia) for Hibiscus Oil & Gas Malaysia Limited's Integrated Asset Programme 2023 for 275 days.**

Looking Ahead

As part of its forward-looking approach, the Division is actively evaluating the market landscape and exploring opportunities for investment. This initiative aims to further enhance Carimin's capabilities and potentially its marine spread.

In summary, Carimin's MS Division demonstrated robust growth in FY2023, driven by increased demand and favourable market conditions. These achievements underscore the Division's commitment to delivering excellence in offshore marine services sector.

MANAGEMENT DISCUSSION AND ANALYSIS

MPS

The MPS Division under Carimin Sdn. Bhd. ("CSB") is tasked with the vital role of delivering specialised personnel and professional expertise to the oil and gas industry. This division maintains its competitive advantage within the sector by offering a comprehensive portfolio of exceptionally qualified consultants and expertise.

In FY2023, the MPS Division continued to deliver on the existing projects that it had secured in the preceding years. The Division also recorded a significant 33.7% rise in revenue of RM14.6 million over last year. This rise can be attributed to the elevated personnel payroll and an increase in reimbursable expense claims.

Looking Ahead

As the upstream oil and gas sector continues to witness increasing activity levels, the demand for skilled professional manpower is expected to rise significantly. In tandem with this, Carimin's MPS Division continues to proactively engage in tendering exercises.

This strategic involvement also encompasses active participation in manpower tendering exercises initiated by other prominent upstream companies, as well as by downstream players gearing up for major turnarounds scheduled within the next two years. This forward-looking approach will enable the Division to meet the growing demand for specialised manpower in the evolving industry landscape.

CC

Carimin Bina Sdn. Bhd. has built up a good track record within the infrastructure segment. Despite the lack of contract awards in FY2022 and FY2023, the recent Budget 2024 ushers renewed opportunities for the construction industry.

Looking Ahead

The Group’s commitment to this business segment remains intact. We will maintain a cautious stance when bidding for projects that are within our competency and exercise selectivity in the projects we embark upon.

BUSINESS RISKS

Carimin is fully dedicated to ensuring the ethical, trustworthy, and sustainable operation of our businesses. As a responsible corporate entity, we give paramount importance to identifying and mitigating risks that could significantly impact our operations, performance, financial stability, and liquidity. In accordance with Bursa Malaysia Securities Berhad's ("Bursa Securities") regulations, we have transparently disclosed the key risks relevant to our business, along with the corresponding mitigation strategies.

RISK RATING: HIGH			
Risk Category	**Description of Risk**	**Possible Consequences**	**Mitigation Measures**
External Risk	Uncertain or adverse conditions in the global oil and gas industry.	• Fast changing and unpredictable project tenders/offers. • Uncertain revenue more likely if oil prices remain high. • Operational expenditure ("OPEX") and capital expenditure ("CAPEX") by clients may vary greatly depending on the price of oil and gas.	• Facilitate regular engagement with clients for upcoming projects/work orders and their commitment to these. • Increase our client base and explore other opportunities. • Ensure Carimin remains competitive for future tender bids. • Enhance our competitive edge with new innovations/technologies. • Diversify into other segments within the industry to reduce over-reliance on a single segment. • Reduce the Group's OPEX and CAPEX and restructure loan and cash flow management. • Ensure term contracts are in place (MCM till 2023 and iHUC till 2024). • Conduct regular reviews of the Group's Business Strategy and Outlook.
	Adverse competition from existing industry players.	• Loss of business. • Loss of market share. • Lower margins and profits.	• Develop and retain a more qualified and competent team that delivers high-quality performances. • Foster close rapport and healthy relationships with clients. • Provide competitive rates to clients. • Explore and invest in new technologies. • Provide better facilities, equipment and services to clients. • Consistently review the strength of our competitors (know your competitor). • Conduct reviews of business plans and enhance business development activities.
Financial Risk	Inadequate budgetary control and monitoring.	• Exceed budgeted expenditure/reduced profit. • Impact on cash flow management. • Delays in project delivery. • Exposure to Liquidated and Ascertained Damages ("LAD").	• Strict adherence to standard operating procedures ("SOPs")/Financial Authority Limit ("FAL") practices. • Annual divisional budget to be prepared and consolidated for Board/Management approval and thereafter used as a yardstick for cost control.

MANAGEMENT DISCUSSION AND ANALYSIS

RISK RATING: HIGH			
Risk Category	**Description of Risk**	**Possible Consequences**	**Mitigation Measures**
Operational Risk	Delay in completion of project.	• Company's reputation is affected. • Forced to pay fines for delays. • Potential legal action by a client. • Increase in project cost/loss of profit margin. • Reputational damage affecting tendering opportunities. • Opportunity cost (longer time required to complete an existing project due to pandemic or endemic causes).	• Close monitoring of projects. • Organise early engagement sessions with clients during design stage. • Conduct regular meetings with project teams and clients to keep up-to-date on project status. • Constant reporting by the site planner. • Take immediate action to address any issues that arise during execution. • Maintain consistent communication with clients on the delivery timeline due to supply shortages or logistic issues. • SOPs to be developed to ensure Extensions of Time ("EOTs") are being applied accordingly. • Involvement by the Project Management team ("PMT") to monitor EOT application (with/without cost impact). • Close liaison with clients. • Ensure all documentation such as project minutes, site meetings, and email correspondence relating to delays are kept properly. • Organise weekly management meetings to discuss, plan and update clients on project progress. • Approve project planning based on financial, equipment and manpower availability.
	Incidents and accidents at site	• Death/Injury of staff. • Financial impact on the project. • Stop Work order issued. • Disruption to operations. • Damage to premises and machineries/ equipment. • Company's reputation is affected. • Fines and penalties imposed by authorities. • Termination of contract due to safety violations. • Non-compliance with regulatory requirements (e.g. the Occupational Safety and Health Administration ("OSHA"), Kementerian Dalam Negeri ("KDN"), etc. regulations).	• Health, Safety and Environmental ("HSE") talks shall be provided to all staff/workers to alert them about the Group's stance on health, safety and care for the environment. • Regularly update the HSE policy and procedures. • Strict adherence to existing HSE policies /procedures. • Consistent sharing of information on incidents reported in the oil and gas industry (globally or domestic) with clients. • Organise health and safety awareness programmes and campaigns (internal). • Insurance coverage for all staff. • Conduct frequent follow-ups with the latest regulatory changes and update the Group's legal register. • Hire qualified HSE Officers and Environment Personnel.

MANAGEMENT DISCUSSION AND ANALYSIS

RISK RATING: HIGH			
Risk Category	**Description of Risk**	**Possible Consequences**	**Mitigation Measures**
Operational Risk (Cont'd)	Insufficient project sub-contractors and manpower.	• Delays in schedule which may result in LAD being imposed by a client. • Project quality is compromised. • Risk of safety issues.	• Daily monitoring via Daily Progress Report which details out project progress. • Progress variance is tracked (+ve or -ve).
Supplier Risk	Delivery of project materials not meeting customer requirements.	• Additional costs for replacements. • Loss in a project's profit margin. • Group reputation and performance is affected. • Delays in project completion. • Poor quality supplier /sub-contractor selection and supplies. • Additional costs to expedite the delivery.	• Source from approved manufacturers/ vendors. • Organise factory inspections and expeditions at source when required. • Expedite meetings with suppliers on delivery/purchase status on a weekly basis. • Conduct inspections on goods/services received. • Hire competent technical personnel in terms of technical bid evaluation. • Ensure procurement procedures are updated. • Input and feedback by Purchase Requestor on items to be purchased. • Specific supplier performance evaluation to be performed annually and/or on a project basis. • Existing SOPs to be adhered to strictly. • Regular meetings and audits amongst procurement and PMT (PTS).
Human Capital Risk	Limited source of manpower.	• Delay in work due to limited manpower. • Poor service provided to customer due to staff's incompetency. • Higher salaries and other expenses including incentives.	• Conduct training and certification of staff prior to fieldwork. • Respective Head of Departments to participate in the interview and candidate selection process. • Ensure screening and onboarding procedures are in place.
	Counterparty Risks associated with new Joint Venture and Business Partners.	• Financial impact and losses. • Exposure to S17A of the Malaysian Anti-Corruption Commission ("MACC") Act relating to Corporate Liability Risk. • Damage to company's reputation and loss of the public's trust. • Low confidence from shareholders/ clients and other counterparties. • Reprimand by the authorities. • Legal action against Board members and senior management.	• Practice counterparty due diligence. • Implementation of Whistleblowing Policy and procedures. • Hire legal advisor on retainer.

MANAGEMENT DISCUSSION AND ANALYSIS

RESPONSIBLE CORPORATE PRACTICES

Carimin is deeply committed to upholding the highest ethical standards and maintaining professionalism within the industry. Our dedication to these principles is rooted in our understanding that good governance is not only integral to sound business practices but also crucial for the long-term sustainability of the Group. To this end, we diligently incorporate leading corporate governance and risk management practices into our organisational framework. Additionally, as responsible industry participants, we ensure that all our employees and operations stringently observe the updated Malaysian Code on Corporate Governance 2021.

Being a responsible corporate citizen Carimin is deeply committed to prioritising the health and safety of our people and safeguarding the environment that we operate in. This is evident in the many HSE policies and procedures that are in place throughout the length and breadth of our operations. In FY2023, we continued to be recognised for our achievements on the HSE front when Carimin recorded more than 20 million safe man-hour.

Further, Carimin Acacia was awarded the Zero Incident Award under Hibiscus Oil & Gas Malaysia Limited's Monsoon Safety Campaign.

On the sustainability front, Carimin actively aligns with Bursa Securities' sustainability guidelines. These guidelines serve as a compass, guiding us to operate in a sustainable manner and to develop initiatives that benefit both our Group and the communities that we serve over the long term. In FY2023, Carimin contributed cash and kind to underprivileged groups within the communities.

Our sustainability efforts are overseen by the Group's in-house Sustainability Committee which closely monitors the implementation of sustainability initiatives and regularly reports on our progress. This commitment drives us forward in our journey towards creating a sustainable future.

For more information on our sustainability-driven initiatives, please turn to the Sustainability Statement on pages 33 to 56 of this Report.

OUTLOOK AND PROSPECTS (FY2024 AND BEYOND)

Slower Global Growth

According to the International Monetary Fund's World Economic Outlook, October 2023 publication, global economic activity has yet to fully return to pre-pandemic levels, particularly in emerging markets. In fact, global recovery from the COVID-19 pandemic and the Russia-Ukraine conflict remains slow and uneven. While there was economic resilience earlier this year with a reopening rebound and lower inflation, challenges persist. In addition to the Ukraine conflict, multiple factors hinder the recovery, including pandemic repercussions and geoeconomic fragmentation. Cyclical challenges like tightening monetary policies, reduced fiscal support, high debt, and extreme weather events will also play their respective roles.[15]

With these factors still very much in play, global growth is expected to slow from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024, which will be below the pre-pandemic average. However, while the advanced economies will see a slowdown from 2.6% in 2022 to 1.5% in 2023 and 1.4% in 2024, the emerging markets are expected to experience more modest declines from 4.1% in 2022 to 4.0% in 2023 and 2024. Meanwhile, global inflation is projected to decline gradually, from 8.7% in 2022 to 6.9% in 2023 and 5.8% in 2024, but may not return to target levels until 2025 in in most cases.[15]

Resilient Domestic and Industry Growth

On the domestic front, Malaysian Rating Corporation Bhd. ("MARC"), has projected that Malaysia's real gross domestic product ("GDP") for 2024 is expected to experience growth ranging between 4.0% and 5.0%, with the manufacturing sector being the key driver. The manufacturing sector is projected to expand by 4.2% in 2024 in comparison to the 1.4% forecast for 2023. This growth aligns with the recent introduction of various industrial and economic blueprints by the government, including the NETR, the New Industrial Master Plan 2030, and the Chemical Industry Roadmap 2030.[16]

Additionally, the recently-announced Budget 2024 – the largest on record with an allocation of RM393.8 billion (Budget 2023: RM388.1 billion) – aims to bolster high-growth and high-value segments within the manufacturing sector through a tiered reinvestment tax allowance, a visa liberalisation plan to attract investors, industry recognition for technical and vocational education and training initiatives, and the establishment of a new high-tech industrial area for electrical

15 *Extracted from the International Monetary Fund's World Economic Outlook, October 2023 publication – refer https://www.imf.org/en/Publications/WEO*

16 *Extracted from an article in The Star titled "MARC expects 2024 GDP to grow 4.0-5.0%, manufacturing the key driver" dated 16 October 2023 – refer https://www.thestar.com.my/business/business-news/2023/10/16/marc-expects-2024-gdp-to-grow-40-50-manufacturing-the-key-driver*

MANAGEMENT DISCUSSION AND ANALYSIS

and electronic products. In the coming year, the country will also focus on boosting real productivity through automation, reducing its reliance on foreign labour, promoting entrepreneurship, and investing in infrastructure.[17]

With regard to the oil and gas industry, Maybank Investment Bank ("Maybank IB") Research anticipates that the current high oil price environment will persist in the medium term due to the industry being in a significantly underinvested phase, combined with a record-high demand for oil in 2023 and 2024. Maybank IB has expressed its optimism for the sector, projecting in-house Brent average selling price assumptions of USD85 per barrel in 2023 and US80 per barrel in 2024. The investment bank predicts a robust and promising outlook for companies engaged in oil and gas services and equipment, particularly those involved in global floating production storage and offloading, regional ASEAN drilling rigs, and local offshore support vessels.[18]

To address a potential global supply shortage this decade, the International Energy Forum and S&P Global Commodity Insights suggest that annual upstream investment needs to increase from USD499 billion in 2022 to USD640 billion in 2030. Maybank IB has noted that this translates to a substantial cumulative value of USD4.9 trillion between 2023 and 2030 to meet future demand and counter declining production.[19]

Navigating Manpower and Resource Challenges

In the meantime, the domestic oil and gas sector continues to grapple with a complex set of challenges, primarily centred around resource constraints. These constraints are not limited to equipment alone but extend significantly to human capital. Even before the COVID-19 pandemic struck, the industry was already in a downturn, which led to a reduction in the workforce. The pandemic has worsen the situation resulting in critical shortage of manpower, particularly among skilled workers.

We are also experiencing difficulties in recruiting qualified professionals and talent retention. To address these pressing issues, we have initiated mentorship programmes and are actively encouraging younger workers to undergo training. The aim is to bridge the existing skills gap and prepare the next generation of industry professionals. We are also exploring options and collaborating with the Malaysia Oil & Gas Services Council ("MOGSC"), to alleviate the industry manpower shortages issue.

Given the gravity of the situation, we recognise the need for a collaborative approach. We are calling upon all stakeholders, including the government, to join forces with us in overcoming these hurdles. The sector's resilience and future growth depend on our collective efforts to navigate these challenges effectively.

17 Extracted from an article in The Star titled "MARC expects 2024 GDP to grow 4.0-5.0%, manufacturing the key driver" dated 16 October 2023 – refer https://www.thestar.com.my/business/business-news/2023/10/16/marc-expects-2024-gdp-to-grow-40-50-manufacturing-the-key-driver

18 Extracted from an article in The Star titled "Oil price to remain elevated in the medium term" dated 13 October 2023 – refer https://www.thestar.com.my/business/business-news/2023/10/13/oil-price-to-remain-elevated-in-the-medium-term

19 Extracted from an article in The Star titled "Oil price to remain elevated in the medium term" dated 13 October 2023 – refer https://www.thestar.com.my/business/business-news/2023/10/13/oil-price-to-remain-elevated-in-the-medium-term

MANAGEMENT DISCUSSION AND ANALYSIS

Notwithstanding challenges, the future appears promising for the oil and gas industry and the Group. This is especially true given the current projections of record global demand coupled with diminishing supplies. This positive outlook is in alignment with the PETRONAS Activity Outlook 2023-2025.

A Promising Future for Oil and Gas

Notwithstanding challenges, the future appears promising for the oil and gas industry, and by extension, for the Group. This is especially true given the current projections of record global demand coupled with diminishing supplies. This positive outlook is in alignment with the PETRONAS Activity Outlook 2023-2025.

With the anticipated completion of our Kemaman yard in 2024, we will be well-positioned to capitalise on the increase in oil and gas activities. We are also keenly interested in expanding our involvement in EPCC works for onshore pipeline construction. Furthermore, we are cautiously exploring opportunities in renewable energy, offshore decommissioning and Carbon Capture and Storage or CCS activities. As our financial standing continues to strengthen, we will prudently seek out business and investment opportunities that offer a balanced mix of capital and debt structure.

As Carimin moves into FY2024, we maintain a cautiously optimistic stance on our ability to sustain profitability, leveraging revenue from existing contracts. Our Management Team and staff have demonstrated their resilience in navigating volatile market conditions and are now setting their sights on enhancing our core capabilities. With a proven track record in managing multiple projects simultaneously, we are also actively directing our efforts toward pursuing new opportunities.

Our forward-looking strategy includes optimising our resources and assets, enhancing operational efficiencies, and implementing cost-saving measures to ensure long-term, sustainable growth. We are also open to exploring new business avenues that align with our goals for expansion and sustainability. Both the Board and Management of Carimin remain optimistic about the Group's prospects for FY2024.

IN APPRECIATION

The Board and Management of Carimin would like to extend our deepest appreciation to all stakeholders who stood by us in the past year. To our esteemed shareholders, your continued faith in our vision and strategy has been a cornerstone of our resilience.

To our valued customers and business partners, your unwavering support and collaborative spirit have been inspiring. Your trust empowers us to strive for excellence and we look forward to strengthening these partnerships as well as forging new alliances.

We would also like to extend our thanks to the regulatory bodies, financiers and government agencies for their guidance and support in creating a conducive business environment.

As we step into the new financial year, we invite our stakeholders to lend us their steadfast support. Thank you for being a part of our journey, and we look forward to achieving new milestones together in the coming year.

SUSTAINABILITY STATEMENT

The demands and expectations of stakeholders have evolved due to the shifts caused by recent global disruptions in different landscapes, including health and safety, energy security, geopolitical discord, and the ever-growing threat of global warming. Undeterred by these challenges, The Carimin Group of Companies ("Carimin" or "the Group") reaffirms its commitment to create meaningful shared value for our stakeholders.

FINANCIAL YEAR ("FY") 2023 SUSTAINABILITY HIGHLIGHTS :

Highlights

- Fatality Rate: 0
- Total safe manhours worked since 2009: 21,789,467 (as at 30 June 2023).
- Lost Time Injury ("LTI"): 0
- Environmental Spill: 0
- Training: 1,889 hours
- Celebrated achievement of 20 million man-hours without LTI with Employee Get-Together & Health, Safety and Environtmental ("HSE") Event
- New policies: Human Rights & Labour Policy and Anti-Money Laundering & Anti-Terrorism Financing Policy
- Revised the Whistleblowing Policy – added direct emails to Managing Director and Audit Committee Chairman; and acceptance of anonymous reports
- Initiated Counterparty Anti-Corruption Due Diligence Risk-Based Program
- Completed first Emissions Assessments for Scope 1, 2 and 3
- Launched conservation programmes for water and electricity usage

Awards and Recognition

- Awarded Zero Incident Award from Hibiscus Oil & Gas Malaysia Limited
- 4 million safe man-hours HSE Focus Recognition from Petronas Carigali Sdn. Bhd. ("Petronas Carigali")
- Champion (IRSO Project) LeAD from Petronas Carigali
- Winner of Petronas PMA Highest Stop Work Implementer
- Department of Occupational Safety and Health ("DOSH") Grade A award for Work Site Compliance

Targets :

- Net Zero Emissions by 2050
- ZERO Incidence of Health, Safety and Environmental Non-Compliance
- LTI : 0
- Lost Time Injury Frequency ("LTIF"): 0

We are awaiting further guidelines from Government agencies and information from PETRONAS regarding emissions reduction. We will then develop our roadmap to pursue our Net Zero to support Malaysia's National Determined Contribution (NDC).

We will continue to maintain ZERO incidence of HSE non-compliance, and our target is to do it consistently every year.

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

In the past few years, quantified Environmental, Social and Governance ("ESG") data has been given significant importance, and new criteria like those for financial data have emerged. In response to these changes, we have made efforts to provide detailed information in this statement. Following the greenhouse gases ("GHG") protocol, we have included information, such as carbon footprint. Our initial climate-related statement, according to the Task Force on Climate-related Financial Disclosures, serves as our stepping stone towards full disclosure. We closely followed the common indicator requirements of the Bursa Sustainability Reporting Framework 3rd Edition. Our business activities are in the services sector of the oil and gas ("O&G") industry, where we provide technical and engineering support services, and thus, the specific energy indicator is not applicable to our reporting.

This Sustainability Statement presents the initiatives that we have applied to adhere to good sustainability practices. In each section, we describe the progress of implementing each specific action. This report provides an overall picture of how we integrate sustainability to create meaningful value for our stakeholders.

This statement has not been externally audited. Moving forward to our next disclosure, the relevant ESG indicators will be evaluated by an internal audit.

Scope and Boundary:

This statement covers the entire operations of the Group and the entities where the Group holds a controlling interest or management control.

Reporting Period and Cycle:

The reporting period spans from 1 July 2022 to 30 June 2023. Historical information collected from previous years is included to illustrate comparative data and trends.

Report Cycle:

One (1) year, coinciding with our Annual Report

Reporting Standards:

- Principal Guideline:
  - Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
  - Malaysian Code of Corporate Governance ("MCCG")
  - Task Force on Climate-related Financial Disclosures ("TCFD")
  - GHG Protocol
- Reference Guideline:
  - Global Reporting Initiative ("GRI") Standards
  - United Nations Sustainable Development Goals ("SDGs")

Feedback:

We welcome your feedback: biz@carimin.com

OUR SUSTAINABILITY FOCUS

Our focus areas present a strategic path to concentrate our efforts on important matters. In each area, we will implement initiatives to fulfil the following commitments below:

ECONOMY

Boost the national and the local economy.

Maintain market leadership in providing technical, engineering and support services in the O&G industry.

Ensure business continuity, especially during health, economic, and political disruptions.

ENVIRONMENT

Promote environmental protection and comply with all pertinent environmental laws and regulations.

Be aligned with the national environmental agenda.

SOCIETY

Foster long-term and meaningful relationships with our stakeholders.

Provide a healthy and safe workplace.

Facilitate growth alongside our business partners.

Contribute to the welfare of our community and serve our clients to the best of our ability.

GOVERNANCE

Demonstrate leadership and maintain. trust through strong governance practices.

Generate shareholder value by stimulating sustainable economic growth.

MATERIALITY MATTERS

We regularly perform materiality assessments to verify that we remain focused on sustainability issues that reflect the current status of our business and the viewpoints of our stakeholders. This also ensures that we are always embracing emerging best practices. To create a meaningful report, we have included financial, environmental and social capital where these matters are material to our operations.

Materiality Assessment and Review

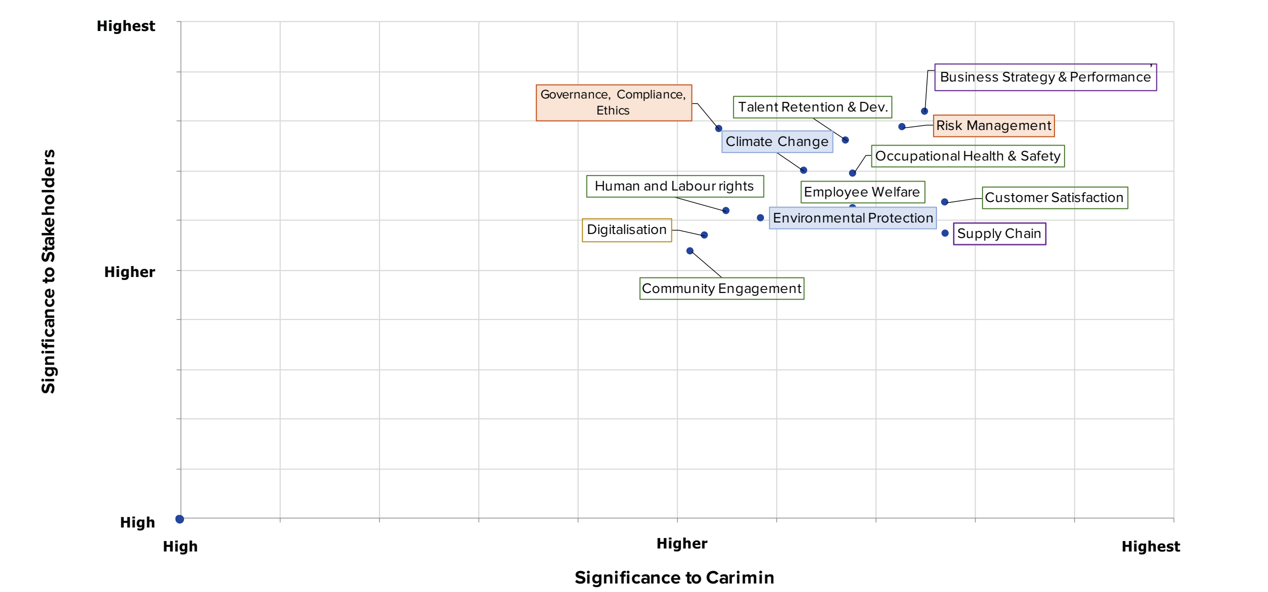
Our sustainability themes were jointly reviewed by the Senior Management Team and the Heads of Department ("HODs") through the following process:

Identification | **Prioritisation** | **Stakeholder Engagement** | **Validation and Approval**

This report focuses on the issues considered most significant by both the Group and our stakeholders for the current financial year. Materiality assessments are conducted annually so that any changes in our business and the external environment are accurately reflected.

To perform the assessment, our key stakeholders and their most pressing sustainability issues were identified. Then, the stakeholders were requested to score them based on their perceived importance. The results were plotted on a matrix to display a more easily understandable graphical representation. The result was relayed to the Sustainability Committee ("SC") for their feedback, confirmation and validation.

Materiality Matrix 2023



The diagram depicts the results of our materiality assessment. The issues ranked in the upper right-hand quadrant are those that are considered most significant by both the Group and the stakeholders. Our materiality reassessment identified thirteen (13) material ESG issues, of which climate change was added because of emerging national and global concerns.

The top four (4) priority aspects are Business Strategy and Performance, Risk Management, Occupational Health and Safety and Talent Retention and Development. The Business strategy and performance, as well as risk management, are of the highest significance because they interlink and impact all the other EESG matters. Meanwhile, Occupational Health and Safety, as well as Talent Retention, also have high importance as they are closely linked to the core nature of our business.

The least significant is community and digitalisation; our activities do not significantly impact the community as we do not operate in highly populated areas. Nonetheless, we have implemented measures that produce positive impacts in these aspects, such as switching to online meetings to reduce emissions generated by business trips and providing direct contributions to the community.

SUSTAINABILITY STATEMENT

UNITED NATIONS SDG

The 2030 Agenda is composed of 17 SDGs which highlight 17 pressing issues. Though the overall responsibility lies with national governments, the SDGs can only be truly achieved through a concerted effort and cumulative impacts from businesses and other organisations.

Our main contribution to the SDGs is providing services that support sustainable development in the O&G industry. The illustration below presents our commitments and contributions to the SDGs that are relevant to our business and operational activities. In the year under review, we have added Goal 13, in step with the national agenda.

UNSDGS	THE GROUP'S CONTRIBUTIONS
	Goal 3. Ensure healthy lives and promote well-being for all at all ages > The Group does not tolerate any form of harassment in the workplace > Provide employee health benefits, sports and recreational activities, compassionate leaves, maternal and paternal leaves > Reduced Occupational risks
	Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all > Invest in workforce education, training, and technical programmes
	Goal 5. Achieve gender equality and empower all women and girls > Upholds the practice of equal opportunity to its employees, clients, suppliers and other stakeholders
	Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all > Conduct skills assessment and communicate reasonable expectations > Foster productive local employment and workforce development > Encourage local procurement and supplier development > Established Human rights and labour Policy
	Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation > Upgrade infrastructure and technology as well as enhance technological capabilities > Started the digitalisation programme
	Goal 12. Ensure sustainable consumption and production patterns > Practice environmentally sound waste management and recycling activity > Monitor & reduce wastage
	Goal 13: Take urgent action to combat climate change **> Disclosed GHG emission according to GHG Protocol, and set GHG emission target** **> In this report we included an initial statement to Task Force on Climate-related financial disclosure.**
	Goal 14: Conserve and sustainably use oceans, seas and marine resources for sustainable development > Incorporate environmental assessments into management plans > Implement environmental accident prevention, preparedness and response
	Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels > The Group Policies address Conflicts of Interest and Related Party Transactions, as well as Bribery, Corruption, Business conduct and ethics. > Conduct stakeholder engagement between the public and private sectors **> Enhanced risk management**

SUSTAINABILITY STATEMENT

STAKEHOLDER MATTERS

Our different stakeholder groups influence our operations in different ways. Understanding our stakeholders is critical to our business strategy and is, therefore, fundamental in formulating our growth and sustainability efforts. We tailor our communication channels depending on the type of stakeholder group and the messages being delivered. We maintain dialogue throughout the year to immediately respond to any valid and reasonable concerns.

In addition, we have provided whistleblowing channels, which stakeholders can use to complain or highlight any issues or concerns. The table below shows our stakeholder groups, their concerns, our responses and the engagement channels we utilise.

Stakeholder Group	Concerns	Response	Engagement Channels
Shareholders/ Investors	· Fiduciary Duties · Ethics & Transparency · Timely Information Disclosure · Economic Performance	· Good Governance Best Practices · Bursa Malaysia Compliance · Business Strategy	· Website · Annual General Meeting/Extraordinary General Meeting · Written letters and e-mail communications · Investor briefings
Financial Institutions	· Business Strategy · Economic Performance	· Strategic Capital Management	· Meetings · Annual reviews
Employees	· Health & Safety (H & S) · Career Development · Job Security	· Occupational Safety and Health Administration ("OSHA") Compliance · HSE Risk Management · Education & Training · Succession Planning	· HSE meeting & conference · Career management · Performance reviews · Awards and recognitions
Clients	· Service Quality · HSE Compliance	· ISO 9001 Certification · HSE Performance Goals · Quality Certification	· HSE meetings, · Attend conferences & mentorships · Client service interactions
Community	· Community Welfare & Engagement · Human Rights	· Local Hiring and Sourcing · Community Outreach Activities · Human Rights Policy	· Local recruiting & hiring · Corporate Social Responsibility ("CSR") activities · Sports activities · Supply Chain Screening
Government	· Compliance · Climate Change	· Regulatory Compliance · Seminars & Conferences · Course on GHG Protocol	· Regulatory seminars · Updating of permits & licenses · GHG awareness and GHG disclosure
Suppliers/ Contractors	· Health and Safety ("H&S") · Ethics and Transparency	· OSHA Compliance · Anti-Bribery and Corruption ("ABC") Policy · Code of Conduct & Business Ethics ("COBE")	· H & S awareness training & discussion · ABC policy awareness · COBE awareness · Counterparty Due Diligence

SUSTAINABILITY STATEMENT

SUSTAINABILITY GOVERNANCE

Integrating sustainability requires a sound governance structure that will spearhead the sustainability direction of the entire organisation and ensure that such culture is embedded in all our business activities. This responsibility is held by our Sustainability Committee.

SUSTAINABILITY COMMITTEE

THE BOARD: The Board of Directors ("Board") sets the Group's sustainability direction and oversees the sustainability matters of the organisation. The Board has the following responsibilities:

- Ensure that sustainability is embedded in the overall business strategy
- Approve and review the sustainability targets and performance
- Make sound decisions on sustainability issues based on informed assessment of risks and opportunities
- Establish the proper direction towards effective climate governance

THE SUSTAINABILITY COMMITTEE: The Committee is headed by the Chief Operating Officer (COO), who is assisted by the Chief Sustainability Officer (CSO). The Committee has the following responsibilities:

- Aligns the Group's sustainability strategy with long-term business growth and goals
- Sets sustainability targets and monitors its performance
- Executes sustainability matters in line with strategies approved by the Board
- Appraises and evaluates sustainability performance
- Identify issues that may require intervention
- Reports the outcome of the sustainability initiatives to the Board

The fourth tier of our sustainability governance comprises the CSO, HODs and special function departments. The CSO coordinates with the various departments and works closely with the COO, the Risk Management Committee and the Management Committee. Their responsibilities are as follows:

- Supports strategy decisions by taking charge of developing, implementing, monitoring and improving sustainability initiatives
- Ensures that sustainability is integrated in all organisational activities
- Reviews the progress of the sustainability measures against the targets set by the SC.
- Reports their findings to the SC.

SUSTAINABILITY RISK MANAGEMENT

The Board and the Management Team have instituted the Risk Management Policy and Framework, which covers various aspects of managing risks throughout the Group. We manage sustainability risks on an enterprise-wide basis, proactively identifying risks in our operations and in the O&G sector as a whole.

Our Enterprise Risk Management ("ERM") follows international standards and guidelines, including ISO 31000, and the Committee of Sponsoring Organisations of the Treadway Commission ("COSO"). This Policy guides our application of risk management to environmental, social and governance-related risks.

HSE Risk Management

We perform Project and HSE risk assessments for both current and potential projects to identify possible physical, chemical, biological and environmental hazards. These reviews can minimise or even eliminate hazards before a job commences and before those hazards could cause an accident. What we consider as HSE high-risk level is benchmarked against the accepted standard in the O&G industry. In the year under review, the ERM now includes climate change risks in preparation for the full TCFD disclosure. This further strengthens our controls and measures.

Business Ethics and Anti-Corruption

We maintain only the highest ethical standards as espoused by our core values of respect, responsibility, integrity and trust. All of our employees and partners are expected to abide by all applicable laws, including the Malaysian Anti-Corruption Commission (Amendment) Act 2018. All of our business transactions are conducted in accordance with the Group's COBE and ABC Policy. Moreover, we make it a point to always be up to date with emerging best sustainable practices so that we can readily adopt or update our policies as necessary.

Risk Assessment: The Group's corruption risk assessment identifies weaknesses in our system which may present opportunities for corruption to occur. The corruption risk is rated according to the level of exposure, such as contacts with counterparties, activities, and transactions. The corruption risk assessment is part of our broader enterprise risk management framework, which informs preventive actions that need to be taken to mitigate the most critical risks. Corruption risk assessment was once again performed in the year under review. The corruption risk registers were enhanced, and our employees who face high and medium risks were required to attend the Program Taklimat Pelaksanaan Anti Rasuah or Anti-Corruption Briefing Programme. We have also initiated a Counterparty Corruption Due Diligence program for high-risk vendors and business partners.

Management and Monitoring: We have established rigorous procedures to enforce strict compliance with our policies. Specifically, all newly hired employees must undergo induction sessions, and all accredited business partners in our supply chain are duly informed about our policies. All parties must affirm their understanding and acceptance of the COBE and ABC policies through signed confirmation. In addition, check and balance controls are implemented in all relevant operations to prevent incidents of corruption and bribery. To strengthen this aspect further, the Head of Corporate Compliance and Control has conducted training programmes on ABC/COBE during the financial year.

Grievance Channel: The Whistleblowing Policy provides a platform where all stakeholders can report grievances and actual or suspected incidents of misconduct. The steps in making a confidential report are detailed in the policy, and each case will be managed according to the procedure. Both the policy and the procedure are published on our corporate website.

Anti-Corruption Performance Data

Percentage of employees who have received training on anti-corruption (C1a: C = B/A X100)				
Period	**A: Total number of employees***	**B: Number of employees who received training**	**C: % of employees who received training**	**Confirmed incidents of corruption (C1c)**
2023	142	108	76.06%	0
2022	129	67	51.94%	0

** Excluding daily rated workers*

SUSTAINABILITY STATEMENT

Corruption Risks Assessment (C1b)			
Period	**A: Total number of operations**	**B: Total number of operations assessed for corruption risk**	**C: Percentage of operations assessed for corruption-related risks: (C1b)**
2023	3	3	100%
2022	3	3	100%
C = A/B X100			

Anti-Corruption Training			
Training Topics	**No. of Hours**	**No. of Attendees**	**Total Training Hours**
Program Taklimat Pelaksanaan Anti Rasuah (SPRM)	3.5	38	133
Presentation and Briefing MACC S17A by legal firm	1.5	69	103.5
Corruption, Code of Conduct and Business Ethics	1.5	28	42
			278.5

ECONOMY

Energy demand is intertwined with economic growth. As economies worldwide progressed, so did their need for more energy. Therefore, energy infrastructure and its components must continually develop and evolve to adapt to the changing energy demands and drive job creation, growth and competitiveness locally and globally.

The O&G industry is a prominent part of the Malaysian economy and has often been considered essential in the country's national economic development programmes. Within this ecosystem, Carimin has established a niche of services that support the driving forces of the O&G industry. For this reason, business strategy and performance are a high priority in our materiality themes, as well as digitalisation. To develop the Group's business, we have appointed a Chief Corporate Strategy Officer in May 2023 to map out our corporate strategy to meet future challenges and benefit from sectoral and market opportunities.

Sustainable business strategies are not only useful for realising profitability and expanding our business, but they also enable us to effectively compete with our peers and distribute shared economic value to all our stakeholders. Despite the constantly shifting global economic climate, we remain a steadfast contributor to a sustainable economy in the O&G industry.

We are aware of the global reckoning on climate change and GHG, which has led to an accelerated shift towards renewable energy and reduced GHG emissions.

Direct Economic Impacts

The Group's direct economic contributions are reflected in our generated income, contracts awarded to the Group, service contracts awarded to our supply chain, employment creation, and generated taxes. Our investments into the improvement of our services also contribute to economic growth.

Indirect Economic Impacts

Our indirect impacts can be traced in the value added to the local and national economy. The investments and expenditures of the O & G support operation sector have exerted significant and beneficial economic impacts over the past decades.

The local communities and supporting industries have received benefits throughout the supply chain. We have produced long-lasting indirect impacts through the many skilled jobs that we have created and our spending across the supply chain. Our business partnerships have contributed to the increased number of local workers who are given training opportunities that are relevant to their job scopes. Moreover, other industries outside of the O&G sector also benefit from our capital investment and purchase of intermediate inputs of goods from direct and indirect suppliers.

Economic Impact Indicators

Revenue **RM254.7 Million**	Amount of Contracts to Supply Chain **RM200.43 Million**
Shareholder's Equity **RM193.83 Million**	Number of Employees **142**

Ongoing projects	- Provision of Maintenance, Construction and Modification (Package C – Offshore) Peninsular Malaysia Oil (MCM) - Provision of Integrated Hook-Up and Commissioning (iHUC) Services (Package C-SKG) - Engineering, Procurement, Construction and Commissioning (EPCC) for Lion Lateral Extension and Metering Station for Nine Dragon (ND) Paper (Bougainvillea Project)
Contracts Secured	- Provision of one AHTS (the Carimin Airis) for Petronas Carigali Sdn. Bhd. for 184 + 30 days - Provision of one AWB (the Carimin Acacia) for Hibiscus Oil & Gas Malaysia Limited Integrated Asset Program 2023 for 275 days
Capital Investments	- Construction of a 5-acre fabrication yard, which comprises an office building, warehouses and workshops for open fabrication, equipment storage, blasting and painting at Kemaman, Terengganu

INDIRECT IMPACT: Proportion of spending on local suppliers (C7a)

Period, FY	A: Total amount of spending on all suppliers, RM	B: Total amount spent on local suppliers, RM	Proportion of spending on local suppliers (B/Ax100)
2023	200,427,349	198,047,396	98.8%
2022	188,440,248	187,491,030	99.5%
2021	122,985,232	121,368,163	98.7%

SUSTAINABILITY STATEMENT

ECONOMIC IMPACTS DATA

DIRECT COMMUNITY INVESTMENTS Community and Society (C2a & C2b)		
Period, FY	**Total amount invested in the community where the target beneficiaries are external to the Group**	**Total number of beneficiaries of the investment in communities (No. of NGO and Community Groups)**
2023	RM72,000	7
2022	RM42,000	5
2021	RM59,000	4

HEALTH SAFETY AND ENVIRONMENT ("HSE")

'As at 30th June 2023, we have accumulated a total of 21,789,467 safe manhours worked'.

Picture: In celebration of the 20 million safe man-hours worked, and mental health campaign

We celebrated the achievement of 20 million man-hours without LTI with a weekend trip (10 – 12 March 2023) to a resort in Kuantan, Pahang, which brought together our employees with team-building events, a Gala Dinner and also talks regarding HSE and mental health. We are also proud to disclose that since 2009, our Teluk Kalong Yard has consistently achieved a Grade A rating from the DOSH for Work-Site Compliance.

At Carimin, we embody sustainable excellence in all activities and services. We strive to comply with regulatory requirements in every aspect of our business and operations. The safety and wellbeing of our personnel, as well as the conservation and preservation of the environment are our utmost priorities. The Group adopts an integrated HSE management system that integrates all our processes into one complete framework. The unified approach enables us to develop systematic practices for HSE compliance, including waste management, removal or reduction of dangerous pollutants, and risk reduction for injuries.

HSE POLICIES

Carimin has established an Environmental Policy and a Health and Safety Policy. The Group considers the health and safety of all stakeholders in all its transactions, as well as the potential environmental impacts of our operations. These policies outline our general approach for minimising hazards, preventing accidents and injuries, and promoting sustainable practices. HSE is vital for safeguarding the health and safety of individuals, protecting the environment, and maintaining sustainable operations across our operations.

We have also created supplemental policies to address our sector's safety and health issues. These policies target health and work issues that specifically affect our daily operations. Please follow this link for a full copy of the policies http://www.carimin.com/hse.html.

SUSTAINABILITY STATEMENT

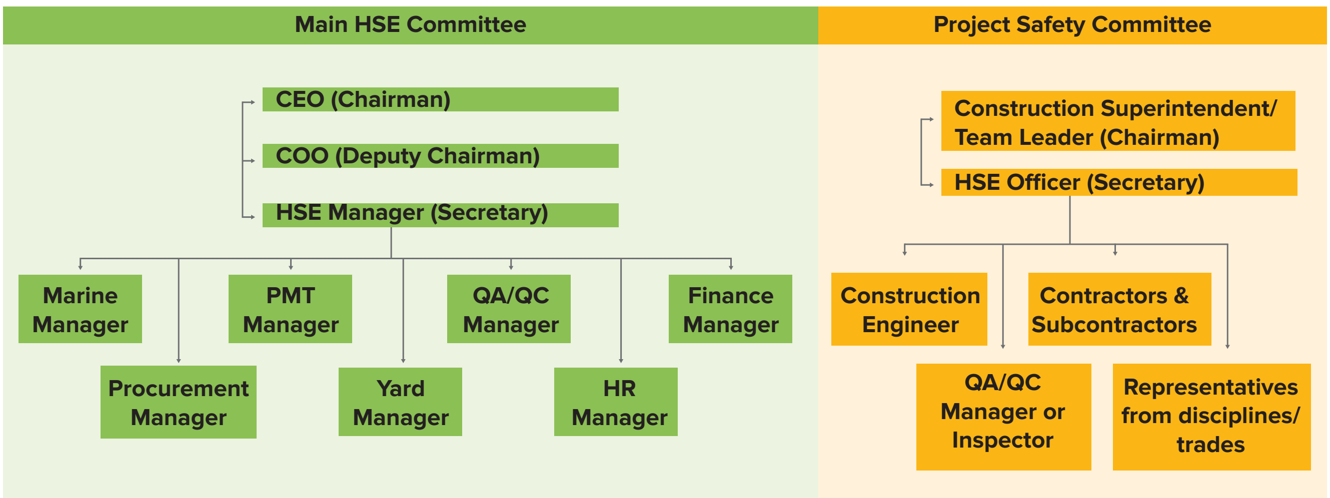
Below is an excerpt of our HSE Policies.

Environmental Policy	H & S Policy	Supplemental Policies
• Communication and continuous education • Regulatory and statutory compliance • Allocation of resources • Prevent pollution and waste • Conserve resources • Energy efficiency	• Risk assessment • Risk control measures • Regulatory and statutory compliance • Continuous improvement • Cultivate a healthy culture	• Driving Policy • Stop Work Policy • Housekeeping Policy • Regulatory Policy • Drug and Alcohol Policy

HSE COMMITTEE

The Main HSE Committee is part of the Sustainability Working Group. It was established as the central body responsible for the protection of all employees and the environment as well as the Group's operational health and safety. The committee is composed of the HODs, headed by the HSE manager and chaired by the Managing Director, who is also a member of the Board. The committee is in charge of reviewing protocols, developing strategies, making recommendations, and monitoring that all operational activities comply with the pertinent legislation. The committee is also tasked with formulating measures for preventing accidents, creating a safe working environment and protecting the environment.

A Project Safety Committee is present in all Carimin operations sites. The committee meets weekly to discuss a wide range of issues, including HSE programmes, incidents, legislation and training. The Project Safety Committee consists of our business partners and employees. They submit the monthly, quarterly and annual performance reports to the Main HSE committee, which in turn conveys the status of the Group's HSE to the SC.



SUSTAINABILITY STATEMENT

HSE PROMOTION PROGRAMMES

Robust HSE programmes and round-the-clock communication are essential practices that provide employees with the information and skills that they need to carry out their jobs safely and effectively.

HSE Awards and Incentives

Rewarding Positive Behaviour: Recognition highlights the management's emphasis on HSE of the business operations and, at the same time, improves the company HSE culture. It also motivates employees to be more proactive in identifying hazards, making timely interventions, and reporting unsafe acts and conditions.

Highest submission award for Unsafe Condition Unsafe Act (UCUA), Best UCUA winner, Best HSE Performance of The Month, Best Stop Work submission.

Incident Reporting and Communication: All cases, injuries, accidents, fatalities and other incidents are promptly investigated to determine the potential severity and probability of recurrence. Incident action plans are made, and new HSE regulations are tabled at the HSE meetings. HSE breaches are taken seriously, and appropriate measures can be enforced, including the dismissal of employees or contractors who have frequently been errant or have committed a serious offence.

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

Job Hazard Analysis ("JHA"): JHA is used to examine all the possible hazards and risks that can arise from current or potential projects and operations. The analysis identifies methods for eliminating or mitigating those risks. Prioritised for assessment are jobs that historically incur more accidents, produce higher rates of injury, and pose more significant risks. Evaluations are conducted by the supervisor in charge and are then reviewed and endorsed by the HOD or Project Manager.

Emergency Response Plan ("ERP") and Emergency Response Team ("ERT"): The ERP specifies the general responsibilities and duties of the ERT during an emergency and potential emergency. The plan aims to ensure that a system is available to summon and direct emergency services and personnel to minimise the risks to people on-site, the local community, the environment and asset preservation in the event of an emergency. It also ensures that sufficient resources are maintained in the state of readiness to respond adequately to control emergencies.

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

HSE COMPETENCY AND TRAINING

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

- *Internal Training* is a structured working practice for raising awareness and a better understanding of the work environment to ensure that employees are well trained in executing their respective job responsibilities in projects.

- *External Training* focuses on teaching the basic knowledge of life-saving appliances and survival techniques. This training is required for employees and subcontractors working onshore and offshore.

- *Manager/Supervisor Training* is concentrated on the worksite environment and HSE training.

- *Refresher courses* are organised at required intervals.

We organised various training programmes in FY2023. They were conducted by government and third-party organisations, such as the Offshore Petroleum Industry Training Organisation (OPITO), the global industry standard in O & G safety, skills, and competence.

The table below shows the HSE training and activities conducted during the Financial Year at various Carimin Sites:-

FY2023 H&S Types of Training	No. of employees who attended training	Total training hours
Working at Heights Awareness Training	88	264
H2S Safety Awareness Training	22	176
Incident Investigation (Tripod Beta) Training	4	64
Basic Defensive Driving	40	180
Mental Health Awareness - Get Together Event	105	210
Total		**894**

ENVIRONMENT

Carimin's business activities are mainly in the support services segment of the O & G industry, where we provide technical and engineering support services. We do not have flaring and do not impact biodiversity. We have established an environmental policy that is specific to our business operations and extends to our supply chain and business partners. In the coming financial years, we will adapt our approach to reflect emerging environmental issues.

TCFD

The Paris Agreement, which was adopted on 12 December 2015, reinvigorated global climate action as an explicit priority. This has resulted in the shift of capital flows towards climate change mitigation and adaptation.

The effects of climate change can be observed extensively at a global scale, affecting nearly all economic sectors. Though the actual effects of climate change are impossible to predict exactly, it is guaranteed that the choices we make today will affect future generations. The extent of the impacts of climate-related risks can vary by sector, industry, geography, and organisation.

In our case, climate change can exert both direct and indirect impacts, and failure to address these issues could lead to both short- and long-term risks. Given that climate-related issues can influence several important factors of the Group's financial performance and position, we need time to adjust our internal processes before making accurate full disclosures that align with the TCFD guidelines.

SUSTAINABILITY STATEMENT

The narrative below is our initial statement. In accordance with the TCFD, it is structured around the four thematic areas that represent the core elements of how our organisations operate: governance, strategy, risk management, and metrics.

Our climate change governance structure and strategies is included within our Sustainability structure and strategies.

Climate Change Risks	Potential Financial Impacts
Our Transition Risks are listed below: **Policy and Legal Risks** refer to the enhanced emission reporting guidelines and the updated national and international regulatory requirements for fossil fuels. **Technology Risk** is the cost of transitioning to lower-emission technologies. **Market Risk** is the change in behaviour and preference of clients looking for fossil fuel substitutes. **Reputational Risk** is the increase in stakeholder concern if the company does nothing to tackle climate change. **Physical Risks** such as typhoons.	There has been a global shift in national and international policy paradigms in recent years, with mitigating climate change becoming a top priority. The 12th Malaysia Plan (2021-2025) highlights the importance and benefits of transitioning to renewable energy which will allow us to reduce our emissions and comply with new regulatory and statutory standards. Malaysia is in a typhoon-free zone; however, climate change could possibly reverse this scenario. The typhoon risk will directly affect safety of our people and operations. Additionally, climate change risks can affect our employees' H & S, leading to financial health obligations, increased insurance health coverage, and decreased manpower resources.
Climate Change Opportunities	**Potential Financial Impacts Financial Impacts**
Resource Efficiency can be achieved by using more energy-efficient technologies. **Energy Sources** can come from various renewable energy sources, which can be augmented by the energy policy incentives from the government. **Access to New Markets** can be gained by strengthening sustainability efforts to compete in international markets. Also, diversifying into the alternative energy service/ product section can be an opportunity to venture into new markets.	Operation costs can be decreased through efficiency gains, and the government incentives for renewable energy policies can also offset the initial solar power installation cost and the payment to public utility companies. Our plan is to initially implement conservation and efficiency programs to reduce emissions and resource wastage. In the longer term, we are exploring transition towards cleaner energy business segments.

Metrics

In the year under review, our employees underwent GHG emissions training to have a better grasp of our carbon dioxide (CO_2) emissions. We are now able to calculate GHG emissions.

GHG Emissions

GHG Emission, metric tons CO2e (C11)			
Period	**Scope 1 (C11a)**	**Scope 2 (C11b)**	**Scope 3 (C11c)**
2023	872,047.55	298,495.62	308.7

GHG Definition		
Scope 1	Fuel consumed by owned vehicle, machinery, equipment, and vessels (marine gas oil)	
Scope 2	Electricity Consumption	
Scope 3	Employee Commuting and Business Travel	Business Travel: 81.7 tons CO2e Employee Commuting: 227 tons CO2e
GHG Framework: GHG Protocol		
Emission Factor: **Scope 1:** Department for Environment Food and Rural Affairs (Defra) UK **Scope 2:** The Malaysian Green Technology Corporation for the Peninsular Grid **Scope 3:** GHG protocol guidance and Department for Environment Food and Rural Affairs (Defra) UK		

Waste Management

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

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

General Waste: The non-scheduled wastes that we generate are industrial, domestic and office wastes. The industrial wastes, which consist of ferrous metals from construction and fabrication projects, are segregated for disposal or recycled by registered metal recycling companies.

Biodiversity

Our operations as a contractor and service provider has minimal impact on biodiversity unlike O & G field operators or major industry players. Nonetheless, our environmental policy states, "allocate resources and persons responsible for protecting the land, water". Our sustainability risk assessment includes any potential hazard to biodiversity in land and water that is within our control. The result will identify a method for identifying and addressing the impacts of our operations on biodiversity at all operational sites and future operations as to whether remediation or restoration is necessary. In FY2023, there was no evidence that our business and operations exerted a negative impact on ecological biodiversity.

Compliance and Performance

In the year under review, we proudly report that the Group has maintained 100% compliance with HSE statutory and regulatory requirements. As a testament to our excellent HSE performance, our clients have recognised our achievement with performance achievement awards. Please refer to the highlights page of this sustainability statement.

The following HSE main regulations govern our operations.

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

SUSTAINABILITY STATEMENT

HSE PERFORMANCE DATA

H & S Data for all employees, contractors and subcontractors					
Period	**Fatality**	**Total number of hours worked in the reporting period**	**Amount of time lost due to workplace injuries**	**Lost Time Incident Rate ("LTIR")**	**Total safe man-hours worked since 2009**
FY2023	0	1,911,524	0	0	21,789,467
FY2022	0	1,818,670	0	0	19,877,943
FY2021	0	1,872,491	0	0	18,059,273

Waste (C10a)					Water Usage (C9a)
	Total Waste Generated, (Excluding KL Office)			**Recycling**	**Public Utility (Onshore Only)**
Period	Hazardous Waste, MT	General Waste, MT	Total, MT	[N1]Recycled, MT	Volume, ML
FY2023	10.18	91.5	101.68	0	14.189
FY2022	7.5	54	61.5	0	12.881
FY2021	44.1	51.7	95.8	2.5	15.497

[N1] Recycled: There is no reported data on recycled materials in FY2022 and FY2023, as the materials used in our projects are supplied by our clients and not owned by us. After project completion, all unused materials and materials for recycling are kept as instructed by our clients or returned to them who will then perform their corresponding recycling schemes.
No water is withdrawn from the surface, subsurface, sea and ocean.

ENERGY CONSUMPTION (C4a)								
Period	**Vessels Marine gas Oil**		**Electricity**		**Diesel**		**Petrol**	
	Litres	**Gigajoules**	**kWh**	**Gigajoules**	**Litres**	**Gigajoules**	**Litres**	**Gigajoules**
FY2023	306,200.00	10,563.90	406,614	1,463.81	6,913.18	266.85	917	31.91
FY2022	959,936.84	33,117.82	346,626	1,247.85	3,925	151.51	946	32.92
FY2021	936,666.73	32,315.00	352,773	1,269.98	2,784	107.46	1,145	39.85
Our vessel energy consumption in FY2023 is 31% that of FY2022. This is attributed to the increased charter of our fleet.								

SUSTAINABILITY STATEMENT

EMPLOYEE

The Group's human resources are managed in a company culture that promotes excellence, efficiency, human rights and labour standards on decent work practices. We believe that human capital is the most valued and important resource and that every employee's potential, creativity, integrity and skill should be treated with appropriate empathy, dignity, respect and reward.

HUMAN RIGHTS AND LABOUR

To reinforce our commitment to our people, we have established Human Rights and Labour Policies in the year under review. The policies reflect our belief to advance rights at work, encourage decent employment opportunities and enhance social protection across our operations, including our supply chain. To this end, we do not condone the following acts:

Child Labour

Forced or Slave Labour, Debt and Bondage

Human Trafficking

Human Rights Abuses

To-date, there has been zero complaint regarding human rights violations. Ref C6(d).

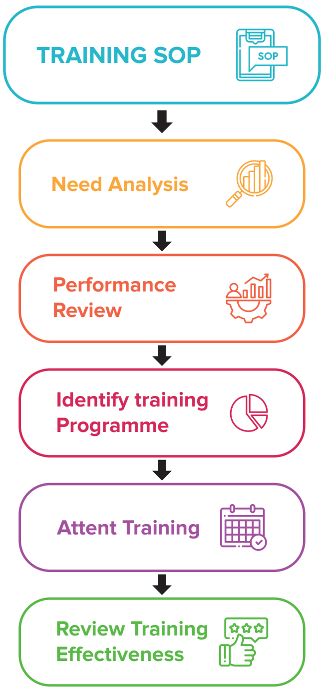
TALENT RETENTION AND DEVELOPMENT

Consistent with our philosophy, our employees undergo various development programmes that are meticulously designed to harness their potential throughout their tenure. We promote excellence and efficiency by expanding the scope beyond training skills they need for their current job and ensuring that they gain competence for career advancement. We realise our Vision by exposing our team to numerous learning opportunities and enriching their work experiences.

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

Training Programmes:

Over the course of the pandemic, our in-person learning programme was transitioned to an online mode. The pandemic recovery stage is our opportunity to create a fresh path that empowers our employees to face the future confidently.



Training needs are identified according to standard operating procedures (SOPs). Employee Needs Analysis (ENA) is a process that assists an employee in identifying the areas where they can improve their performance and address any weaknesses. By contrast, Training Needs Analysis (TNA) is a process by which skills, proficiency, knowledge and attitude can be upgraded. The HODs determine what training is necessary during the recruitment process and annual appraisals. They also make the necessary adjustments based on the business plan, changes in client specifications and regulatory policies.

The HODs submit yearly training plans and budget proposals, and all training sessions attended by the employees are evaluated for their effectiveness to ensure optimal results.

The table below shows the list of training programmes completed in FY2023. The external health and safety training sessions are certified career-enhancement programmes that will prepare employees for careers dedicated to the O & G industry.

SUSTAINABILITY STATEMENT

FY2023 Training	**No. of employees who attended training**	**Total training hours (C6a)**
Working at Heights Awareness Training	88	264
H2S Safety Awareness Training	22	176
Incident Investigation (Tripod Beta) Training	4	64
Basic Defensive Driving	40	180
Mental Health Awareness - Get Together Event	105	210
Insider Trading Training	54	243
Anti-Money Laundering / Counter Terrorism Financing (AML/CTF) Training	51	229.5
Presentation and Briefing MACC S17A by Messrs Arief & Iskandar	69	103.5
APAC Risk Management Conference 2023 - Pullman Kuala Lumpur Bangsar	1	16
SPRM - 'Perlaksanaan Inisiatif Anti Rasuah' - Virtual	38	133
SME Sustainability Series 2023 : Charting the Sustainability Path for SMEs - SME Corp, KL Sentral	1	8
Corruption, Code of Conduct & Business Ethics Training	28	42
Human Rights & Labour Policy Training	44	132
SME Sustainability Series 2023 : Charting the Sustainability Path for SMEs - Session #2	2	16
Public Training - Financial Analysis Business	1	16
International Project Management Conference	3	48
Mexpa Seminar on Government Grants	1	8
Total		**1,889**

FY2023 Summary of Training	**No. of employees who attended training**	**Total training hours**
Human Rights & Labor	44	132
Health and Safety	259	894
Environmental Training/Sustainability	3	24
Career Development (with certification)	5	72
Operational (finance, technical, risk mgt. IT others.)	106	488.5
Anti- Corruption Training	108	278.5
Total		**1,889**

DIVERSITY AND INCLUSION

We uphold equal opportunity where all our employees are treated similarly, unhampered by artificial barriers, prejudices, or preferences because we recognise that our continued success is due to the unified strength of our people. Our Code of Conduct and Business Ethics espouses equal employment opportunity and non-discrimination in relation to gender, ethnicity or race, age and nationality at the workplace.

SUSTAINABILITY STATEMENT

Promoting diversity goes hand in hand with our Mission of creating optimal stakeholder value. We believe that the diverse backgrounds of our employees positively contribute to our creativity, innovation and decision-making. Our support for diversity and inclusivity also strengthens our reputation amongst our peers and makes for an attractive quality in hiring good talent. We are continuously making efforts to promote gender equality. Given the nature of the work associated with the O&G industry, males comprise most of our employees. The Company takes cognisance of the best practices recommended under the Malaysian Code of Corporate Governance to have at least 30% female directors and is actively looking into increasing the number of our female directors and managers.

WORKFORCE PERFORMANCE

% of Employee Diversity			
	2023	2022	2021
Gender			
Male	69%	69%	58%
Female	31%	31%	42%
Age			
<30 Years	15%	28%	25%
30-50 Years	73%	63%	65%
>50 Years	12%	9%	10%
Nationality			
Malaysian	99%	99%	99%
Non-Malaysian	1%	1%	1%

Board Diversity						
Number of Directors by Gender				% of Directors by Gender		
	2023	2022	2021	2023	2022	2021
Male	6	6	5	86%	86%	83%
Female	1	1	1	14%	14%	17%
Total	7	7	6			
Number of Directors by Age Group				% of Directors by Age Group		
Age	2023	2022	2021	2023	2022	2021
<30	0	0	0	0%	0%	0%
31-40	0	0	0	0%	0%	0%
41-50	0	1	1	0%	14%	17%
51>	7	6	5	100%	86%	83%
Total	7	7	6			

Number of Employees by Age, Gender and Employee Category										
FYE2023	Gender		Age			Gender		Age		
Employee Category	Male	Female	<30 Years	30-50 Years	>50 Years	Male	Female	<30 Years	30-50 Years	>50 Years
Senior Management	9	0	0	3	6	100%	0%	0%	33%	67%
Management	12	1	0	9	4	92%	8%	0%	69%	31%
Executive	60	21	10	67	4	74%	26%	12%	83%	5%
Non-Executive	17	22	12	24	3	44%	56%	31%	62%	7%
Total	98	44	22	103	17	69%	31%	15%	73%	12%
FYE2022										
Senior Management	3	0	0	1	2	100%	0%	0%	33%	67%
Management	17	1	2	13	3	94%	6%	11%	72%	17%
Executive	53	21	32	40	2	72%	28%	43%	54%	3%
Non-Executive	18	16	10	20	4	53%	47%	29%	59%	12%
Total	91	38	44	74	11	71%	29%	34%	57%	9%
FYE2021										
Senior Management	9	0	0	3	6	100%	0%	0%	33%	67%
Management	14	1	0	11	4	93%	7%	0%	73%	27%
Executive	63	14	18	56	3	82%	18%	23%	73%	4%
Non-Executive	15	19	16	17	1	44%	56%	47%	50%	3%
Total	101	34	34	87	14	75%	25%	25%	65%	10%

EMPLOYMENT TYPE: % of employees: C6(b)			
	2023	2022	2021
Contractual	69%	65%	61%
Permanent	31%	35%	39%
TOTAL	100%	100%	100%

EMPLOYMENT TYPE: Number of employees C6(b)			
	2023	2022	2021
Contractual	98	84	82
Permanent	44	45	53
TOTAL	142	129	135

Total Number of Employee Turnover C6(c)			
	2023	2022	2021
Senior Management	0	1	1
Management	0	2	0
Executive	20	25	13
Non -Executive	6	3	2

CLIENT

Our clients rank high in priority amongst our stakeholders. Our commitment is to always give them satisfaction meeting or exceeding their expectations.

QUALITY

To ensure that our clients receive good quality, we have established a Quality Policy and have obtained the Quality Management System (QMS) ISO 9001:2015 certification, indicating that our products and services are at par with international quality standards. This certification attests that we have undertaken consistent actions in satisfying our clients' quality requirements, abiding by regulatory conditions, enhancing our competencies, and investing in systems that will improve efficiency. These strategies have enabled us to deliver reliability towards sustainable growth. The QMS organisational structure displays the leadership hierarchy and those commitments that must be fulfilled at every level. This structure defines the specific departments, positions, responsibilities, authority and interrelation of the personnel who will manage and verify the quality of our service.

CLIENT SATISFACTION

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

DIGITALISATION AND AUTOMATION

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

CYBER SECURITY

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

During the year under review, we did not receive any non-compliance or complaint related to privacy or data breach. Ref C8a.

COMMUNITY

Carimin is privileged to belong in the O & G sector. Aside from our role as a business institution, we also take pride in being part of the communities where we operate and the role we play in enriching them. We are dedicated to have an active and long-lasting positive impact on the community and therefore have listed down our community commitments as follows:

OUR COMMUNITY COMMITMENTS

We integrate CSR activities as part of our organisation by:

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

ENHANCING THE LOCAL ECONOMY

Our business strategies are integrated with investments that are designed to support the development of the communities where we operate and the nation through the positive impacts of our operations. Our purchasing and sourcing practices contribute to the growth of the O & G industry and also generate opportunities for smaller companies to develop and for community members to be employed.

Local hiring

This is one of our major contributions. We sustain the local economy by hiring fellow Malaysians and enhancing their skills and capabilities. There is only one non-Malaysian amongst our workforce. Our Labuan and Kemaman yards employ a yearly average of 83 semi-skilled and unskilled workers from the local community.

Local sourcing

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

Engagement with Government and Peers

Our Compliance Officer, Mr. Syed Kamil, shared Carimin's sustainability journey during the workshop of the O & G, Services and Equipment (OGSE) entitled "Charting the Sustainability Path for SME Series". The event was organised by SME Corp. Malaysia in partnership with PETRONAS. During the full-day workshop, participants, who are mostly vendors to PETRONAS, learned the importance of ESG practices, the development of ESG strategies, and the measurement and monitoring of ESG performance in line with Malaysia's commitment to the 2030 Agenda.

SUSTAINABILITY STATEMENT

OUTREACH INITIATIVES

Corporate giving allows us to build stronger relationships with the community and to demonstrate that we care. In FY2023, as in previous years, our community welfare initiatives were focused on the lower-income household category ("B40").

PROGRAMME OBJECTIVES	BENEFICIARIES
Education Fund for B40	Kolej Profesional Baitulmal KL
Back To School for Orphans	Pertubuhan Kebajikan Ehsan Ash Shakur
Back To School for Convert Children	Persatuan Cina Muslim
Ramadhan Program for Single Mother B40	Kelab Kasih Perihatin,
Ramadhan & Hari Raya Program ASNAF	Badan Amal Kebajikan Al Meizan (BAKAM), Kemaman

HUMAN RIGHTS

We strongly uphold the human rights and ethical treatment of our employees, business partners and the community.

The Group condemns child and slave labour. We adhere to the Children and Young Persons (Employment) Act 1996. This commitment extends to all our business partners. In the year under review and since our establishment, there had been no incidence of child and slave labour in the Group and our supply chain. We comply with the freedom of association and collective bargaining per the Labour Laws of Malaysia.

PROFESSIONAL MEMBERSHIPS AND ASSOCIATION

MOGSC
MALAYSIAN OIL, GAS & ENERGY SERVICES COUNCIL

MASA

mprc
malaysia petroleum resources corporation

Carimin's collaborations with professional memberships and associations have provided a forum for consultation and discussion amongst co-members on matters of common interest. These partnerships have resulted in the adoption of sound principles and practices on health and safety, human rights, human resources, industrial skills training, research and information, and other activities.

SUPPLY CHAIN

We have further strengthened our supply chain by integrating them into our risk management policy and framework. Supply chain HSE risks are entered on a risk register and tracked on an ongoing basis. Our suppliers are required to abide by all pertinent laws and regulations relating to minimum wage, occupational H & S, prevention of child & forced labour as well as our ABC and COBE.

The efficient delivery of our services is also affected by the sustainability practices of our suppliers, vendors and contractors. We consistently review not only our own practices but also the performance of our vendors to identify areas for improvement and conformity that can be addressed in subsequent plans.

SUPPLY CHAIN HSE

Our partners are integral in the continual improvement of our HSE system. Thus, our supply chain must strictly adhere to our Environmental Policy and our Health and Safety Policy.

All vendors and contractors are furnished with copies of our HSE manual. It contains the company policies and necessary measures addressing HSE hazards, obligations, regulations and standards. The manual also states the SOP and disciplinary measures to ensure that all suppliers and vendors comply with the various HSE regulations, such as preventing water, air and land pollution; reducing waste; conserving resources; and cultivating a culture of safety and health. HSE training is provided to all suppliers and additional intensive training to high-risk ones. Monitoring is conducted through supplier conformance reports.

HSE Performance

Performance evaluation is an opportunity to drive supplier improvement, particularly in cost management and efficiency.

All non-compliance and HSE incidents are reported to the corresponding supervisor/HOD, who then investigates the case to determine its severity and prevent its recurrence. HSE and quality compliance are monitored through vendor performance reports to identify performance gaps and formulate solutions. Review questions vary based on the type of products or services supplied by the vendors, and the ensuing penalty depends on the severity of the non-compliance incident. For minor offences, a warning letter will be sent to the supplier. For major offences, meetings will be set up to highlight issues, discuss the problem and collectively agree on a solution or corrective action to address the non-conformity.

Supplier Transparency and Ethics

The Group's Code, ABC policy and Whistleblowing policy are extended to the supply chain. These guidelines reinforce our Vision and Mission statement amongst our business partners as we collaborate towards mutual growth and success. Accredited suppliers and contractors are provided copies of our policies as part of our process. They are duly advised of the procedures relevant to their roles and responsibilities.

Our Code is instilled into our purchasing personnel through training and awareness programmes. They are expected to display only the best practices and the highest standards of behaviour when conducting business. Suppliers wishing to raise concerns or disclose improper conduct may use the whistleblowing platform.

SUSTAINABILITY STATEMENT

BURSA INDICATOR INDEX

NO.	COMMON INDICATORS	Code	SUB-INDICATORS	Page No.
1	**Anti-corruption**	C1 (a)	% of employees who have received training on anti-corruption by employee category	39
		C1 (b)	%of operations assessed for corruption-related risks	40
		C1 (c)	Confirmed incidents of corruption & action taken	39
2	**Community/ Society**	C2 (a)	Total amount invested in the community	42
		C2 (b)	Total number of beneficiaries	42
3	**Diversity**	C3 (a)	% of employees by gender and age group for each employee category	51 & 52
		C3 (b)	% of directors by gender and age group	51
4	**H & S**	C5 (a)	Number of work-related fatalities	48
		C5 (b)	LTIR	48
		C5 (c)	Number of employees trained on health & safety standards ***(External Training only)***	N/A
5	**Labour practices & standards**	C6 (a)	Total hours of training by employee category (not categorised)	50
		C6 (b)	% of employees that are contractors or temporary staff	52
		C6 (c)	Total number of employee turnover by employee category	52
		C6 (d)	Number of substantiated complaints concerning human rights violations	49
6	**Supply chain**	C7 (a)	Proportion of spending on local suppliers	41
7	**Data privacy / security**	C8 (a)	Number of substantiated complaints concerning breaches of client privacy and losses of client data	52
8	**Energy Management**	C4 (a)	Total energy consumption	48
9	**Water**	C9 (a)	Total volume of water used	48
10	**Waste Management**	C10 (a)	Total waste generated and a breakdown of the following:	48
			(i) total waste diverted from disposal	
			(ii) total waste directed to disposal	
11	**Emissions Management**	C11 (a)	Scope 1 emissions in tonnes of CO_2e	46
		C11 (b)	Scope 2 emissions in tonnes of CO_2e	46
		C11 (c)	Scope 3 emissions in tonnes of CO_2e Business travel and employee commuting	46

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Carimin Petroleum Berhad ("the Company") is pleased to present this statement to provide shareholders and investors with an overview of the corporate governance practices of the Company during the financial year ended 30 June 2023 ("FYE 2023"). The statement is also presented in compliance with Paragraph 15.25(2) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

This Corporate Governance Overview Statement ("CG Statement") is based on the three (3) principles as set out in the Malaysian Code on Corporate Governance ("MCCG") which was further updated by the Securities Commission Malaysia on 28 April 2021, which are:-

Principle A - Board leadership and effectiveness
Principle B - Effective audit and risk management
Principle C - Integrity in corporate reporting and meaningful relationships with stakeholders

This CG Statement is augmented with a Corporate Governance Report ("CG Report") which provides a detailed articulation of the application of the Company and its subsidiaries' ("the Group") corporate governance practices as set out in the MCCG throughout the FYE 2023. This CG Report is available on the Company's corporate website at www.carimin.com, as well as via an announcement on the website of Bursa Securities.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

PART I - BOARD RESPONSIBILITIES

1.1 Board and Board Committees

The Board collectively leads and is responsible for the overall performance and affairs of the Group including adherence to a high standard of good governance. All Board members are expected to demonstrate good stewardship and act in a professional manner whilst upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.

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

In discharging its fiduciary duties and leadership functions, the Board is guided by the Board Charter which outlines the duties and responsibilities of the Board. The Board also delegates certain responsibilities to the following Board Committees to assist in the execution of its responsibilities within their respective Terms of Reference:

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

Each committee operates in accordance with its respective Terms of Reference as approved by the Board. The Board Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their respective Terms of Reference and report to the Board on their proceedings and deliberation together with its recommendations to the Board for approval. The Board Committees' Terms of Reference can be accessed via the Company's corporate website at www.carimin.com.

Apart from the responsibilities of the Board Committees, the Managing Director ("MD"), Executive Directors and other Senior Management are also delegated with certain authorities to enable them to effectively discharge their responsibilities on the day-to-day operations of the Group.

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

PART I - BOARD RESPONSIBILITIES (CONT'D)

1.2 Chairman of the Board

The Board is chaired by Tan Sri Dato' Kamaruzzaman Bin Shariff, who is a Non-Independent Non-Executive Chairman and is primarily responsible for matters pertaining to the Board and ensures the orderly conduct and performance of the Board. The Chairman is committed to good corporate governance practices and has been leading the Board towards a high performing culture.

The key responsibilities of the Chairman, amongst others, are as follows:-

- To provide leadership to the Board;
- To oversee the effective discharge of the Board's supervisory role;
- To facilitate the effective contribution of all Directors;
- To conduct and chair Board meetings and general meetings of the Company;
- To manage Board communications and Board effectiveness and effective supervision over Management;
- To ensure that quality information to facilitate decision making is delivered to the Board in a timely manner;
- To ensure Board meetings and general meetings comply with good conduct and best practices;
- To promote constructive and respectful relations between Board members and between the Board and the Management; and
- To jointly represent the Company together with the MD to external groups such as shareholders, creditors, consumer groups, and local governments.

The Chairman does not assume the position of chairman of the Board Committees but as a member of the NRC. Through his participation and corporate experience, it is believed that the Board's objectivity in receiving or reviewing the NRC's reports has not been diminished in any way.

1.3 Chairman and MD

The positions of the Chairman and MD are held by two different individuals. There is a clear division of responsibilities between the two roles to ensure that there is an appropriate balance of power and authority, such that no one individual has unfettered decision making powers.

The Chairman of the Board is primarily responsible for the leadership, effectiveness, conduct and governance of the Board while the MD is responsible for the development and implementation of strategy, overseeing and managing the day-to-day operations of the Group, such as, amongst others, developing long-term strategic and short-term cash flow plans, directing and controlling all aspects of business operations, overseeing the human resources need of the Group and ensuring compliance with all governmental procedures and regulations.

1.4 Qualified and Competent Company Secretaries

The Board is supported by two (2) qualified and experienced Company Secretaries, who are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 ("CA 2016") and are also registered holders of the Practicing Certificate issued by the Companies Commission of Malaysia.

The Company Secretaries are responsible for ensuring overall compliance with the CA 2016, Listing Requirements, and other relevant laws and regulations. In addition, the Company Secretaries assist the Board and Board Committees in fulfilling their duties effectively while adhering to established Board policies and procedures and best practices.

To discharge these critical roles, the Company Secretaries regularly attend relevant training programs, conferences, seminars, and forums to stay current with the latest developments in corporate governance and regulatory requirements relevant to their profession. This ongoing education enables the Company Secretaries to provide the necessary advice to the Board and ensure that the Company remains compliant.

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

PART I - BOARD RESPONSIBILITIES (CONT'D)

1.4 Qualified and Competent Company Secretaries (Cont'd)

The Board has direct access to the professional advice and services of the Company Secretaries to assist them in performing their duties and discharging their responsibilities effectively. The Company Secretaries' role in facilitating compliance and ensuring the smooth functioning of the Board is critical to the Company's success.

Overall, the Board is satisfied with the service and support rendered by the Company Secretaries and their team to the Board in the discharge of their duties and functions.

1.5 Meeting of Board and Board Committees

To facilitate the Directors' time planning, an annual meeting calendar is prepared in advance of each new year by the Company Secretaries. The calendar provides the Directors with scheduled dates for meetings of the Board and Board Committees as well as the annual general meeting ("AGM"). The closed periods for dealings in securities by Directors and principal officers based on the scheduled dates of meetings for making announcements of the Group's quarterly results were also provided therein.

Except in the case of an emergency, the notices of Board and Board Committees meetings together with the meeting papers are generally furnished to the Board members within five (5) working days prior to the dates of meetings. This is to ensure that the Directors have sufficient preparation time and information to make an informed decision at each meeting.

The deliberations and conclusions of matters discussed in the Board or Board Committees meetings are duly recorded in the minutes of meetings. The draft minutes are circulated for the Board or Committee Chairman's review within a reasonable timeframe after the meetings. The minutes of meetings accurately captured the deliberations and decisions of the Board and/or the Board Committees, including whether any Director abstains from voting or deliberating on a particular matter.

All the records of proceedings and resolutions passed are kept at the registered office of the Company.

For matters which require the Board's decision on an urgent basis outside of Board Meetings, board papers along with Directors' Written Resolution will be circulated for the Board's consideration. All written resolutions approved by the Board will be tabled for notation at the next Board Meeting.

1.6 Board Charter

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

The Board Charter was last reviewed, revised and approved by the Board on 13 September 2021 and is available on the Company's corporate website at www.carimin.com.

The Board Charter would be reviewed as and when necessary to ensure it remains consistent with the Board's objectives and responsibilities and reflects the latest compliance requirements as a result of changes in the regulatory framework.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART I - BOARD RESPONSIBILITIES (CONT'D)

1.7 Code of Conduct and Business Ethics

The Board has adopted a Code of Conduct and Business Ethics for Directors and employees towards their day-to-day duties and operations of the Group. It sets out the ethical standards and underlying core ethical values to guide the actions and behaviours of all Directors and employees. The Code of Conduct and Business Ethics is formalised in the Company handbook and is available on the Company's corporate website at www.carimin.com. A brief Code of Conduct and Business Ethics is also incorporated in Part 6 of the Board Charter.

The Board will review the Code of Conduct and Business Ethics regularly to ensure that it continues to remain relevant and appropriate with the prescribed requirements and best corporate governance practices.

1.8 Whistleblowing Policy

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

The Board will review and update the Whistleblowing Policy as and when necessary to ensure that it remains relevant to the Group's changing business circumstances and/or comply with the applicable laws and regulations.

1.9 Anti-Bribery & Corruption Policy ("ABC Policy")

In line with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACC Act 2018"), the Company has put in place ABC Policy to encourage a culture of integrity and transparency in all of the Group's activities. This policy which adheres to the Listing Requirements of Bursa Securities and the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the MACC Act 2018, generally sets out the responsibilities of the Company, and all individuals who work for the Group, in observing and upholding the Group's position on bribery and corruption and provides key anti-bribery and corruption principles that apply to all interactions with the Group's customers, business partners, and other third parties, as well as guidelines for the prevention, management, and remediation of bribery and corruption related risks.

The ABC Policy is made available on the Company's website at www.carimin.com.

The ABC Policy will be reviewed from time to time to ensure that it continues to remain relevant and appropriate.

1.10 Directors' Fit and Proper Policy

In line with the new Paragraph 15.01A of the Listing Requirements of Bursa Securities, the Board had on 24 May 2023 adopted the Directors' Fit and Proper Policy which serves as a guide to the NRC and the Board in their review and assessment of the potential candidates for appointment to the Board as well as the retiring Directors who are seeking re-election at the AGM.

The Directors' Fit and Proper Policy shall be reviewed periodically by the Board and be revised at any time as it may deem necessary to ensure that they remain consistent with the Board's objectives, current law and practices. The Directors' Fit and Proper Policy is available on the Company's website at www.carimin.com.

The Board has also adopted the Nomination and Appointment of New Directors Process and Procedures to formalise the process for the nomination and appointment of a new Director to be undertaken by the NRC and the Board in discharging their responsibilities in terms of the nomination and appointment of new Directors.

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

PART I - BOARD RESPONSIBILITIES (CONT'D)

1.11 Sustainability Governance

The Board believes that sustainable business practices are essential to the creation of long-term value, and that running the business in a responsible manner is intrinsically tied to achieving operational excellence.

In terms of structural oversight over sustainability including strategies, priorities and targets, it is reposed at the Board level with Management being responsible for operational execution with respect to Environmental, Social and Governance into their investment decision-making process and the Group's overall strategy and operations in order to promote and build sustainability momentum within the Group.

As fiduciary to the Company's shareholders, the Board is focused on maintaining exemplary corporate governance practices, which include a commitment to ethics, integrity and corporate responsibility. The Board also ensures the Company's internal and external stakeholders are well informed on the sustainability strategies, priorities, targets as well as overall performance in which the Sustainability Statement has provided a detailed articulation in this Annual Report.

The Board had on 13 September 2021 reviewed, revised and approved the relevant amendments by incorporating the assessment of the Board's understanding of sustainability issues in the annual performance evaluation that are critical to the Company's performance.

PART II - BOARD COMPOSITION

2.1 Board Composition

The composition of the Board complies with Paragraph 15.02 of the Listing Requirements of Bursa Securities, which stipulates that the Company must ensure that at least two (2) Directors or one-third (1/3) of the Board members, whichever is the higher, are Independent Directors. Currently, the Board has three (3) out of seven (7) members are Independent Non-Executive Directors as follows:-

No.	Names	DESIGNATIONS
1.	Tan Sri Dato' Kamaruzzaman Bin Shariff	Non-Independent Non-Executive Chairman
2.	Yip Jian Lee	Independent Non-Executive Director
3.	Mohd Rizal Bahari Bin Md Noor	Independent Non-Executive Director
4.	Wan Muhamad Hatta Bin Wan Mos	Independent Non-Executive Director
5.	Mokhtar Bin Hashim	MD
6.	Wong Kong Foo	Executive Director
7.	Lim Yew Hoe	Executive Director

This composition is able to provide independent and objective judgement as well as provide an effective check and balance to safeguard the interest of the minority shareholders and other stakeholders, and ensure high standards of conduct and integrity are maintained.

The Board members have diverse backgrounds and experiences in various fields. Collectively, they bring a wide range of skills, experience and knowledge to manage the Group's business. The profiles of these Directors are provided on pages 10 to 13 in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART II - BOARD COMPOSITION (CONT'D)

2.2 Tenure of Independent Directors

The Board is fully aware that the tenure of an Independent Non-Executive Director shall not exceed a cumulative term of nine (9) years as recommended by the MCCG. However, if the Board intends to retain a Director who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, the Board must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting.

Based on the assessment carried out during the financial year under review, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their abilities to act in the best interest of the Company.

Currently, Pn. Yip Jian Lee, En. Mohd Rizal Bahari Bin Md Noor and En. Wan Muhamad Hatta Bin Wan Mos have served the Board as Independent Non-Executive Directors for a cumulative term of more than nine (9) years.

The Company has not adopted a policy that limits the tenure of its Independent Directors to nine (9) years. Notwithstanding that, the assessment of the independence of Independent Directors will be conducted annually via the Annual Evaluation of Independence of Directors to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.

2.3 New Appointment to the Board

The members of the Board are appointed in a formal and transparent practice as endorsed by the MCCG. The new candidates will be considered and evaluated by the NRC, and the NRC will then recommend the candidates to be approved and appointed by the Board. In making a recommendation to the Board on the candidates for directorship, the NRC will consider and nominate the candidates based on the objective criteria, including:-

(a) skills, knowledge, expertise and experience;
(b) professionalism;
(c) integrity;
(d) time commitment to the Company based on the number of directorships held; and
(e) in the case of candidates for the position of Independent Non-Executive Directors, the NRC will also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

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

All Directors shall not hold more than five (5) directorships in other listed issuers as required under Paragraph 15.06 of the Listing Requirements of Bursa Securities.

The new appointment of Senior Management would be reviewed by the NRC based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

The role of the NRC is detailed in its Terms of Reference, which is accessible on the Company's corporate website at www.carimin.com.

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

PART II - BOARD COMPOSITION (CONT'D)

2.4 Board Diversity and Senior Management Team

The Board recognises that gender diversity and equitable representation at Board and Senior Management levels are essential elements of good governance, and is a critical attribute of a well-functioning Board and maintaining a competitive advantage. The Group is an equal opportunity employer and does not practice discrimination of any form, whether based on age, gender, or ethnicity throughout the organisation, including the selection of Board members and Senior Management. The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Group.

In the event that a vacancy in the Board arises, the Board, through the NRC, will consider female representation when suitable candidates are identified. However, the appointment of a new Board member will not be guided solely by gender but will also take into account the skill sets, experience and knowledge of the candidate. The Company's prime responsibility in new appointments is always to select the best candidates available. Hence, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board remains a priority.

In view of the attention of boardroom diversity as an important element of a well functioned organisation, the Gender Diversity Policy was reviewed, revised and approved by the Board on 13 September 2021 which provides a framework for the Company to improve its gender diversity at the Board and Senior Management level and the same is published on the Company's website at www.carimin.com.

The Board currently has one (1) female Director which reflects the Board's commitment towards achieving a more gender diversified Board.

2.5 Board Committees

The Board Committees are set up to manage specific tasks for which the Board is responsible within clearly defined Terms of Reference. This ensures that the Board members can spend their time more efficiently while the Board Committees are entrusted with the authority to examine particular issues.

The Board has established three (3) Board Committees and the membership of each committee is set out in the table below:-

Composition	AC	NRC	RMC
Tan Sri Dato' Kamaruzzaman Bin Shariff *(Non-Independent Non-Executive Chairman)*	N/A	Member	N/A
Yip Jian Lee *(Independent Non-Executive Director)*	Chairman	Member	N/A
Mohd Rizal Bahari Bin Md Noor *(Independent Non-Executive Director)*	Member	Chairman	Member
Wan Muhamad Hatta Bin Wan Mos *(Independent Non-Executive Director)*	Member	Member	Chairman
Mokhtar Bin Hashim *(MD)*	N/A	N/A	Member
Lim Yew Hoe *(Executive Director)*	N/A	N/A	N/A
Wong Kong Foo *(Executive Director)* *(Appointed on 27 October 2022)*	N/A	N/A	N/A

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

PART II - BOARD COMPOSITION (CONT'D)

2.6 NRC

The NRC is chaired by En. Mohd Rizal Bahari Bin Md Noor, an Independent Non-Executive Director of the Company.

The NRC is responsible for identifying and recommending suitable candidates for Board membership and also for assessing the performance of the Directors on an ongoing basis. The Board will have the ultimate responsibility and final decision on the appointment of the Directors. This process shall ensure that the Board membership accurately reflects the long-term strategic direction and needs of the Company and determine a skills matrix to support the strategic direction and needs of the Company.

The NRC has written Terms of Reference dealing with its authority and duties which include the selection and assessment of directors. The Terms of Reference of the NRC was last reviewed, updated and approved on 13 September 2021 which incorporated the relevant practices recommended under the MCCG.

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

The activities undertaken by the NRC during the FYE 2023 were as follows:-

(i) Evaluated the balance of skills, knowledge and experience of the Board. Carried out the assessment and rating of each Director's performances against the criteria as set out in the annual assessment form. The performance of Non-Executive Directors was also carefully considered, including whether they could devote sufficient time to the role.
(ii) Undertaken an evaluation exercise of the Board and its Committees as a whole with the objective of assessing its effectiveness.
(iii) Reviewed and assessed the contribution and performance of the AC and recommended to the Board for endorsement.
(iv) Reviewed and assessed the independence of the Independent Directors of the Company.
(v) Reviewed and recommended to the Board the re-election of the Directors who retired pursuant to the Company's Constitution at last AGM held on 29 November 2022.
(vi) Reviewed and recommended to the Board the remuneration packages and directors' fees and/or benefits of all Directors of the Company.
(vii) Reviewed and considered the MD's succession planning.

2.7 Board Appointment and Re-appointment Process

The NRC is tasked by the Board to make independent recommendations for appointments to the Board. In evaluating the suitability of candidates, the NRC considers, inter-alia, the character, experience, integrity, commitment, competency, qualification and track record of the proposed new nominee for appointment to the Board. In the case of a nominee for the position of Independent Non-Executive Director, NRC evaluates the nominee's ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors. The Board reviews the skills of Directors, including information technology, legal, public relations and experience in the industry as the matrix of skills of Directors that would be prioritised when selecting candidates for appointment to the Board.

In accordance with the Listing Requirements of Bursa Securities and the Company's Constitution, one-third (1/3) of the Directors of the Company for the time being shall retire at the AGM of the Company provided always that all Directors, shall retire from office at least once in every three (3) years but shall be eligible for re-election at the AGM. Additionally, the Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the conclusion of the next AGM and shall be eligible for re-election.

In assessing the candidates' eligibility for re-election, the NRC considers their competencies, commitment, contribution and performance based on their respective performance evaluation to the Board and their ability to act in the best interest of the Company.

The Board makes recommendations concerning the re-election, re-appointment and continuation in office of any Director for shareholders' approval at the AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART II - BOARD COMPOSITION (CONT'D)

2.8 Annual Assessment of the Board and Board Committees as a whole

The Board has, through the NRC, undertaken a formal and objective annual evaluation to assess the effectiveness of the Board and the Board Committees as a whole and the contribution of each Director, including the independence of the Independent Non-Executive Director, making reference to the guides available and the good corporate governance compliance. The evaluation process was carried out by sending the following customised assessment forms to Directors:-

i. Performance of MD;
ii. Performance of Executive Directors;
iii. Performance of Non-Executive Directors/Chairman;
iv. Independence of the Independent Directors;
v. Performance of the AC; and
vi. Effectiveness of the Board and Board committees as a whole.

The assessment of the Board and Board Committees is performed on a Board review whilst the assessment of the individual Directors is performed on a peer-review basis. Each Director is provided with the assessment forms for their completion prior to the meeting. The results of all assessments and comments by the Directors are summarised and deliberated at the NRC meeting and thereafter the NRC's Chairman will report the results and deliberation to the Board.

In evaluating the performance of Non-Executive Directors, the assessment comprises amongst others, the attendance at Board or Committee meetings, adequate preparation for Board and/or Board Committees' meetings, regular contribution to Board or Board Committees' meetings, personal input to the role and other contributions to the Board or Board Committees as a whole.

In evaluating the performance of the Executive Directors, the assessment was carried out against diverse key performance indicators including amongst others, financial, strategic and sustainability, conformance and compliance, business acumen or increase shareholders' wealth, succession planning and personal input to the role.

The annual assessment criteria of the Board and Board Committees and individual Directors were last reviewed and updated on 13 September 2021 to stay aligned with the MCCG practices.

Based on the evaluations conducted in the FYE 2023, the NRC and the Board were satisfied with the performance of the individual Directors, the Board as a whole, Board Committees as well as the independence and objective judgements that the Independent Directors have brought to the Board.

2.9 Attendance of Board and Board Committees' Meetings

The Board schedules at least four (4) meetings in a financial year with additional meetings to be convened where necessary. During the FYE 2023, the Board conducted five (5) Board meetings where they deliberated and approved various reports and matters, including the quarterly financial results of the Group for the announcement to Bursa Securities as well as the Group's budget, strategy, operational and financial performance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART II - BOARD COMPOSITION (CONT'D)

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

The number of meetings held and attended by each member of the Board and Board Committees during the FYE 2023 are as follows:-

Name of Directors	Attendance			
	Board	AC	NRC	RMC
Tan Sri Dato' Kamaruzzaman Bin Shariff *(Non-Independent Non-Executive Chairman)*	5/5	N/A	3/3	1/1
Yip Jian Lee *(Independent Non-Executive Director)*	5/5	5/5	3/3	N/A
Mohd Rizal Bahari Bin Md Noor *(Independent Non-Executive Director)*	4/5	4/5	3/3	1/1
Wan Muhamad Hatta Bin Wan Mos *(Independent Non-Executive Director)*	5/5	5/5	3/3	1/1
Mokhtar Bin Hashim *(MD)*	4/5	N/A	N/A	N/A
Lim Yew Hoe *(Executive Director)*	5/5	N/A	N/A	N/A
Wong Kong Foo *(Executive Director)* *(Appointed on 27 October 2022)*	3/3	N/A	N/A	N/A

2.10 Directors' Training

Relevant guidelines on statutory and regulatory requirements were circulated to the Board from time to time for Board reference. During the FYE 2023, all Directors attended the following training programmes in compliance with Paragraph 15.08 of the Listing Requirements of the Bursa Securities:-

Name of Directors	Training/seminars attended
Tan Sri Dato' Kamaruzzaman Bin Shariff	• The Amendments to the Listing Requirements of Bursa Securities in relation to Enhanced Sustainability Reporting Framework
Yip Jian Lee	• Can America Stop China's Rise? Will ASEAN be damaged • FIDE FORUM Leadership Perspectives Forum on Board Effectiveness • FIDE FORUM The Emerging Trends, Threats and Risks to the Financial Services Industry; Managing Global Risks, Investments and Payment System • The Amendments to the Listing Requirements of Bursa Securities in relation to Enhanced Sustainability Reporting Framework • MFRS 17 Briefing • Conversation with ACs
Mohd Rizal Bahari Bin Md Noor	• The Amendments to the Listing Requirements of Bursa Securities in relation to Enhanced Sustainability Reporting Framework

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

PART II - BOARD COMPOSITION (CONT'D)

2.10 Directors' Training (Cont'd)

Name of Directors	Training/seminars attended
Wan Muhamad Hatta Bin Wan Mos	• The Amendments to the Listing Requirements of Bursa Securities in relation to Enhanced Sustainability Reporting Framework • Advocacy Sessions for Directors and Senior Management of Main Marker Listed Issuers • The 5th International Sustainable Energy Summit (ISES) 2022 – Empowering Energy Transition • Corporate Governance & Remuneration Practices for the ESG World • Conversation with ACs – Session 1
Mokhtar Bin Hashim	• The Amendments to the Listing Requirements of Bursa Securities in relation to Enhanced Sustainability Reporting Framework • Webinar on OGSE Development Grant (OGSE DG) Programme
Lim Yew Hoe	• The Amendments to the Listing Requirements of Bursa Securities in relation to Enhanced Sustainability Reporting Framework • National OGSE Roadshow 2022 – Unlocking Opportunities in Malaysia's Energy Landscape • Datacentre & Cloud Infra Summit • Special Talk on Doing Business in Indonesia
Wong Kong Foo *(Appointed on 27 October 2022)*	• The Amendments to the Listing Requirements of Bursa Securities in relation to Enhanced Sustainability Reporting Framework

The Board has continuously, evaluated and assessed the training needs of each Director to keep them abreast with the state of the economy, technological advances, regulatory updates, management strategies and development in various aspects of the business environment to enhance the Board's skills and knowledge in discharging its responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART III – REMUNERATION

3.1 Remuneration Policy

The Board acknowledges the importance of fair remuneration in attracting, retaining and motivating Directors and Senior Management. Hence, the Board has established a formal and transparent Remuneration Policy as a guide for the Board and the NRC to determine the remuneration of Directors and Senior Management of the Company, which considers the demands, complexities and performance of the Company as well as skills and experience required. The Remuneration Policy is available on the Company's corporate website at www.carimin.com.

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

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

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

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

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

The Board, assisted by the NRC, implements the policy and procedures on remuneration, which includes reviewing and recommending the proposed remuneration packages of the Directors of the Company. The NRC is responsible for ensuring that the remuneration packages are benchmarked with industry standards in light of the Group's performance in the industry as well as commensurate with the expected responsibility and contribution by the Directors and link to the strategic objectives of the Group.

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

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

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

PART III – REMUNERATION (CONT'D)

3.2 Remuneration of Directors

The remuneration payable to the Directors on the Company and the Group basis for the FYE 2023 are as follows:-

The Company

Name of Directors	RM ('000)						
	Fee	Allowance	Salary	Bonus	Benefits-in Kind	Other emolument	Total
Tan Sri Dato' Kamaruzzaman Bin Shariff	140	5.9	-	-	-	-	**145.9**
Yip Jian Lee	100	4.9	-	-	-	-	**104.9**
Mohd Rizal Bahari Bin Md Noor	85	4.4	-	-	-	-	**89.4**
Wan Muhamad Hatta Bin Wan Mos	85	5.2	-	-	-	-	**90.2**
Mokhtar Bin Hashim	-	-	-	-	-	-	**-**
Lim Yew Hoe	-	-	-	-	-	-	**-**
Wong Kong Foo *(Appointed on 27 October 2022)*	-	-	-	-	-	-	**-**
Datuk Haji Junaidi Bin Datuk Haji Abdul Rahman *(Resigned on 15 September 2022)*	-	-	-	-	-	-	**-**
TOTAL	**410**	**20.4**	**-**	**-**	**-**	**-**	**430.4**

The Group

Name of Directors	RM ('000)						
	Fee	Allowance	Salary	Bonus	Benefits-in Kind	Other emolument	Total
Tan Sri Dato' Kamaruzzaman Bin Shariff	140	5.9	-	-	-	-	**145.9**
Yip Jian Lee	100	4.9	-	-	-	-	**104.9**
Mohd Rizal Bahari Bin Md Noor	85	4.4	-	-	-	-	**89.4**
Wan Muhamad Hatta Bin Wan Mos	85	5.2	-	-	-	-	**90.2**
Mokhtar Bin Hashim	-	-	1,080	180	-	151	**1,411**
Lim Yew Hoe	156	36	-	-	-	-	**192**
Wong Kong Foo *(Appointed on 27 October 2022)*	270	-	-	-	-	-	**270**
Datuk Haji Junaidi Bin Datuk Haji Abdul Rahman *(Resigned on 15 September 2022)*	-	-	-	-	-	-	**-**
TOTAL	**836**	**56.4**	**1,080**	**180**	**-**	**151**	**2,303.4**

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART III – REMUNERATION (CONT'D)

3.3 Remuneration of Senior Management

The Board is of the view that the disclosure of the Senior Management's remuneration components on a named basis would not be in the best interest of the Company as it may be detrimental to the Company's human resource management due to the competitive nature of talents within the construction industry.

The Board also took into consideration of sensitivity and security of the remuneration package of Senior Management, hence, opts not to disclose on a named basis the remuneration or in bands of RM50,000.00 for the Senior Management.

Alternatively, the Board is of the view that the disclosure of the Senior Management's aggregated remuneration on an unnamed basis in the bands of RM50,000.00 in this Annual Report is adequate.

The aggregate remuneration and benefits paid to the Senior Management of the Group for the FYE 2023 are as follows:-

Range of Remuneration	Number of Senior Management
RM150,001 to RM200,000	-
RM200,001 to RM250,000	1
RM250,001 to RM300,000	1
RM300,001 to RM350,000	1
RM350,001 to RM400,000	2
TOTAL	**5**

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I - AC

4.1 Effective and Independent AC

The AC is relied upon by the Board to, amongst others, provide advice and oversee in the areas of financial reporting, external audit, internal control environment and internal audit processes, review of related party transactions as well as conflict of interest situations.

The AC is chaired by Pn. Yip Jian Lee, an Independent Non-Executive Director, whereas the Board is chaired by Tan Sri Dato' Kamaruzzaman Bin Shariff, a Non-Independent Non-Executive Director of the Company. The positions of Board Chairman and AC Chairman are assumed by different individuals to ensure that the Board's review of the AC's findings and recommendations is not impaired.

The AC comprises three (3) members. The composition of the AC complies with Paragraphs 15.09 and 15.10 of the Listing Requirements of Bursa Securities and the recommendation of MCCG whereby all three (3) AC members are Independent Non-Executive Directors. None of the Independent Directors has appointed alternate directors.

The Terms of Reference of AC had been updated on 13 September 2021 to reflect the change of the cooling off period from at least two (2) to at least three (3) years before a former audit partner is appointed as a member of the AC and the same is accessible on the Company's corporate website at www.carimin.com.

Currently, none of the members of the AC were former key audit partners of the present auditors of the Group.

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

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

PART I - AC (CONT'D)

4.2 External Auditors

The Board has established the External Auditors Assessment Policy together with an annual performance evaluation form. The Policy is to outline the guidelines and procedures for the AC to review, assess and monitor the performance, suitability and independence of the External Auditors.

The AC reviewed the nature and extent of non-audit services rendered by the External Auditors during the financial year and concluded that the provision of these services did not compromise their independence and objectivity. In addition, the AC had received assurance from the External Auditors confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The AC had carried out an annual performance assessment of the External Auditors together with the MD, Executive Directors and General Manager of Finance.

The AC is satisfied with the suitability and independence of the External Auditors and had recommended their re-appointment to the shareholders for approval at the forthcoming AGM.

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

5.1 Risk Management and Internal Control Framework

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

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

The review and assessment of the Company's internal control and risk management framework are conducted at least once a year. Further details on the features of the risk management and internal control framework, and the adequacy and effectiveness of this framework, are disclosed in the Statement on Risk Management and Internal Control of the Annual Report 2023.

5.2 Internal Audit Function

The Group's Internal Audit Function is outsourced to an independent professional service firm that assists the AC in managing the risks and establishing the internal control system and processes of the Group by providing an independent assessment of the adequacy, efficiency and effectiveness of the Group's risk management and internal control system and processes. The Internal Auditors report directly to the AC.

The outsourced Internal Auditors are free from any relationship or conflict of interest, which could impair their objectivity and independence.

The AC had obtained assurance from the outsourced Internal Auditors confirming that they are, and have been, independent throughout the conduct of the internal audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The internal audit functions and activities carried out during the FYE 2023 are as disclosed in the AC Report and Statement on Risk Management and Internal Control of the Annual Report 2023.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

5.3 RMC

The Board, via the RMC, oversees the Group's risk management framework and policies. The risk management and internal control are ongoing processes, which are undertaken in each department. The RMC conducted a risk identification and evaluation process via a series of interviews and discussions with the key personnel and management of the Group with the consideration of both internal and external environmental factors.

The RMC is required to identify major business and compliance risks concerning their respective business units and ensure the integration of risk management into their business processes to safeguard the interest of the Group.

The RMC comprises a majority of Independent Non-Executive Directors and its scope and function are set out in the Terms of Reference which is available on the Company's corporate website at www.carimin.com.

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

PART I – COMMUNICATION WITH STAKEHOLDERS

6.1 Continuous Communication with Stakeholders

The Company recognises the need for stakeholders and the wider investment community to ensure that they are kept informed of all material business matters affecting the Group. This is done through the timely dissemination of information on the Group's performance and major developments.

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

6.2 Corporate Disclosure Policy

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

The Company has adopted a Corporate Disclosure Policy, which is applicable to the Board and all employees of the Group, in handling and disclosing material information to the shareholders and the investing public. A copy of the policy is published on the Company's corporate website at www.carimin.com.

PART II – CONDUCT OF GENERAL MEETINGS

7.1 Conduct of General Meetings

The notice of the Tenth AGM ("10th AGM") of the Company held on 29 November 2022 was sent to the shareholders on 31 October 2022, which is more than 28 days prior to the date of the 10th AGM. This has given sufficient time to shareholders to review the Annual Report and consider the resolutions for any questions they might wish to raise at the AGM.

At the 10th AGM, the shareholders were encouraged to participate in discussing the resolutions proposed or future developments of the Group.

All resolutions set out in the notice of the 10th AGM were put to vote by poll and the votes cast were validated by an independent scrutineer appointed by the Company. The outcome of all resolutions proposed at the general meetings was announced to Bursa Securities at the end of the meeting day.

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS (CONT'D)

PART II – CONDUCT OF GENERAL MEETINGS (CONT'D)

7.2 Effective Communication and Proactive Engagement

Save for En. Mokhtar Bin Hashim, the MD of the Company, who was absent due to his personal commitment, all Directors of the Company including the Chairman of the respective Board committees had attended the 10th AGM and were accountable to the shareholders for their stewardship of the Company. The Chairman of the Board and its Board Committees members were available to respond to shareholders' queries concerning the Company and the Group at the 10th AGM. The Senior Management and External Auditors were also invited to attend the AGM and assist the Board in addressing relevant queries made by the shareholders.

From the Company's perspective, the AGM serves as a principal forum for Directors to engage with the shareholders personally to understand their needs and seek their feedback. During the proceedings of the 10th AGM, the Company provided shareholders with a brief overview of the Group's business outlook for the FYE 2023 and financial year ending 30 June 2024 respectively. The Chairman also invited shareholders to raise questions pertaining to the Company's audited financial statements and the other agenda items tabled for approval at the 10th AGM. All questions raised by the shareholders were answered and addressed accordingly.

The Chairman ensures that a reasonable time is provided to the shareholders for discussion at the 10th AGM before each resolution is proposed. The summary of the key matters discussed at the 10th AGM was also published on the Company's corporate website for the shareholders' information.

STATEMENT BY THE BOARD ON CG STATEMENT

The Board has deliberated, reviewed and approved this CG Statement. The Board considers and is satisfied that to the best of its knowledge, the Company has fulfilled its obligations under the MCCG, the relevant chapters of the Listing Requirements of Bursa Securities on corporate governance and all applicable laws and regulations throughout the FYE 2023, except for the departures set out in the CG Report. The Company shall continue to strive for high standards of corporate governance throughout the Group, and the highest level of integrity and ethical standards in all of its business dealings.

STATEMENT OF
DIRECTORS' RESPONSIBILITY

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

In preparing the financial statements for the financial year ended 30 June 2023, the Directors have:

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

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

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

The Directors are responsible for ensuring that proper accounting records are kept, which disclose with reasonable accuracy, the financial position of the Group and the Company, and to enable proper financial statements to be prepared in accordance with the applicable laws and regulations.

STATEMENT ON RISK MANAGEMENT **AND INTERNAL CONTROL**

INTRODUCTION

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

BOARD RESPONSIBILITY

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

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

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

MANAGEMENT RESPONSIBILITY

The Management team led by the Managing Director and Executive Directors acknowledges that the Groups' business activities involve a certain degree of risk. Key Management staff and Heads of Department are delegated with the responsibility of managing identified risks within defined parameters and standards. Such identified risks are discussed annually with the Internal Auditors and are brought to the RMC and subsequently to AC for deliberation at its scheduled meetings.

RISK MANAGEMENT PROCESS

The RMC that comprises two (2) Independent Non-Executive Directors and one (1) Managing Director was established with the primary objective of assisting the Board in the following:

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

During the financial year ended 30 June 2023 ("FYE 2023"), the RMC met once with the Management and respective Head of Department to deliberate on the Enterprise Risk Management and Corruption Risk Assessment and later recommended for adoption by the Board. The Management also briefed the RMC on various risk management activities carried out in FYE 2023.

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

INTERNAL AUDIT FUNCTION

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

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

Entity	Businesses Process
Carimin Petroleum Berhad – performed on a group level	Internal Control review on:- - Vessel Management; - Project Management; and - Anti-Bribery & Anti-Corruption Policy and Procedure

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

Based on the abovementioned work carried out, the findings of the reviews were discussed with Management and subsequently presented to the AC at their scheduled meetings. None of the weaknesses noted resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

The costs incurred in maintaining the outsourced internal audit function for the FYE 2023 is RM69,000.00.

OTHER KEY ELEMENTS OF INTERNAL CONTROLS

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

i. Organisation Structure

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

ii. Clearly Defined Policies and Procedures and Authority Limits

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

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

iii. Regular Management Meetings

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

iv. Periodic Financial Performance Reviews

The Group Finance Department prepares the monthly Management accounts for review by the Chief Financial Officer and subsequently presents it to the Managing Director at their scheduled meetings. The AC and the Board review the quarterly financial performance results with the Executive Directors to monitor the Group's progress in achieving its business objectives.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

ANTI-BRIBERY & CORRUPTION POLICY

The Group adopts a zero-tolerance approach to all forms of bribery and corruption. The Group is committed in conducting its business free from any acts of bribery and corruption by upholding high standards of ethics and integrity. The Group has established an anti-bribery & corruption policy which prohibits all forms of bribery and corruption practices. All employees are required to attend training and briefing to understand the policy. The Group have a policy for the consultants and contractors to comply with the Group's anti-corruption policy and guidelines. The said policy is also made available on the Company's corporate website at www.carimin.com.

WHISTLEBLOWING POLICY

The Group has put in place a whistleblowing policy which allows, supports and encourages its employees and members of the public to report and disclose any improper, alleged or illegal activities within the Group. The whistleblowing policy is made available on the Company's corporate website at www.carimin.com.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Listing Requirements of Bursa Securities, the external auditors have reviewed this Statement for inclusion in the Annual Report for the FYE 2023. Their review was carried out in accordance with the Audit and Assurance Practice Guide 3 ("AAPG 3") – Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants. The external auditors report to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures requested by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

ASSURANCE TO THE BOARD

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

CONCLUSION

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

This Statement was made on the recommendation of the AC to the Board and is made in accordance with the Boards's resolution dated on 24 October 2023.

AUDIT
COMMITTEE REPORT

OBJECTIVES

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

COMPOSITION OF AC

The composition of the AC of the Company is as follows:

AC Members	Designation	Directorship
Yip Jian Lee	Chairman	Independent Non-Executive Director
Mohd Rizal Bahari Bin Md Noor	Member	Independent Non-Executive Director
Wan Muhamad Hatta Bin Wan Mos	Member	Independent Non-Executive Director

The Company has complied with Paragraph 15.09 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") which required all members of the AC to be Non-Executive Directors with a majority of them being Independent Directors. No alternate Director is appointed as a member of the AC.

All members of the AC are financially literate. The Chairman of the AC, Pn. Yip Jian Lee is an Independent Non-Executive Director. Hence, the Company complied with Paragraph 15.10 of the Listing Requirements. She has been a member of the Malaysian Institute of Accountants since 1984.

The Chairman of the AC is not the Chairman of the Board. The AC has adopted a policy whereby no former partner of the external audit firm of the Company shall be appointed as a member of the AC before observing a cooling-off period of at least three (3) years. This policy had been codified in the Terms of Reference of the AC. The Terms of Reference of the AC is available for reference on the Company's corporate website at www.carimin.com.

SUMMARY OF WORKS DURING THE FINANCIAL YEAR

During the financial year under review, the AC convened five (5) meetings and the attendance of the members of the AC is set out as follows: -

AC Members	No. of meetings attended
Yip Jian Lee, Chairman	5 of 5
Mohd Rizal Bahari Bin Md Noor, Member	4 of 5
Wan Muhamad Hatta Bin Wan Mos, Member	5 of 5

AUDIT COMMITTEE REPORT

The following is a summary of the main works carried out by the AC during the financial year ended 30 June 2023 ("FYE 2023"):-

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

ii. Reviewed with the External Auditors on the results and issues arising from their audit of the financial year and statements and their resolutions of such issues highlighted in their report to the AC;

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

iv. Considered and recommended the re-appointment of Crowe Malaysia PLT as External Auditors and their audit fees of the Group to the Board for consideration based on the competency, efficiency and independency as demonstrated by the External Auditors during their audit;

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

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

vii. Reviewed all whistleblowing activities within the Group during the financial year under review and ensured that appropriate actions were taken to address them; and

viii. Self-appraised the performance of the AC, Internal and External Auditors for the FYE 2023 and submitted the evaluation to the Nomination and Remuneration Committee for assessment.

INTERNAL AUDIT FUNCTION

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

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

The cost incurred for the internal audit function of the Group for the FYE 2023 is RM69,000.00.

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

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

ADDITIONAL **COMPLIANCE INFORMATION**

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

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

The gross proceeds from the Public Issue of 60,700,000 new ordinary shares of RM0.50 at an issue price of RM1.10 per ordinary share ("IPO") on 10 November 2014 amounted to RM66.77 million and the status of the utilisation of the proceeds raised as at 30 June 2023 is as follows:-

Details of utilisation	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance Utilisation (RM'000)	Timeframe for Utilisation
Purchase of offshore support vessel	35,320	35,320	—	
Development of minor fabrication yard	12,000	9,237	2,763	Within 110 months*
Repayment of bank borrowings	8,000	8,000	—	
Working capital	7,950	7,950	—	
Estimated listing expenses	3,500	3,500	—	
Total	**66,770**	**64,007**	**2,763**	

Note:
* The Board had on 18 August 2023 approved the extension of time for the utilisation of the proceeds derived from the IPO allocated for the development of fabrication yard for an additional six (6) months to 31 December 2023.

AUDIT AND NON-AUDIT FEES

The fees paid/payable for services rendered by the External Auditors during the financial year ended 30 June 2023 ("FYE 2023") are as below:-

Description	Audit Fee (RM)	Non-Audit Fee (RM)	Total (RM)
The Company	51,000	13,000	64,000
The Group	250,000	13,000	263,000

MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interest during the FYE 2023.

RECURRENT RELATED PARTY TRANSACTIONS

There was no recurrent related party transaction of a revenue or trading nature during the FYE 2023.

FINANCIAL STATEMENT

DIRECTORS' **REPORT**

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2023.

PRINCIPAL ACTIVITIES

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

RESULTS

	The Group RM'000	The Company RM'000
Profit after taxation for the financial year	22,869	2,749
Attributable to:-		
Owners of the Company	22,946	2,749
Non-controlling interests	(77)	-
	22,869	2,749

DIVIDENDS

The Company paid an interim dividend of 2.0 sen per ordinary share amounting to RM4,677,560 for the financial year ended 30 June 2023 on 4 October 2023. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 30 June 2024.

The directors do not recommend the payment of any further dividends for the financial year.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

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

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS' REPORT

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

DIRECTORS' REPORT

DIRECTORS

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

Tan Sri Dato' Kamaruzzaman Bin Shariff
Mokhtar Bin Hashim
Lim Yew Hoe
Mohd Rizal Bahari Bin Md Noor
Wan Muhamad Hatta Bin Wan Mos
Yip Jian Lee
Wong Kong Foo (Appointed on 27.10.2022)
Datuk Haji Junaidi Bin Datuk Haji Abdul Rahman (Resigned on 15.9.2022)

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

Armand Emir Bin Johany
Wan Hamdan Bin Wan Embong
Zhafri Bin Mokhtar

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares			
	At 1.7.2022	**Bought**	**Sold**	**At 30.6.2023**
The Company				
Direct Interests				
Tan Sri Dato' Kamaruzzaman Bin Shariff	2,000,000	-	-	2,000,000
Mokhtar Bin Hashim	57,751,734	-	(4,000,000)	53,751,734
Lim Yew Hoe	3,150,000	200,000	-	3,350,000
Mohd Rizal Bahari Bin Md Noor	50,000	-	-	50,000
Wan Muhamad Hatta Bin Wan Mos	50,000	-	-	50,000
Yip Jian Lee	50,000	-	-	50,000
Indirect Interests				
Lim Yew Hoe*	6,000,000	40,000	-	6,040,000
Wong Kong Foo**	43,337,428	10,400,000	-	53,737,428

* Deemed interested by virtue of his interest in Emas Kiara Marketing Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 ("the Act") and his spouse, Madam Lim Guan Nee.

** Deemed interested by virtue of his interest in Emas Kiara Marketing Sdn. Bhd., Intan Kuala Lumpur Sdn. Bhd. and Cipta Pantas Sdn. Bhd. pursuant to Section 8 of the Act.

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 43(b) to the financial statements.

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

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable during the financial year are as follows:

	The Group RM'000	**The Company RM'000**
Directors of the Company		
Fee	410	410
Salaries, bonuses and other benefits	1,742	20
Defined contribution benefits	151	-
	2,303	430

INDEMNITY AND INSURANCE COST

During the financial year, the amount of indemnity coverage and insurance premium paid for the directors of the Company were RM5,000,000 and RM10,828 respectively. No indemnity was given to or insurance effected for auditors of the Company.

SUBSIDIARIES

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

DIRECTORS' REPORT

AUDITORS

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

The details of the auditors' remuneration for the financial year are as follows:-

	The Group RM'000	The Company RM'000
Audit fee	250	51
Non-audit fee	13	13
	263	64

Signed in accordance with a resolution of the directors dated 24 October 2023.

Tan Sri Dato' Kamaruzzaman Bin Shariff

Mokhtar Bin Hashim

STATEMENT **BY DIRECTORS**

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Sri Dato' Kamaruzzaman Bin Shariff and Mokhtar Bin Hashim, being two of the directors of Carimin Petroleum Berhad, state that, in the opinion of the directors, the financial statements set out on pages 92 to 163 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2023 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 24 October 2023.

Tan Sri Dato' Kamaruzzaman Bin Shariff

Mokhtar Bin Hashim

STATUTORY **DECLARATION**

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Lim Yew Hoe, being the director primarily responsible for the financial management of Carimin Petroleum Berhad, do solemnly and sincerely declare that the financial statements set out on pages 92 to 163 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Lim Yew Hoe, NRIC Number: 680618-10-5165
at Kuala Lumpur
in the Federal Territory
on this 24 October 2023

Lim Yew Hoe

Before me

Shaiful Hilmi Bin Halim (No. W-804)
Commissioner for Oaths

INDEPENDENT
AUDITORS' REPORT

TO THE MEMBERS OF CARIMIN PETROLEUM BERHAD
(Incorporated in Malaysia) Registration No: 201201006787 (908388 - K)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Carimin Petroleum Berhad, which comprise the statements of financial position as at 30 June 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 92 to 163.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

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

Revenue recognition for construction contract Refer to Note 29 to the financial statements	
Key Audit Matter	**How our audit addressed the Key Audit Matter**
Construction contract revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation. We focused on this area as construction contract accounting is inherently complex due to the contracting nature of the business, which involves significant judgements. These include the determination of the total budgeted contract costs to complete the projects and the calculation of percentage of completion which affects the reported revenue and profits to be recognised. In making the estimate, the management relies on workdone certified by customers and/or independent third parties, past experience and the continuous monitoring mechanism.	▪ Our audit procedures include, amongst others:- - Making enquiries and obtaining an understanding from management on the procedures and controls in relation to the estimation of and revision to the project revenue and cost; - Reviewing major contracts and identifying its distinct performance obligations; and - Reviewing the reasonableness and basis of estimation of the contract works awarded and comparing to actual costs incurred to-date reflects each performance obligation.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CARIMIN PETROLEUM BERHAD
(Incorporated in Malaysia) Registration No: 201201006787 (908388 - K)

Key Audit Matters (Cont'd)

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

Impairment of trade receivables Refer to Note 10 to the financial statements	
Key Audit Matter	**How our audit addressed the Key Audit Matter**
As at 30 June 2023, the Group's trade receivables amounted to approximately RM24.03 million net of impairment losses. Trade receivables are a major component of the financial position of the Group's total assets. We focused on this area due to the magnitude of the amount involved and judgements are required to assess the allowance for impairment losses of trade receivables.	▪ Our audit procedures include, amongst others:- - Reviewing ageing analysis of trade receivables; - Reviewing the Group's recent invoices and collections during and after the financial year for major receivables and comparing against historical data from the Group's previous collection experience; - Testing the adequacy of the Group's allowance for impairment losses on trade receivables by assessing the management's policy; and - Reviewing the adequacy of the Group's disclosure in this area.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CARIMIN PETROLEUM BERHAD
(Incorporated in Malaysia) Registration No: 201201006787 (908388 - K)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CARIMIN PETROLEUM BERHAD
(Incorporated in Malaysia) Registration No: 201201006787 (908388 - K)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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

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

OTHER MATTERS

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

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

Ung Voon Huay
03233/09/2024 J
Chartered Accountant

Kuala Lumpur

24 October 2023

STATEMENTS OF **FINANCIAL POSITION**

AT 30 JUNE 2023

	Note	The Group 2023 RM'000	The Group 2022 RM'000	The Company 2023 RM'000	The Company 2022 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	84,840	80,176
Property, plant and equipment	6	92,855	91,471	-	-
Right-of-use assets	7	7,582	1,937	-	-
Investment in joint venture	8	-	-	-	-
Other investments	9	590	590	-	-
		101,027	93,998	84,840	80,176
CURRENT ASSETS					
Trade receivables	10	24,034	22,352	-	-
Other receivables, deposits and prepayments	11	12,527	9,577	12	10
Contract assets	12	68,859	66,188	-	-
Amount owing by subsidiaries	13	-	-	37,284	35,990
Amount owing by joint venture	14	400	2,130	-	-
Amount owing by a joint operator	15	350	-	-	-
Amount owing by related party	16	435	-	-	-
Current tax assets		420	244	14	14
Short-term investments	17	32,395	49,666	27,587	30,290
Fixed deposits with licensed banks	18	19,365	33,838	956	-
Cash and bank balances		15,804	7,979	246	124
		174,589	191,974	66,099	66,428
TOTAL ASSETS		275,616	285,972	150,939	146,604

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

STATEMENTS OF FINANCIAL POSITION

AT 30 JUNE 2023

	Note	The Group 2023 RM'000	The Group 2022 RM'000	The Company 2023 RM'000	The Company 2022 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	19	149,385	149,385	149,368	149,368
Merger deficit	20	(80,802)	(80,802)	-	-
Retained profits/(Accumulated losses)		123,700	100,806	(673)	(3,422)
Fair value reserve	21	1,545	567	842	267
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		193,828	169,956	149,537	146,213
NON-CONTROLLING INTERESTS	5	16	205	-	-
TOTAL EQUITY		193,844	170,161	149,537	146,213
NON-CURRENT LIABILITIES					
Long-term borrowings	22	2,928	7,728	-	-
Deferred tax liabilities	23	36	36	-	-
		2,964	7,764	-	-
CURRENT LIABILITIES					
Trade payables	25	23,256	32,939	-	-
Other payables and accruals	26	46,838	57,061	1,402	391
Amount due to a joint operator	15	2,099	-	-	-
Current tax liabilities		948	365	-	-
Short-term borrowings	27	5,126	17,382	-	-
Lease liabilities	28	541	300	-	-
		78,808	108,047	1,402	391
TOTAL LIABILITIES		81,772	115,811	1,402	391
TOTAL EQUITY AND LIABILITIES		275,616	285,972	150,939	146,604

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

STATEMENTS OF PROFIT OR LOSS **AND OTHER COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	The Group 2023 RM'000	The Group 2022 RM'000	The Company 2023 RM'000	The Company 2022 RM'000
REVENUE	29	254,736	227,749	-	12,000
COST OF SALES	30	(207,090)	(195,012)	-	-
GROSS PROFIT		47,646	32,737	-	12,000
OTHER INCOME	31	1,331	1,722	245	334
		48,977	34,459	245	12,334
ADMINISTRATIVE EXPENSES	32	(16,187)	(15,231)	(770)	(742)
OTHER EXPENSES	33	(864)	(1,295)	-	(9,500)
FINANCE COSTS	34	(2,809)	(2,716)	-	-
NET (IMPAIRMENT LOSSES)/REVERSAL ON FINANCIAL ASSETS	35	(1,889)	(3,262)	3,278	-
SHARE OF LOSSES OF EQUITY ACCOUNTED JOINT VENTURE		-	(1,083)	-	-
PROFIT BEFORE TAXATION		27,228	10,872	2,753	2,092
INCOME TAX EXPENSE	36	(4,359)	(4,005)	(4)	(6)
PROFIT AFTER TAXATION		22,869	6,867	2,749	2,086
OTHER COMPREHENSIVE INCOME					
Items that Will Not be Reclassified Subsequently to Profit or Loss					
Fair value changes of equity investments		978	552	575	248
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		23,847	7,419	3,324	2,334

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

		The Group		The Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		22,946	6,543	2,749	2,086
Non-controlling interests		(77)	324	-	-
		22,869	6,867	2,749	2,086
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		23,924	7,095	3,324	2,334
Non-controlling interests		(77)	324	-	-
		23,847	7,419	3,324	2,334
EARNINGS PER SHARE (SEN)					
- Basic	37	9.81	2.80		
- Diluted	37	9.81	2.80		

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

STATEMENTS OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

The Group	Note	Share Capital RM'000	Merger Deficit RM'000	Fair Value Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non-controlling Interests RM'000	Total Equity RM'000
Balance at 1.7.2021		149,385	(80,802)	15	107,126	175,724	(119)	175,605
Profit after taxation for the financial year		-	-	-	6,543	6,543	324	6,867
Other comprehensive income for the financial year:								
- Fair value changes of equity investments		-	-	552	-	552	-	552
Total comprehensive income for the financial year		-	-	552	6,543	7,095	324	7,419
Contributions by and distributions to owners of the Company:								
- Dividend by the Company	38	-	-	-	(12,863)	(12,863)	-	(12,863)
Total transactions with owners		-	-	-	(12,863)	(12,863)	-	(12,863)
Balance at 30.6.2022		149,385	(80,802)	567	100,806	169,956	205	170,161

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

The Group	Note	Share Capital RM'000	Merger Deficit RM'000	Fair Value Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non-controlling Interests RM'000	Total Equity RM'000
Balance at 30.6.2022/1.7.2022		149,385	(80,802)	567	100,806	169,956	205	170,161
Profit after taxation for the financial year		-	-	-	22,946	22,946	(77)	22,869
Other comprehensive income for the financial year:								
- Fair value changes of equity investments		-	-	978	-	978	-	978
Total comprehensive income for the financial year		-	-	978	22,946	23,924	(77)	23,847
Contributions by and distributions to owners of the Company:								
- Acquisition of non-controlling interests	39(a)	-	-	-	(52)	(52)	(112)	(164)
Total transactions with owners		-	-	-	(52)	(52)	(112)	(164)
Balance at 30.6.2023		149,385	(80,802)	1,545	123,700	193,828	16	193,844

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

The Company	**Note**	**Share Capital RM'000**	**Fair Value Reserve RM'000**	**(Accumulated Losses)/ Retained Profits RM'000**	**Total Equity RM'000**
Balance at 1.7.2021		149,368	19	7,355	156,742
Profit after taxation for the financial year		-	-	2,086	2,086
Other comprehensive income for the financial year:					
- Fair value changes of equity investments		-	248	-	248
Total comprehensive income for the financial year		-	248	2,086	2,334
Contributions by and distributions to owners of the Company:					
- Dividend	38	-	-	(12,863)	(12,863)
Total transactions with owners		-	-	(12,863)	(12,863)
Balance at 30.6.2022/1.7.2022		149,368	267	(3,422)	146,213
Profit after taxation for the financial year		-	-	2,749	2,749
Other comprehensive income for the financial year:					
- Fair value changes of equity investments		-	575	-	575
Total comprehensive income for the financial year		-	575	2,749	3,324
Balance at 30.6.2023		149,368	842	(673)	149,537

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit before taxation	27,228	10,872	2,753	2,092
Adjustments for:-				
Depreciation of property, plant and equipment	6,736	6,767	-	-
Depreciation of right-of-use assets	513	454	-	-
Impairment loss:				
- property, plant and equipment	-	448	-	-
- trade receivables	2,081	4,518	-	-
- other receivables	-	38	-	-
- investment in subsidiaries	-	-	-	9,500
- investment in joint venture	-	1,500	-	-
Interest income	(848)	(1,092)	(245)	(334)
Interest expense	2,809	2,716	-	-
Gain on disposal of equipment	-	(17)	-	-
Reversal of impairment loss:				
- trade receivables	(139)	(1,294)	-	-
- other receivables	(53)	-	-	-
- amount owing by subsidiaries	-	-	(3,278)	-
Share of net losses of equity-accounted joint venture	-	1,083	-	-
Net unrealised gain on foreign exchange	(18)	(11)	-	-
Fair value gain on short-term investments	978	552	575	248
Operating profit/(loss) before working capital changes	39,287	26,534	(195)	11,506
Increase in contract assets	(2,671)	(28,943)	-	-
Increase in trade and other receivables	(6,685)	(21,393)	(2)	-
(Decrease)/Increase in trade and other payables	(19,906)	14,941	1,011	17
Increase in amount owing to a joint operator	2,099	-	-	-
CASH FROM/(FOR) OPERATIONS	12,124	(8,861)	814	11,523
Interest paid	(2,809)	(2,716)	-	-
Income tax paid	(3,952)	(5,987)	(4)	(8)
Income tax refund	-	259	-	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES/BALANCE CARRIED FORWARD	5,363	(17,305)	810	11,515

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	The Group 2023 RM'000	The Group 2022 RM'000	The Company 2023 RM'000	The Company 2022 RM'000
BALANCE BROUGHT FORWARD		5,363	(17,305)	810	11,515
CASH FLOWS FOR INVESTING ACTIVITIES					
Additional investments in an existing subsidiary	5(a)	-	-	(3,500)	(1,500)
Proceeds from disposal of equipment		-	17	-	-
Interest received		848	1,092	245	334
Purchase of property, plant and equipment	40(a)	(4,995)	(643)	-	-
Addition to right-of-use assets	40(a)	(5,426)	-	-	-
Repayment from/(Advances to) subsidiaries		-	-	820	(3,057)
Advances to a joint operator		(350)	-	-	-
Advances to related party		(435)	-	-	-
Repayment from joint venture		1,730	-	-	-
Withdrawal of/(Additions of) fixed deposits with tenure more than 3 months	40(c)	559	(1,517)	(956)	-
NET CASH FOR INVESTING ACTIVITIES		(8,069)	(1,051)	(3,391)	(4,223)
CASH FLOWS FOR FINANCING ACTIVITIES					
Dividend paid	38	-	(12,863)	-	(12,863)
Drawdown of invoice financing	40(b)	1,810	-	-	-
Withdrawal of/(Additions to) pledged fixed deposits	40(c)	13,914	(1,608)	-	-
Repayment of lease liabilities	40(b)	(491)	(439)	-	-
Repayment of hire purchase payable	40(b)	(204)	(116)	-	-
Repayment of term loans	40(b)	(20,784)	(9,054)	-	-
NET CASH FOR FINANCING ACTIVITIES		(5,755)	(24,080)	-	(12,863)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(8,461)	(42,436)	(2,581)	(5,571)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		18	11	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		54,531	96,956	30,414	35,985
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	40(c)	46,088	54,531	27,833	30,414

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

1. GENERAL INFORMATION

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

Registered office	:	Third Floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan.
Principal place of business	:	B-1-6, Block B, Megan Avenue 1, 189 Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 24 October 2023.

2. PRINCIPAL ACTIVITIES

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

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)
Amendments to MFRS 3: Reference to the Conceptual Framework
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018 - 2020

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

3. BASIS OF PREPARATION (CONT'D)

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	**Effective Date**
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules	1 January 2023
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charge for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charge could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 6 to the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

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

The Group determines whether its property, plant and equipment, right-of-use assets, investment in joint venture and other investment are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of property, plant and equipment, right-of-use assets, investment in joint venture and other investments as at the reporting date are disclosed in Notes 6, 7, 8 and 9 to the financial statements respectively.

(c) Impairment of Trade Receivables and Contract Assets

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

(d) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables, amount owing by subsidiaries, amount owing by joint operator, amount owing by joint venture and amount owing by related party as at the reporting date are disclosed in Notes 11, 13, 14, 15 and 16 to the financial statements respectively.

(e) Revenue Recognition for Construction Contracts

(i) Hook up, Construction and Commissioning

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(e) Revenue Recognition for Construction Contracts (Cont'd)

(ii) Civil Construction

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

(f) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amounts of current tax assets and current tax liabilities as at the reporting date are RM420,374 and RM948,502 (2022 - RM244,464 and RM365,392) respectively.

(g) Discount Rates used in Leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Critical Judgements Made in Applying Accounting Policies

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

(a) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(b) Contingent Liabilities

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION

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

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

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

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

(a) Business Combinations

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

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

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

(b) Non-controlling Interests

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(d) Loss of Control

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

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

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

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 BUSINESS COMBINATION UNDER COMMON CONTROL

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

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

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

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

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

(b) Foreign Currency Transactions and Balances

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

4.5 FINANCIAL INSTRUMENTS

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

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

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

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

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

(a) Financial Assets

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

Debt Instruments

(i) Amortised Cost

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

(i) Amortised Cost (Cont'd)

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

(ii) Fair Value through Other Comprehensive Income

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

(iii) Fair Value through Profit or Loss

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

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

Equity Instruments

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

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

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

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities (Cont'd)

(ii) Other Financial Liabilities

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

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

(c) Equity Instruments

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

(i) Ordinary Shares

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

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

(ii) Preference Shares

Preference shares ("PS") are classified as equity if they are non-redeemable, or are redeemable but only at the Company's option, and any dividends are discretionary.

PS are classified as equity in accordance with the substance of the contractual arrangement of the instruments. Dividends on PS are recognised as distributions within equity.

(d) Derecognition

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

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

(e) Financial Guarantee Contracts

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(e) Financial Guarantee Contracts (Cont'd)

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

4.6 INVESTMENTS IN SUBSIDIARIES

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

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

4.7 JOINT ARRANGEMENTS

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

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

(a) Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, the obligations for the liabilities, relating to the arrangement. The Group accounts for each of its interest in the joint operations the assets, liablities, revenue and expenses (including its share of those held or incurred jointly with the other investors) in accordance with the applicable accounting standards.

(b) Joint Ventures

A joint venture is a joint arrangement whereby the Group has rights only to the net assets of the arrangement.

The investment in a joint venture is accounted for in the consolidated financial statements using the equity method, based on the financial statements of the joint venture made up to 30 June 2023. The Group's share of the post acquisition profits and other comprehensive income of the joint venture is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that joint control commences up to the effective date when the investment ceases to be a joint venture or when the investment is classified as held for sale. The Group's investment in the joint venture is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the joint venture is the carrying amount of the investment in the joint venture determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the joint venture.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 JOINT ARRANGEMENTS (CONT'D)

(b) Joint Venture (Cont'd)

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

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that joint venture to profit or loss when the equity method is discontinued. However, the Group will continue to use the equity method when an investment in a joint venture becomes an investment in an associate. Under such change in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the joint venture will be reclassified to profit or loss where appropriate. All dilution gains or losses arising in investments in joint ventures are recognised in profit or loss.

4.8 PROPERTY, PLANT AND EQUIPMENT

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

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

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

Buildings	3% - 5%
Furniture and fittings	20%
Operation tools and equipment	20%
Office equipment	20%
Motor vehicles	20%
Plant and equipment	10%
Renovation	20%
Vessels	4%
Vessels equipment	4%
Drydocking	4%
Others	20%

Capital work-in-progress included in property, plant and equipment are not depreciated as these are not yet available for use.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

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

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

4.9 LEASES

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

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

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

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

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

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

4.10 CONTRACT ASSET AND CONTRACT LIABILITIY

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 CASH AND CASH EQUIVALENTS

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

4.12 IMPAIRMENT

(a) Impairment of Financial Assets

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

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

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

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

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

(b) Impairment of Non-financial Assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 IMPAIRMENT (CONT'D)

(b) Impairment of Non-financial Assets (Cont'd)

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

4.13 PROVISIONS

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

4.14 EMPLOYEE BENEFITS

(a) Short-term Benefits

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

(b) Defined Contribution Plans

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

4.15 INCOME TAXES

(a) Current Tax

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

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

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 INCOME TAXES (CONT'D)

(b) Deferred Tax (Cont'd)

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

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

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

4.16 CONTINGENT LIABILITIES

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

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

4.17 OPERATING SEGMENTS

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

4.18 EARNINGS PER ORDINARY SHARE

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 BORROWING COSTS

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

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted. The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is the weighted average of the borrowing costs applicable to borrowings that are outstanding during the financial year, other than borrowings made specifically for the purpose of financing a specific project-in-progress, in which case the actual borrowing costs incurred on that borrowings less any investment income on temporary investment of that borrowings will be capitalised.

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

4.20 FAIR VALUE MEASUREMENTS

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

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

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

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

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

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

The fair value for measurement and disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions (MFRS 2), leasing transactions (MFRS 16) and measurement that have some similarities to fair value but not are fair value, such as net realisable value (MFRS 102) or value in use (MFRS 136).

4.21 REVENUE FROM CONTRACT WITH CUSTOMERS

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 REVENUE FROM CONTRACT WITH CUSTOMERS (CONT'D)

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

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

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

(a) Construction Services

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

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

(b) Rendering of Services

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

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

4.22 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

(a) Dividend Income

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

(b) Interest Income

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

(c) Rental Income

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

5. INVESTMENTS IN SUBSIDIARIES

	The Company 2023 RM'000	2022 RM'000
Unquoted shares, at cost		
Ordinary shares		
At 1 July	101,803	101,803
Addition during the financial year	4,664	-
At 30 June	106,467	101,803
Preference shares		
At 1 July/30 June	1,500	1,500
	107,967	103,303
Allowance for impairment losses	(23,127)	(23,127)
	84,840	80,176
Allowance for impairment losses:-		
At 1 July	(23,127)	(13,627)
Addition during the financial year	-	(9,500)
At 30 June	(23,127)	(23,127)

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2023 %	2022 %	Principal Activities
Carimin Sdn. Bhd.	Malaysia	100	100	Providing manpower supply services.
Carimin Engineering Services Sdn. Bhd.	Malaysia	100	100	Construction, offshore hook up and commissioning and topside major maintenance services.
Carimin Equipment Management Sdn. Bhd.	Malaysia	100	100	Management of fabrication yards and equipment rental services.
Carimin Corporate Services Sdn. Bhd.	Malaysia	100	100	Providing project management services.
Carimin Marine Services Sdn. Bhd.	Malaysia	100	100	Providing chartering of offshore support vessel.
Carimin Resources Services Sdn. Bhd.	Malaysia	100	60	Dormant.
Carimin Airis Offshore Sdn. Bhd.*	Malaysia	100	100	Providing chartering of offshore support vessel.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2023 %	2022 %	Principal Activities
Carimin Acacia Offshore Sdn. Bhd.*	Malaysia	100	100	Providing chartering of offshore support vessel.
Carimin Bina Sdn. Bhd.	Malaysia	60	60	General contracting work and geotechnical engineering.
Carimin Subsea Sdn. Bhd.	Malaysia	60	60	Engaging in subsea underwater inspections, repairs and maintenance services.
Fazu Resources (M) Sdn. Bhd.**	Malaysia	100	100	Dormant.

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

(a) During the financial year, Carimin Marine Services Sdn. Bhd., a 100% owned subsidiary of the Company increased its issued and paid-up share capital from RM9,000,000 to RM13,500,000 by the issuance of 4,500,000 ordinary shares for a cash consideration of RM3,500,000 and RM1,000,000 other than cash.

(b) During the financial year, the Company had acquired an additional 40% equity interest in Carimin Resources Services Sdn. Bhd. ("CRS") from its non-controlling interest. Following the completion of the acquisition, CRS became a 100% owned subsidiary of the Company. The details of the acquisition are disclosed in Note 39(a) to the financial statements.

(c) In the previous financial year, the Company has carried out a review of the recoverable amounts of its investments in certain subsidiaries that had been persistently making losses. A total impairment of RM9,500,000, representing the write-down of the investments to their recoverable amounts, was recognised in "Other Expenses" line item of the statements of profit or loss and other comprehensive income. The recoverable amounts were determined based on their value in use approach, and this is derived from the net assets position of the respective subsidiaries as at the end of the reporting period.

(d) In the previous financial year, Carimin Subsea Sdn. Bhd., a 60% owned subsidiary of the Company increased its paid-up share capital from RM1,000,000 to RM2,500,000 by the issuance of 1,500,000 preference shares ("PS") for a total cash consideration of RM1,500,000. The PS is redeemable and convertible only at the issuer's option, and any dividends are discretionary.

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

	Effective Equity Interest 2023 %	2022 %	The Group 2023 RM'000	2022 RM'000
Carimin Bina Sdn. Bhd.	40	40	712	763
Carimin Resources Services Sdn. Bhd.	-	40	-	114
Carimin Subsea Sdn. Bhd.	40	40	(696)	(672)
			16	205

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

5. INVESTMENT S IN SUBSIDIARIES (CONT'D)

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

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

	Carimin Bina Sdn. Bhd.	
	2023	**2022**
	RM'000	**RM'000**
At 30 June		
Non-current assets	541	541
Current assets	2,424	3,001
Non-current liabilities	-	-
Current liabilities	(1,185)	(1,635)
Net assets	1,780	1,907
Financial Year Ended 30 June		
Revenue	-	10
(Loss)/profit for the financial year	(127)	1,161
Total comprehensive (expenses)/income	(127)	1,161
Total comprehensive (expenses)/income attributable to non-controlling interests	(51)	465

	Carimin Subsea Sdn. Bhd.	
	2023	**2022**
	RM'000	**RM'000**
At 30 June		
Non-current assets	-	-
Current assets	161	5,607
Non-current liabilities	-	-
Current liabilities	(402)	(5,788)
Net liabilities	(241)	(181)
Financial Year Ended 30 June		
Revenue	-	3,618
Loss for the financial year	(60)	(333)
Total comprehensive expenses	(60)	(333)
Total comprehensive expenses attributable to non-controlling interests	(24)	(133)

6. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.7.2022 RM'000	Additions (Note 40(a)) RM'000	Depreciation Charge (Notes 30 and 33) RM'000	At 30.6.2023 RM'000
2023				
Carrying Amount				
Freehold land	225	-	-	225
Buildings	4,138	-	(431)	3,707
Furniture and fittings	6	-	-	6
Operation tools and equipment	191	-	(125)	66
Office equipment	102	59	(41)	120
Motor vehicles	192	447	(126)	513
Renovation	1	-	-	1
Vessels	82,931	-	(4,835)	78,096
Vessels equipment	831	223	(278)	776
Drydocking	2,193	-	(774)	1,419
Capital work-in-progress	358	7,303	-	7,661
Others #	303	88	(126)	265
	91,471	8,120	(6,736)	92,855

The Group	At 1.7.2021 RM'000	Additions (Note 40(a)) RM'000	Depreciation Charge (Notes 30 and 33) RM'000	Impairment Loss (Note 33) RM'000	At 30.6.2022 RM'000
2022					
Carrying Amount					
Freehold land	225	-	-	-	225
Buildings	4,569	-	(431)	-	4,138
Furniture and fittings	9	-	(3)	-	6
Operation tools and equipment	250	68	(127)	-	191
Office equipment	144	-	(42)	-	102
Motor vehicles	166	103	(77)	-	192
Renovation	48	-	(47)	-	1
Vessels	88,235	-	(4,856)	(448)	82,931
Vessels equipment	691	396	(256)	-	831
Drydocking	2,986	-	(793)	-	2,193
Capital work-in-progress	304	54	-	-	358
Others #	416	22	(135)	-	303
	98,043	643	(6,767)	(448)	91,471

Others includes computers and telecommunication equipment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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

The Group	At Cost RM'000	Accumulated Depreciation RM'000	Accumulated Impairment Losses RM'000	Carrying Amount RM'000
2023				
Freehold land	225	-	-	225
Buildings	9,820	(5,747)	(366)	3,707
Furniture and fittings	596	(590)	-	6
Operation tools and equipment	6,670	(6,145)	(459)	66
Office equipment	934	(689)	(125)	120
Motor vehicles	1,992	(1,479)	-	513
Plant and equipment	923	(507)	(416)	-
Renovation	2,213	(2,182)	(30)	1
Vessels	140,875	(41,782)	(20,997)	78,096
Vessels equipment	2,513	(1,737)	-	776
Drydocking	4,251	(2,832)	-	1,419
Capital work-in-progress	7,661	-	-	7,661
Others	1,860	(1,440)	(155)	265
	180,533	(65,130)	(22,548)	92,855
2022				
Freehold land	225	-	-	225
Buildings	9,820	(5,316)	(366)	4,138
Furniture and fittings	596	(590)	-	6
Operation tools and equipment	7,001	(6,351)	(459)	191
Office equipment	875	(648)	(125)	102
Motor vehicles	1,545	(1,353)	-	192
Plant and equipment	923	(507)	(416)	-
Renovation	2,213	(2,182)	(30)	1
Vessels	140,875	(36,947)	(20,997)	82,931
Vessels equipment	2,290	(1,459)	-	831
Drydocking	4,251	(2,058)	-	2,193
Capital work-in-progress	358	-	-	358
Others	1,772	(1,314)	(155)	303
	172,744	(58,725)	(22,548)	91,471

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

(a) Included in the carrying amount of property, plant and equipment of the Group at the end of the reporting period are the following assets charged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 24 to the financial statements.

	The Group	
	2023	**2022**
	RM'000	**RM'000**
Buildings	2,779	3,153
Vessels	78,095	82,931
Vessels equipment	778	831
Drydocking	1,418	2,193
	83,070	89,108

(b) In the previous financial year, the Group carried out a review of the recoverable amount of its vessels. An impairment loss of RM447,907, representing the write-down of the vessels to the recoverable amount was recognised in the statements of profit or loss and other comprehensive income as disclosed in Note 33 to the financial statements, determined based on fair value less cost to sell approach.

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

7. RIGHT-OF-USE ASSETS

The Group	**At 1.7.2022 RM'000**	**Additions (Note 40(a)) RM'000**	**Modification of Lease Liabilities (Note 40(b)) RM'000**	**Depreciation Charge (Notes 30 and 33) RM'000**	**At 30.6.2023 RM'000**
2023					
Carrying Amount					
Leasehold land	1,667	5,426	-	(49)	7,044
Buildings	270	171	561	(464)	538
	1,937	5,597	561	(513)	7,582

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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

The Group	At 1.7.2021 RM'000	Depreciation Charge (Notes 30 and 33) RM'000	At 30.6.2022 RM'000
2022			
Carrying Amount			
Leasehold land	1,716	(49)	1,667
Buildings	675	(405)	270
	2,391	(454)	1,937

(a) The Group leases certain pieces of leasehold land and buildings of which the leasing activities are summarised below:-

i. Leasehold land — The Group entered into 3 (2022 - 2) non-cancellable operating lease agreements for the use of land. The leases are for a period of 60 to 999 (2022 - 60) years with no renewal or purchase option included in the agreements. The leases do not allow the Group to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land. A tenancy, is however, allowed with the consent of the lessor.

ii. Buildings — The Group leased office buildings for 2 to 3 (2022 - 3) years, with an option to extend for another 1 to 2 (2022 - 1) years.

(b) Included in the carrying amount of right-of-use of the Group at the end of the reporting period is the following asset charged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 24 to the financial statements.

	The Group 2023 RM'000	The Group 2022 RM'000
Leasehold land	890	-

8. INVESTMENT IN JOINT VENTURE

	The Group 2023 RM'000	The Group 2022 RM'000
Unquoted shares, at cost	1,500	1,500
Share of post-acquisition profits	-	-
	1,500	1,500
Accumulated impairment losses	(1,500)	(1,500)
	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

8. INVESTMENT IN JOINT VENTURE (CONT'D)

The details of the joint venture are as follows:-

Name of Joint Venture	Principal Place of Business	Company 2023	Company 2022	Percentage of Ownership held by Subsidiary 2023	Percentage of Ownership held by Subsidiary 2022	Principal Activities
Synergy Kenyalang Offshore Sdn. Bhd.* ("SKO")	Malaysia	-	-	15%	15%	Providing chartering of offshore support vessel.

* Not audited by Crowe Malaysia PLT

(a) Held by Carimin Marine Services Sdn. Bhd., the results of SKO were equity accounted based on the unaudited management accounts for the period from 1 July 2022 to 30 June 2023.

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

	2023 RM'000	2022 RM'000
At 30 June		
Non-current assets	-	32,783
Current assets	3,706	512
Non-current liabilities	-	(4,605)
Current liabilities	(7,894)	(21,953)
Net assets	(4,188)	6,737
12-month Period Ended 30 June		
Revenue	-	-
Loss for the financial year	(10,924)	(11,731)
Total comprehensive expenses	(10,924)	(11,731)
Group's share of loss for the financial year/total comprehensive expenses	-	(1,083)
Carrying amount of the Group's interest in this joint venture	-	-

The Group has not recognised losses relating to SKO, where its share of losses exceeded the Group's interest in this joint venture. The Group's cumulative share of unrecognised losses at the end of the reporting period was RM1,638,622 (2022 - RM677,145), of which Nil (2022 - RM1,082,553) was the share of the current financial year's losses. The Group has no obligation in respect of these losses.

9. OTHER INVESTMENTS

		The Group 2023 RM'000	The Group 2022 RM'000
Investment in club membership, at fair value		50	50
Investment in redeemable secured loan stock ("RSLS"), at amortised cost	(a)	540	540
		590	590

(a) The Group has designated the investment in RSLS at amortised cost because the Group intends to hold for collection of contractual cash flow only.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

10. TRADE RECEIVABLES

	The Group 2023 RM'000	The Group 2022 RM'000
Third parties	30,913	27,289
Allowance for impairment losses	(6,879)	(4,937)
	24,034	22,352
Allowance for impairment losses:-		
At 1 July	(4,937)	(2,010)
Addition during the financial year (Note 35)	(2,081)	(4,518)
Reversal during the financial year (Note 35)	139	1,294
Written off during the financial year	-	297
At 30 June	(6,879)	(4,937)

The Group's normal trade credit terms range from 30 to 60 (2022 - 30 to 60) days.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		The Group 2023 RM'000	The Group 2022 RM'000	The Company 2023 RM'000	The Company 2022 RM'000
Other receivables:-					
Third parties		916	962	2	-
Allowance for impairment losses		(735)	(788)	-	-
		181	174	2	-
Advance payments to suppliers	(a)	11,505	8,592	-	-
Deposits		113	139	-	-
Prepayments		728	672	10	10
		12,527	9,577	12	10

	The Group 2023 RM'000	The Group 2022 RM'000
Allowance for impairment losses:-		
At 1 July	(788)	(750)
Addition during the financial year (Note 35)	-	(38)
Reversal during the financial year (Note 35)	53	-
At 30 June	(735)	(788)

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

12. CONTRACT ASSETS

	The Group 2023 RM'000	The Group 2022 RM'000
At 1 July	66,188	37,245
Performance obligations performed	254,736	227,749
Transfer to trade receivables	(252,065)	(198,806)
At 30 June	68,859	66,188
Represented by:		
- Construction, offshore hook up and commissioning and topside major maintenance ("CHUCTMM")	56,288	56,129
- Marine services ("MS")	8,077	6,380
- Manpower services ("MPS")	3,547	2,354
- Civil construction ("CC")	947	1,325
	68,859	66,188

(a) The contract assets primarily relate to the Group's right to consideration for construction work completed on construction contracts but not yet billed as at the reporting date. The amount will be transferred to trade receivables when the Group issues billing in the manner as established in the contracts with customers.

(b) Included in the contract assets are retention sum receivables totalling RM947,481 (2022 - RM1,094,428). The retention sums represent a portion of progress billings which are due and receivable upon expiry of the warranty period and the satisfaction of conditions specified in the relevant contracts.

13. AMOUNT OWING BY SUBSIDIARIES

	The Company 2023 RM'000	The Company 2022 RM'000
Current		
Non-trade balances	38,336	40,320
Allowance for impairment losses	(1,052)	(4,330)
	37,284	35,990
Allowance for impairment losses:-		
At 1 July	(4,330)	(4,330)
Reversal during the financial year (Note 35)	3,278	-
At 30 June	(1,052)	(4,330)

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

14. AMOUNT OWING BY JOINT VENTURE

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

15. AMOUNTS OWING BY/(TO) A JOINT OPERATOR

	The Group	
	2023	**2022**
	RM'000	**RM'000**
Amount owing by a joint operator		
Current		
Non-trade balance	350	-
Amount owing to a joint operator		
Current		
Trade balance	(2,099)	-

The trade balance is subject to the normal credit term of 30 days.

The non-trade balance represents unsecured interest-free advances which is repayable on demand. The amount owing is to be settled in cash.

16. AMOUNT OWING BY RELATED PARTY

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

17. SHORT-TERM INVESTMENTS

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Money market fund, at fair value (Note 40(c))	32,395	49,666	27,587	30,290

The investment in money market fund represents investments in highly liquid equity investments with a regular income stream, which is readily convertible to a known amount of cash and have insignificant risk of changes in value. Income distribution bore effective interest rates ranging from 0.07% to 2.69% (2022 - 0.90% to 2.75%) per annum respectively.

18. FIXED DEPOSITS WITH LICENSED BANKS

(a) The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 1.30% to 2.70% (2022 - 1.30% to 2.15%) per annum and 2.10% to 2.55% per annum respectively. The fixed deposits have maturity periods ranging from 30 to 365 (2022 - 30 to 365) days and 121 days for the Group and the Company respectively.

(b) Included in fixed deposits with licensed banks of the Group at the end of the reporting period is an amount of RM18,351,752 (2022 - RM32,265,827) which has been pledged to licensed banks as security for banking facilities granted to the Group.

(c) Included in the fixed deposits with licensed banks of the Group at the end of the reporting period is an amount of RM1,013,650 (2022 - RM1,572,527) which is with tenure of more than 3 months.

19. SHARE CAPITAL

	2023 Number of Shares ('000)	2022 Number of Shares ('000)	2023 RM'000	2022 RM'000
Issued and Fully Paid-Up				
The Group				
Ordinary Shares				
At 1 July/30 June	233,878	233,878	149,385	149,385
The Company				
Ordinary Shares				
At 1 July/30 June	233,878	233,878	149,368	149,368

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

20. MERGER DEFICIT

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

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

21. FAIR VALUE RESERVE

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

22. LONG-TERM BORROWINGS

	The Group	
	2023	**2022**
	RM'000	**RM'000**
Term loans (Note 24)	2,769	7,683
Hire purchase payables (Note 40(b))	159	45
	2,928	7,728

23. DEFERRED TAX LIABILITIES

The Group	**At 1.7.2022 RM'000**	**Recognised in Profit or Loss (Note 36) RM'000**	**At 30.6.2023 RM'000**
2023			
Deferred Tax Liabilities			
Property, plant and equipment	63	-	63
Deferred Tax Assets			
Allowance for impairment losses on trade receivables	(27)	-	(27)
	36	-	36

The Group	**At 1.7.2021 RM'000**	**Recognised in Profit or Loss (Note 36) RM'000**	**At 30.6.2022 RM'000**
2022			
Deferred Tax Liabilities			
Property, plant and equipment	63	-	63
Deferred Tax Assets			
Allowance for impairment losses on trade receivables	(27)	-	(27)
	36	-	36

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

24. TERM LOANS (SECURED)

	The Group	
	2023 RM'000	2022 RM'000
Current liabilities (Note 27)	1,043	14,144
Non-current liabilities (Note 22)	2,769	7,683
	3,812	21,827

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

	Effective Interest Rate	The Group	
	%	2023 RM'000	2022 RM'000
Floating rate term loans	4.80 - 4.96	3,812	21,827

The term loans are secured by:-

(i) legal charges over certain leasehold land, buildings and vessel as disclosed in Note 6 to the financial statements;
(ii) an assignment over the Collection Accounts over certain contract proceeds;
(iii) letters of set-off and Memorandum of Deposit against sinking funds account and subordination of debts;
(iv) pledges of fixed deposits as disclosed in Note 18 to the financial statements;
(v) letters of Negative Pledge executed by certain subsidiaries of the Group;
(vi) a first preferred mortgage on the vessels;
(vii) a first fixed and floating charge by way of Debenture on the present and future assets of one subsidiary inclusive of its vessel;
(viii) insurance policy assignments on the vessel;
(ix) corporate guarantees of the Company;
(x) irrecoverable and unconditional letter of undertaking by a subsidiary;
(xi) an assignment of contract proceeds in respect of charter contract;
(xii) an assignment of contract proceeds from the Time Charter Party Contract; and
(xiii) negative pledge over its vessel requiring prior written consent in form and substance acceptable to the financial institution.

25. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 60 (2022 - 30 to 60) days.

26. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other payables	3,317	1,128	940	-
Accruals	43,504	55,916	462	391
Deposits received	17	17	-	-
	46,838	57,061	1,402	391

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

27. SHORT-TERM BORROWINGS

		The Group	
		2023	**2022**
		RM'000	**RM'000**
Bank overdrafts (secured)	(a)	2,111	3,114
Invoice financing		1,810	-
Hire purchase payables (Note 40(b))		162	124
Term loans (secured) (Note 24)		1,043	14,144
		5,126	17,382

(a) The bank overdrafts of the Group at the end of reporting period bore fixed interest rates ranging from 5.23% to 7.90% (2022 - 6.82% to 7.90%) per annum and are secured by fixed deposits with licensed banks of the Group as disclosed in Note 18 to the financial statements.

(b) The interest rate profiles of the borrowings of the Group are summarised below:

		Effective Interest Rate	
		The Group	
		2023	**2022**
		RM'000	**RM'000**
Bank overdrafts	Floating	5.23% - 7.90%	6.82% - 7.90%
Invoice financing	Floating	1.43% - 2.33%	-
Hire purchase payables	Fixed	4.52% - 7.07%	4.52% - 7.07%

28. LEASE LIABILITIES

	The Group	
	2023	**2022**
	RM'000	**RM'000**
At 1 July	300	739
Addition (Note 40(b))	171	-
Changes due to modification (Notes 7 and 40(b))	561	-
Interest expense recognised in profit or loss (Notes 34 and 40(b))	12	17
Repayment of principal	(491)	(439)
Repayment of interest expense	(12)	(17)
At 30 June	541	300
Analysed by:-		
Current liabilities	541	300
Non-current liabilities	-	-
	541	300

29. REVENUE

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from Contracts with Customers				
Revenue recognised over time				
Manpower services	57,676	43,124	-	-
Hook up, construction and commissioning	143,233	156,197	-	-
Civil construction	-	10	-	-
Marine services	53,827	28,418	-	-
	254,736	227,749	-	-
Revenue from Other Source				
Revenue recognised at a point in time				
Dividend income	-	-	-	12,000
	254,736	227,749	-	12,000

The other information on the disaggregation of revenue is disclosed in Note 44.1 to the financial statements.

30. COST OF SALES

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Included are the following items:				
Depreciation:				
- property, plant and equipment (Note 6)	6,206	6,166	-	-
- right-of-use assets (Note 7)	457	405	-	-
Rental of vehicles, yard and others	175	183	-	-
Staff costs:				
- salaries and others	34,610	29,192	-	-
- defined contribution plan	2,151	2,088	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

31. OTHER INCOME

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Included are the following items:				
Gain on disposal of equipment	-	17	-	-
Gain on foreign exchange:				
- realised	60	5	-	-
- unrealised	39	172	-	-
Interest income:				
- fixed deposits	439	371	18	-
- repo	29	14	2	4
- short-term investments	250	593	222	309
- others	130	114	3	21
Rental income	66	66	-	-

32. ADMINISTRATIVE EXPENSES

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Included are the following items:				
Auditors' remuneration:				
- audit fee:				
- current financial year	250	234	51	48
- non-audit fee	13	13	13	13
Contributions to defined contribution plan (Note 41):				
- directors of the Company	151	127	-	-
- directors of the subsidiaries	-	7	-	-
Directors' fee (Note 41):				
- directors of the Company	410	491	410	335
Directors' non-fee emoluments (Note 41):				
- directors of the Company	1,742	1,094	20	23
- directors of the subsidiaries	-	84	-	-
Staff costs (including other key management personnel as disclosed in Note 41):				
- salaries and others	10,267	8,857	-	-
- defined contribution plan	1,234	1,047	-	-

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33. OTHER EXPENSES

	The Group 2023 RM'000	The Group 2022 RM'000	The Company 2023 RM'000	The Company 2022 RM'000
Included are the following items:				
Depreciation:				
- property, plant and equipment (Note 6)	530	601	-	-
- right-of-use assets (Note 7)	56	49	-	-
Impairment loss:				
- investments in subsidiaries (Note 5)	-	-	-	9,500
- property, plant and equipment (Note 6)	-	448	-	-
Loss on foreign exchange:				
- realised	257	36	-	-
- unrealised	21	161	-	-
	864	1,295	-	9,500

34. FINANCE COSTS

	The Group 2023 RM'000	The Group 2022 RM'000	The Company 2023 RM'000	The Company 2022 RM'000
Interest expense:				
- bank overdrafts	168	33	-	-
- term loans	2,384	2,294	-	-
- hire purchase payable	19	15	-	-
- others	226	357	-	-
- lease liabilities (Note 28)	12	17	-	-
	2,809	2,716	-	-

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

	The Group 2023 RM'000	The Group 2022 RM'000	The Company 2023 RM'000	The Company 2022 RM'000
Impairment losses:				
- trade receivables (Note 10)	(2,081)	(4,518)	-	-
- other receivables (Note 11)	-	(38)	-	-
Reversal of impairment losses:				
- trade receivables (Note 10)	139	1,294	-	-
- other receivables (Note 11)	53	-	-	-
- amount owing by subsidiaries (Note 13)	-	-	3,278	-
	(1,889)	(3,262)	3,278	-

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36. INCOME TAX EXPENSE

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current tax:				
- current financial year	4,348	4,006	5	6
- under/(over)provision in the previous financial year	11	(1)	(1)	-
	4,359	4,005	4	6
Deferred tax (Note 23):	-	-	-	-
	4,359	4,005	4	6

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

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before taxation	27,228	10,872	2,753	2,092
Tax at the statutory tax rate of 24%	6,535	2,609	661	502
Tax effects of:-				
Share of losses of equity-accounted joint venture	-	260	-	-
Non-taxable income	(62)	(145)	(840)	(2,954)
Non-deductible expenses	635	484	184	2,458
Deferred tax assets not recognised during the financial year	659	1,405	-	-
Utilisation of deferred tax assets previously not recognised	(3,419)	(607)	-	-
Under/(over)provision in the previous financial year:				
- current tax	11	(1)	(1)	-
	4,359	4,005	4	6

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022 - 24%) of the estimated assessable profit for the financial year.

36. INCOME TAX EXPENSE (CONT'D)

No deferred tax assets were recognised for the following items:

	The Group	
	2023 RM'000	2022 RM'000
Accelerated capital allowances	(77,812)	(72,430)
Unrealised gain on foreign exchange	(17)	(8)
Allowance for impairment losses on trade receivables	6,879	4,937
Unused tax losses	10,433	10,197
Unabsorbed capital allowances	95,430	103,717
	34,913	46,413

At the end of the reporting period, the Group has unused tax losses and unabsorbed capital allowances of approximately RM10,433,000 (2022 - RM10,197,000) and RM95,430,000 (2022 - RM103,717,000) respectively that are available for offset against future taxable profits of the subsidiaries in which the losses arose. No deferred tax assets are recognised in respect of these items as it is not probable that taxable profits of the subsidiaries will be available against which the deductible temporary differences can be utilised.

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment while the unabsorbed capital allowances are allowed to be carried forward indefinitely.

37. EARNINGS PER SHARE

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

	The Group	
	2023	2022
Profit attributable to owners of the Company (RM)	22,946,000	6,543,000
Weighted average number of ordinary shares at 30 June	233,878,000	233,878,000
Basic earnings per share (sen)	9.81	2.80

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

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38. DIVIDENDS

	The Group	
	2023 RM'000	**2022 RM'000**
Second interim dividend of 0.5 sen per ordinary share in respect of the previous financial year	-	1,169
Special dividend of 5.0 sen per ordinary share in respect of the previous financial year	-	11,694
	-	12,863

39. ACQUISITION OF NON-CONTROLLING INTERESTS AND INTEREST IN A JOINT OPERATION

(a) Acquisition of Non-Controlling Interests

On 2 September 2022, the Company acquired an additional 40% equity interests in Carimin Resources Services Sdn. Bhd. ("CRS") for RM163,875 other than cash, increasing its ownership from 60% to 100%. The carrying amount of CRS's net assets in the Group's financial statements on that date was RM278,994. The Group recognised a decrease in non-controlling interests of RM111,908 and a decrease in retained profits of RM2,354.

The following summarises the effect of changes in the equity interests in CRS that is attributable to the owners of the Company:-

	The Group RM'000
Equity interest at 1 July 2022	114
Effect of increase in the Company's ownership interest	(112)
Share of post-acquisition profits	(2)
Equity interest at 30 June 2023	-

(b) Interest in a Joint Operation

During the current financial year, Carimin Engineering Services Sdn. Bhd. ("CES"), a wholly-owned subsidiary of the Company together with I Drill Pipelines Constructions Sdn. Bhd. formed a joint operation, Carimin Engineering-Idrill JV ("JV").

The JV was awarded a project by Petronas Gas Berhad to provide engineering, procurement, construction and commissioning services. The contract was valued at approximately RM52 million and the duration for completion of works is within 17 months from initial acceptance.

The joint operation has contributed revenue of RM24,190,859 and profit after taxation of RM3,559,026 to the Group since the date of commencement.

40. CASH FLOW INFORMATION

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

	The Group	
	2023 RM'000	2022 RM'000
Property, plant and equipment		
Cost of property, plant and equipment purchased (Note 6)	8,120	643
Less: Acquired through hire purchase arrangements	(356)	-
Less: Acquired through term loan	(2,769)	-
Cash disbursed for purchase of property, plant and equipment	4,995	643
Right-of-use assets		
Cost of right-of-use assets acquired (Note 7)	5,597	-
Less: Additions of new lease liabilities (Note 40(b))	(171)	-
Cash disbursed for purchase of right-of-use assets	5,426	-

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

The Group	Term Loans RM'000	Invoice Financing RM'000	Hire Purchase Payables RM'000	Lease Liabilities RM'000	Total RM'000
2023					
At 1 July	21,827	-	169	300	22,296
Changes in Financing Cash Flows					
Proceeds from drawdown	2,769	1,810	-	-	4,579
Repayment of borrowing principal	(20,784)	-	(204)	(491)	(21,479)
Repayment of borrowing interests	(2,384)	-	(18)	(12)	(2,414)
	(20,399)	1,810	(222)	(503)	(19,314)
Non-cash Changes					
Finance charges recognised in profit or loss (Note 34)	2,384	-	18	12	2,414
Modification of leases (Notes 7 and 28)	-	-	-	561	561
Acquisition of new lease (Note 28)	-	-	-	171	171
Acquisition of new hire purchase (Notes 22 and 27)	-	-	356	-	356
	2,384	-	374	744	3,502
At 30 June	3,812	1,810	321	541	6,484

40. CASH FLOW INFORMATION (CONT'D)

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

The Group	Term Loans RM'000	Hire Purchase Payables RM'000	Lease Liabilities RM'000	Total RM'000
2022				
At 1 July	30,881	285	739	31,905
Changes in Financing Cash Flows				
Repayment of borrowing principal	(9,054)	(116)	(439)	(9,609)
Repayment of borrowing interests	(2,294)	(15)	(17)	(2,326)
	(11,348)	(131)	(456)	(11,935)
Non-cash Changes				
Finance charges recognised in profit or loss (Note 34)	2,294	15	17	2,326
	2,294	15	17	2,326
At 30 June	21,827	169	300	22,296

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

	The Group 2023 RM'000	The Group 2022 RM'000	The Company 2023 RM'000	The Company 2022 RM'000
Short-term investments (Note 17)	32,395	49,666	27,587	30,290
Fixed deposits with licensed banks (Note 18)	19,365	33,838	956	-
Cash and bank balances	15,804	7,979	246	124
Bank overdrafts (Note 27)	(2,111)	(3,114)	-	-
	65,453	88,369	28,789	30,414
Less: Fixed deposits pledged to licensed banks (Note 18)	(18,352)	(32,266)	-	-
Fixed deposits with tenure more than 3 months (Note 18)	(1,013)	(1,572)	(956)	-
	46,088	54,531	27,833	30,414

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41. KEY MANAGEMENT PERSONNEL COMPENSATION

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

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

(a) Directors of the Company

	The Group		The Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Directors				
Directors of the Company				
Executive Directors				
Short-term employee benefits:				
- fee	-	156	-	-
- non-fee emoluments	1,452	1,071	-	-
Defined contribution plan	151	127	-	-
	1,603	1,354	-	-
Non-executive Directors				
Short-term employee benefits:				
- fee	410	335	410	335
- non-fee emoluments	290	23	20	23
	700	358	430	358
	2,303	1,712	430	358
Directors of the Subsidiaries				
Executive Directors				
Short-term employee benefits:				
- non-fee emoluments	-	84	-	-
Defined contribution plan	-	7	-	-
	-	91	-	-
Total directors' remuneration (Note 32)	2,303	1,803	430	358

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41. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

The key management personnel compensation during the financial year are as follows:- (Cont'd)

(b) Other Key Management Personnel

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Short-term employee benefits:				
- non-fee emoluments	1,338	1,417	-	-
Defined contribution plan	155	173	-	-
Total compensation for other key management personnel (Note 32)	1,493	1,590	-	-

42. CONTINGENT LIABILITIES

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

	The Group	
	2023	**2022**
	RM'000	**RM'000**
Bank/Performance guarantee extended to third parties by:		
- subsidiaries	30,264	46,113

43. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

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

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

43. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant Related Party Transactions

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

		The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
(i)	Subsidiaries:				
	- interest income	-	-	3	21
	- dividend from a subsidiary	-	-	-	12,000
(ii)	Joint Operator:				
	- subcontractor cost	(14,086)	-	-	-

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

44. OPERATING SEGMENTS

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

The Group is organised into five (5) main reportable segments as follows:-

- Manpower services ("MPS") - providing services to its customers in sourcing suitable personnel to fulfil specified functions.
- Construction, offshore hook up and commissioning and topside major maintenance ("CHUCTMM") - providing offshore hook up and commissioning on production platforms typically involving the final installation, testing and commissioning of the facilities' structures machinery and equipment.
- Marine services ("MS") - providing vessel chartering, underwater inspection, repair, and maintenance works and services to external customers.
- Civil construction ("CC") - providing general contracting work and geotechnical engineering to external customers.
- Others - comprises investment holding, providing corporate and management services, rental of equipment and machineries to external customers, neither of which are of a sufficient size to be reported separately.

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44. OPERATING SEGMENTS (CONT'D)

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

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

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

Transactions between reportable segments are carried out on agreed terms between both parties. Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties. The effects of such inter-segment transactions are eliminated on consolidation.

44.1 BUSINESS SEGMENTS

2023	MPS RM'000	CHUCTMM RM'000	MS RM'000	CC RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue							
External revenue	57,676	143,233	53,827	-	-	-	254,736
Inter-segment revenue	-	-	35,991	-	5,635	(41,626)	-
Total revenue	57,676	143,233	89,818	-	5,635	(41,626)	254,736
Results							
Segment results	3,393	16,378	23,086	(145)	8,734	(22,257)	29,189
Finance costs	(75)	(330)	(2,404)	(3)	-	3	(2,809)
Interest income	100	320	157	22	252	(3)	848
Profit before taxation							27,228
Income tax expense							(4,359)
Consolidated profit after taxation							22,869
2023							
Assets							
Segment assets	87,409	133,416	144,561	2,898	159,967	(253,055)	275,196
Current tax assets							420
Consolidated total assets							275,616
Liabilities							
Segment liabilities	18,919	68,033	147,702	1,185	7,311	(162,903)	80,247
Deferred tax liabilities							36
Current tax liabilities							948
Lease liabilities							541
Consolidated total liabilities							81,772

44. OPERATING SEGMENTS (CONT'D)

44.1 BUSINESS SEGMENTS (CONT'D)

2023	MPS RM'000	CHUCTMM RM'000	MS RM'000	CC RM'000	Others RM'000	Elimination RM'000	Group RM'000
Capital expenditure							
Additions to non-current assets other than financial instruments:							
- property, plant and equipment	-	7,864	223	-	33	-	8,120
- right-of-use assets	-	5,597	-	-	-	-	5,597

2023	MPS RM'000	CHUCTMM RM'000	MS RM'000	CC RM'000	Others RM'000	Elimination RM'000	Group RM'000
Other material items of expenses/(income) consist of the following:							
Depreciation:							
- property, plant and equipment	381	373	5,888	-	94	-	6,736
- right-of-use assets	22	464	-	-	15	12	513
Impairment losses on:							
- trade receivables	82	-	1,999	-	-	-	2,081
Interest expense	75	330	2,404	3	-	(3)	2,809
Reversal of impairment loss on:							
- amount owing by subsidiaries	(3,278)	-	-	-	-	3,278	-
Interest income	(100)	(320)	(157)	(22)	(252)	3	(848)

2022	MPS RM'000	CHUCTMM RM'000	MS RM'000	CC RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue							
External revenue	43,124	156,197	28,418	10	-	-	227,749
Inter-segment revenue	-	-	24,629	-	5,006	(29,635)	-
Total revenue	43,124	156,197	53,047	10	5,006	(29,635)	227,749
Results							
Segment results	886	13,278	(3,649)	1,162	1,120	782	13,579
Finance costs	(91)	(332)	(2,293)	(21)	-	21	(2,716)
Interest income	96	493	163	20	341	(21)	1,092
Share of losses of equity-accounted joint venture	-	-	-	-	-	-	(1,083)
Profit before taxation							10,872
Income tax expense							(4,005)
Consolidated profit after taxation							6,867

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46. OPERATING SEGMENTS (CONT'D)

44.1 BUSINESS SEGMENTS (CONT'D)

2022	MPS RM'000	CHUCTMM RM'000	MS RM'000	CC RM'000	Others RM'000	Elimination RM'000	Group RM'000
Assets							
Segment assets	85,759	132,731	200,653	3,475	149,610	(286,500)	285,728
Current tax assets							244
Consolidated total assets							285,972
Liabilities							
Segment liabilities	18,955	80,113	228,765	1,635	6,264	(220,791)	114,941
Deferred tax liabilities							36
Current tax liabilities							365
Lease liabilities							469
Consolidated total liabilities							115,811
Capital expenditure							
Additions to non-current assets other than financial instruments:							
- property, plant and equipment	-	243	396	-	4	-	643

2022	MPS RM'000	CHUCTMM RM'000	MS RM'000	CC RM'000	Others RM'000	Elimination RM'000	Group RM'000
Other material items of expenses/(income) consist of the following:							
Depreciation:							
- property, plant and equipment	434	202	5,907	-	96	-	6,639
- right-of-use assets	22	533	-	-	15	12	582
Impairment losses on:							
- trade receivables	-	313	3,836	146	223	-	4,518
- investments in subsidiaries	-	-	-	-	9,500	(9,500)	-
- property, plant and equipment	-	-	448	-	-	-	448
Interest expense	91	332	2,293	21	-	(21)	2,716
Interest income	(96)	(493)	(163)	(20)	(341)	21	(1,092)

44. OPERATING SEGMENTS (CONT'D)

44.2 GEOGRAPHICAL SEGMENTS

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

44.3 MAJOR CUSTOMER

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

	Revenue		
	2023 RM'000	2022 RM'000	
Customer A	149,416	157,655	CHUCTMM Segment

45. CAPITAL COMMITMENTS

	The Group	
	2023 RM'000	2022 RM'000
Purchase of property, plant and equipment	13,886	303

46. FINANCIAL INSTRUMENTS

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

46.1 FINANCIAL RISK MANAGEMENT POLICIES

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

(a) Market Risk

(i) Foreign Currency Risk

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

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46. FINANCIAL INSTRUMENTS (CONT'D)

46.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

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

Foreign Currency Exposure

The Group	**United States Dollar RM'000**
2023	
Financial Assets	
Trade receivables	502
Cash and bank balances	99
Financial Liabilities	
Trade payables	(26)
Currency Exposure	575
2022	
Financial Assets	
Cash and bank balances	367
Financial Liabilities	
Trade payables	(337)
Currency Exposure	30

46. FINANCIAL INSTRUMENTS (CONT'D)

46.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

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

	The Group	
	2023 RM'000	**2022 RM'000**
Effects on Profit After Taxation		
USD/RM		
- strengthened by 10%	44	2
- weakened by 10%	(44)	(2)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

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

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period are disclosed in Notes 17, 24 and 27 to the financial statements 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 reporting period, with all other variables held constant:-

	The Group		The Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Effects on Profit After Taxation				
Increase of 100 basis points	203	212	210	230
Decrease of 100 basis points	(203)	(212)	(210)	(230)

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46. FINANCIAL INSTRUMENTS (CONT'D)

46.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(iii) Equity Price Risk

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

(b) Credit Risk

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

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by five (5) customers which constituted approximately 55% of its trade receivables at the end of the reporting period.

(ii) Maximum Exposure to Credit Risk

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

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

(iii) Assessment of Impairment Losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

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

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

46. FINANCIAL INSTRUMENTS (CONT'D)

46.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 90 days past due.

Trade Receivables and Contract Assets

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

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

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

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over a period of 12 (2022 - 12) months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts. The Group has identified the Gross Domestic Product (GDP) as the key macroeconomic factor of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

46. FINANCIAL INSTRUMENTS (CONT'D)

46.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses

The Group	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Amount RM'000
2023				
Current (not past due)	21,137	-	(27)	21,110
1 to 30 days past due	597	-	(21)	576
31 to 60 days past due	22	-	(6)	16
61 to 90 days past due	183	-	(29)	154
More than 90 days past due	2,221	-	(43)	2,178
	24,160	-	(126)	24,034
Credit impaired	6,753	(6,713)	(40)	-
Trade receivables	30,913	(6,713)	(166)	24,034
Contract assets	68,859	-	-	68,859
	99,772	(6,713)	(166)	92,893
2022				
Current (not past due)	13,195	-	(1)	13,194
1 to 30 days past due	3,222	-	(1)	3,221
31 to 60 days past due	1,525	-	-	1,525
61 to 90 days past due	3,121	-	-	3,121
More than 90 days past due	1,295	-	(4)	1,291
	22,358	-	(6)	22,352
Credit impaired	4,931	(4,931)	-	-
Trade receivables	27,289	(4,931)	(6)	22,352
Contract assets	66,188	-	-	66,188
	93,477	(4,931)	(6)	88,540

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

46. FINANCIAL INSTRUMENTS (CONT'D)

46.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables, amount owing by related party, joint venture and joint operator.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

Allowance for Impairment Losses

The Group	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
2023			
Low credit risk	1,366	-	1,366
Credit impaired	735	(735)	-
	2,101	(735)	1,366
2022			
Low credit risk	2,304	-	2,304
Credit impaired	788	(788)	-
	3,092	(788)	2,304

The movement in the loss allowances in respect of other receivables are disclosed in Notes 11, 14, 15 and 16 to the financial statements respectively.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

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

46. FINANCIAL INSTRUMENTS (CONT'D)

46.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Amount Owing By Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

The Company	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
2023			
Low credit risk	38,336	(1,052)	37,284
2022			
Low credit risk	40,320	(4,330)	35,990

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

46. FINANCIAL INSTRUMENTS (CONT'D)

46.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Financial Guarantee Contracts

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

(c) Liquidity Risk

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

Maturity Analysis

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

The Group	Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
2023						
Non-derivative Financial Liabilities						
Trade payables	-	23,256	23,256	23,256	-	-
Other payables and accruals	-	46,838	46,838	46,838	-	-
Amount owing to joint operator	-	2,099	2,099	2,099	-	-
Lease liabilities	3.22 - 4.88	541	557	557	-	-
Hire purchase payable	4.52 - 7.07	321	338	174	164	-
Term loans	4.80 - 4.96	3,812	7,576	1,216	548	5,812
Bank overdrafts	5.23 - 7.90	2,111	2,111	2,111	-	-
Invoice financing	1.43 - 2.33	1,810	1,810	1,810	-	-
		80,788	84,585	78,061	712	5,812

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

46. FINANCIAL INSTRUMENTS (CONT'D)

46.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

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

The Group	Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
2022						
Non-derivative Financial Liabilities						
Trade payables	-	32,939	32,939	32,939	-	-
Other payables and accruals	-	57,061	57,061	57,061	-	-
Lease liabilities	3.22	300	304	304	-	-
Hire purchase payable	4.52 - 7.07	169	176	131	45	-
Term loans	4.00 - 8.60	21,827	22,207	14,490	7,717	-
Bank overdrafts	6.82 - 7.90	3,114	3,114	3,114	-	-
		115,410	115,801	108,039	7,762	-

The Company	Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000
2023				
Non-derivative Financial Liabilities				
Other payables and accruals	-	1,403	1,403	1,403
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries	-	-	38,335	38,335
		1,403	39,738	39,738
2022				
Non-derivative Financial Liabilities				
Other payables and accruals	-	391	391	391
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries	-	-	71,187	71,187
		391	71,578	71,578

46. FINANCIAL INSTRUMENTS (CONT'D)

46.2 CAPITAL RISK MANAGEMENT

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

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

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

	The Group	
	2023 RM'000	**2022 RM'000**
Hire purchase payables (Notes 22 and 27)	321	169
Term loans (Note 24)	3,812	21,827
Bank overdrafts (Note 27)	2,111	3,114
Invoice financing (Note 27)	1,810	-
	8,054	25,110
Less: Short-term investments (Note 17)	(32,395)	(49,666)
Less: Fixed deposits with licensed banks (Note 18)	(19,365)	(33,838)
Less: Cash and bank balances	(15,804)	(7,979)
Net debt	(59,510)	(66,373)
Total equity	193,828	169,956
Debt-to-equity ratio	*	*

* The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total external borrowings.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

46. FINANCIAL INSTRUMENTS (CONT'D)

46.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2023	
	The Group RM'000	The Company RM'000
Financial Assets		
Mandatorily at Fair Value Through Other Comprehensive Income		
Short-term investments (Note 17)	32,395	27,587
Designated at Fair Value Through Other Comprehensive Income Upon Initial Recognition		
Other investments (Note 9)		
- club membership	50	-
Amortised Cost		
Other investments (Note 9)		
- redeemable secured loan stock	540	-
Trade receivables (Note 10)	24,034	-
Other receivables (Note 11)	181	2
Amount owing by subsidiaries (Note 13)	-	37,284
Amount owing by related party (Note 16)	435	-
Amount owing by joint venture (Note 14)	400	-
Amount owing by a joint operator (Note15)	350	-
Fixed deposits with licensed banks (Note18)	19,365	956
Cash and bank balances	15,804	246
	61,109	38,488
Financial Liability		
Amortised Cost		
Trade payables (Note 25)	23,256	-
Other payables and accruals (Note 26)	46,838	1,402
Amount owing to a joint operator (Note 15)	2,099	-
Hire purchase payables (Notes 22 and 27)	321	-
Term loans (Note 24)	3,812	-
Bank overdrafts (Note 27)	2,111	-
Invoice financing (Note 27)	1,810	-
	80,247	1,402

46. FINANCIAL INSTRUMENTS (CONT'D)

46.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	2022 The Group RM'000	2022 The Company RM'000
Financial Assets		
Mandatorily at Fair Value Through Other Comprehensive Income		
Short-term investments (Note 17)	49,666	30,290
Designated at Fair Value Through Other Comprehensive Income Upon Initial Recognition		
Other investments (Note 9)		
- club membership	50	-
Amortised Cost		
Other investments (Note 9)		
- redeemable secured loan stock	540	-
Trade receivables (Note 10)	22,352	-
Other receivables (Note 11)	174	-
Amount owing by subsidiaries (Note 13)	-	35,990
Amount owing by joint venture (Note 14)	2,130	-
Fixed deposits with licensed banks (Note 18)	33,838	-
Cash and bank balances	7,979	124
	67,013	36,114
Financial Liability		
Amortised Cost		
Trade payables (Note 25)	32,939	-
Other payables and accruals (Note 26)	57,061	391
Hire purchase payable (Notes 22 and 27)	169	-
Term loans (Note 24)	21,827	-
Bank overdrafts (Note 27)	3,114	-
	115,110	391

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

46. FINANCIAL INSTRUMENTS (CONT'D)

46.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	2023	
	The Group RM'000	**The Company RM'000**
Financial Assets		
Mandatorily at Fair Value Through Other Comprehensive Income		
Net gain recognised in other comprehensive income	978	575
Amortised Cost		
Net (loss)/gain recognised in profit or loss	(1,889)	3,278

	2022	
	The Group RM'000	**The Company RM'000**
Financial Assets		
Mandatorily at Fair Value Through Other Comprehensive Income		
Net gain recognised in other comprehensive income	552	248
Amortised Cost		
Net loss recognised in profit or loss	(3,262)	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

46. FINANCIAL INSTRUMENTS (CONT'D)

46.5 FAIR VALUE INFORMATION

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

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

The Group	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	RM'000	RM'000
2023								
Financial Assets								
Other investments								
- club membership	-	50	-	-	-	-	50	50
- redeemable secured loan stock	-	-	-	-	540	-	540	540
Short-term investments								
- money market fund	-	32,395	-	-	-	-	32,395	32,395
Financial Liability								
Term loans	-	-	-	-	3,812	-	3,812	3,812
2022								
Financial Assets								
Other investments								
- club membership	-	50	-	-	-	-	50	50
- redeemable secured loan stock	-	-	-	-	540	-	540	540
Short-term investments								
- money market fund	-	49,666	-	-	-	-	49,666	49,666
Financial Liability								
Term loans	-	-	-	-	21,827	-	21,827	21,827

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

46. FINANCIAL INSTRUMENTS (CONT'D)

46.5 FAIR VALUE INFORMATION (CONT'D)

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

The Company	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	RM'000	RM'000
2023								
Financial Asset								
Short-term investments								
- money market fund	-	27,587	-	-	-	-	27,587	27,587
2022								
Financial Asset								
Short-term investments								
- money market fund	-	30,290	-	-	-	-	30,290	30,290

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

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

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

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

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

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

(i) The fair value of the Group's term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rate on or near the reporting date.

(ii) The fair value of the Group's redeemable secured loan stock that carry fixed interest rates are determined based on the present value of the schedule repayment.

47. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	As Previously Reported RM'000	As Restated RM'000
Consolidated Statement of Financial Position (Extract):-		
Non-current asset		
Property, plant and equipment	91,338	91,471
Right-of-use assets	2,070	1,937
Non-current liabilities		
Lease liabilities	45	-
Hire purchase payable	-	45
Current liabilities		
Lease liabilities	424	300
Hire purchase payable	-	124
Consolidated Statement of Cash Flows (Extract):-		
CASH FLOWS FROM OPERATING ACTIVITIES		
Depreciation of property, plant and equipment	6,639	6,767
Depreciation of right-of-use assets	582	454
CASH FLOWS FOR FINANCING ACTIVITIES		
Repayment of lease liabilities	(555)	(439)
Repayment of hire purchase payable	-	(116)

ANALYSIS OF **SHAREHOLDINGS**

AS AT 3 OCTOBER 2023

Total Number of Issued Shares	:	233,878,000 Ordinary Shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	One (1) vote for every ordinary share held

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100 shares	13	0.45	338	0.00
100 - 1,000 shares	522	18.15	292,100	0.13
1,001 - 10,000 shares	1,500	52.14	8,219,300	3.51
10,001 - 100,000 shares	702	24.40	22,945,400	9.81
100,001 - less than 5% of issued shares	137	4.76	109,963,200	47.02
5% and above of issued shares	3	0.10	92,457,662	39.53
Total	**2,877**	**100.00**	**233,878,000**	**100.00**

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

(As per the Register of Substantial Shareholders)

	Direct Interest		Indirect Interest	
Name of Substantial Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**
Mokhtar Bin Hashim	53,751,734	22.98	-	-
Cipta Pantas Sdn. Bhd.	42,787,428	18.30	-	-
Wong Kong Foo	-	-	53,737,428[1]	22.98

Note:

[1] *Deemed interested by virtue of his interest held through Intan Kuala Lumpur Sdn. Bhd., Emas Kiara Marketing Sdn. Bhd. and Cipta Pantas Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 ("the Act").*

DIRECTORS' SHAREHOLDINGS

(As per the Register of Directors' Shareholdings)

	Direct Interest		Indirect Interest	
Name of Directors	**No. of Shares**	**%**	**No. of Shares**	**%**
Tan Sri Dato' Kamaruzzaman Bin Shariff	2,000,000	0.86	-	-
Mokhtar Bin Hashim	53,751,734	22.98	-	-
Wong Kong Foo	-	-	53,737,428[1]	22.98
Lim Yew Hoe	3,350,000	1.43	6,040,000[2]	2.58
Yip Jian Lee	50,000	0.02	-	-
Mohd Rizal Bahari Bin Md Noor	50,000	0.02	-	-
Wan Muhamad Hatta Bin Wan Mos	50,000	0.02	-	-

Notes:

[1] *Deemed interested by virtue of his interest held through Intan Kuala Lumpur Sdn. Bhd., Emas Kiara Marketing Sdn. Bhd. and Cipta Pantas Sdn. Bhd. pursuant to Section 8 of the Act.*

[2] *Deemed interested by virtue of his interest held through his spouse, Madam Lim Guan Nee and Emas Kiara Marketing Sdn. Bhd. pursuant to Section 8 of the Act.*

ANALYSIS OF SHAREHOLDINGS

AS AT 3 OCTOBER 2023

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 3 OCTOBER 2023

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

No.	Name	No. of Shares Held	%
1	Mokhtar Bin Hashim	49,670,234	21.24
2	Affin Hwang Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Cipta Pantas Sdn. Bhd.)	22,787,428	9.74
3	Cipta Pantas Sdn. Bhd.	20,000,000	8.55
4	Maybank Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Gan Hai Toh)	9,769,800	4.18
5	Maybank Nominees (Tempatan) Sdn. Bhd. (National Trust Fund (IFM KAF) (446190))	7,468,400	3.19
6	Universal Trustee (Malaysia) Berhad (KAF Core Income Fund)	4,824,800	2.06
7	Maybank Nominees (Tempatan) Sdn. Bhd. (Maybank Private Wealth Management for Mokhtar Bin Hashim (PW-M01039) (422768))	4,000,000	1.71
8	Universal Trustee (Malaysia) Berhad (KAF Tactical Fund)	3,600,000	1.54
9	HSBC Nominees (Tempatan) Sdn. Bhd. (HSBC (M) Trustee Bhd. for Manulife Investment Shariah Progress Plus Fund)	3,456,500	1.48
10	HSBC Nominees (Tempatan) Sdn. Bhd. (HSBC (M) Trustee Bhd. for Manulife Investment Progress Fund (4082))	3,307,000	1.41
11	Cartaban Nominees (Tempatan) Sdn. Bhd. (RHB Trustees Berhad for KAF Vision Fund)	3,200,000	1.37
12	Maybank Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Intan Kuala Lumpur Sdn. Bhd.)	3,050,000	1.30
13	AmSec Nominees (Tempatan) Sdn. Bhd. (Pledged securities account - Ambank (M) Berhad for Emas Kiara Marketing Sdn. Bhd.)	3,000,000	1.28
14	Emas Kiara Marketing Sdn. Bhd.	3,000,000	1.28
15	Maybank Nominees (Tempatan) Sdn. Bhd. (Maybank Private Wealth Management for Lim Yew Hoe (PW-M00613) (419180))	3,000,000	1.28
16	UOBM Nominees (Tempatan) Sdn. Bhd. (UOB Asset Management (Malaysia) Berhad for Gibraltar BSN Aggressive Fund)	2,950,000	1.26
17	Public Invest Nominees (Asing) Sdn. Bhd. (Exempt an for Phillip Securities Pte. Ltd. (Clients))	2,505,000	1.07
18	Alliancegroup Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Khor Jan Yeow (8083119))	2,361,300	1.01
19	KAF Trustee Berhad (KIFB for Felda A/C A2)	2,150,000	0.92
20	Tan Sri Dato' Kamaruzzaman Bin Shariff	2,000,000	0.86
21	Affin Hwang Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Intan Kuala Lumpur Sdn. Bhd.)	1,900,000	0.81
22	HSBC Nominees (Asing) Sdn. Bhd. (J.P. Morgan Securities PLC)	1,780,700	0.76
23	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Samuel Lo Qi Feng (MY2538))	1,650,000	0.71
24	UOBM Nominees (Tempatan) Sdn. Bhd. (UOB Islamic Asset Management Sdn. Bhd. for Lembaga Tabung Haji)	1,500,000	0.64
25	UOBM Nominees (Tempatan) Sdn. Bhd. (UOB Asset Management (Malaysia) Berhad for Gibraltar BSN Life Berhad (Par Fund))	1,382,500	0.59
26	KAF Trustee Berhad (KIFB for Felda A/C A)	1,149,100	0.49
27	CIMB Group Nominees (Tempatan) Sdn. Bhd. (CIMB Commerce Trustee Berhad for KAF Jade Fund)	1,100,000	0.47
28	Citigroup Nominees (Asing) Sdn. Bhd. (UBS AG)	1,027,100	0.44
29	Affin Hwang Nominees (Asing) Sdn. Bhd. (Phillip Securities Pte. Ltd. for Toh Ong Tiam)	1,001,200	0.43
30	Public Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Kong Kok Choy (SRB/PMS))	1,000,000	0.43

LIST OF **PROPERTIES**

PROPERTIES OCCUPIED AND OWNED BY THE GROUP

The summary of the information on the material land and buildings owned by our Group as at 30 June 2023 are set out below:-

Registered Owner		Postal address Description of property/ existing use	Tenure / expiry lease /Age Building	Category of land use/land area/ Built-up area (sq m)	Audited Net Book Value as at 30 June 2023 (RM)
Carimin Sdn. Bhd.	(i)	No. 6048, Bangunan MIEL, Kawasan Industri Teluk Kalong, 24000 Chukai, Terengganu • Industrial Land	Leasehold of 60 years expiring on 22 Aug 2057	Industrial 7,288	152,843
	(ii)	B-1-4, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur • Office lot	Freehold 24 years	179	515,403
	(iii)	B-1-5, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur • Office Lot	Freehold 24 years	179	357,410
	(iv)	B-1-6, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur • Office Lot	Freehold 24 years	179	337,180
	(v)	B-1-7, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur • Office lot	Freehold 24 years	179	337,180
	(vi)	B-1-8, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur • Office lot	Freehold 24 years	391	787,948
	(vii)	B-7-6, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur • Office lot	Freehold 24 years	215	443,903
	(viii)	No. 7, Jalan SS15/2A, Subang Jaya, 47500 Selangor Darul Ehsan • Double storey intermediate terrace shophouse • Office use	Freehold 37 years	123 246	224,911
Carimin Engineering Services Sdn. Bhd.	(ix)	2 units of single storey workshop, 1 unit of storage building, 3 units of guardhouse and 1 unit of outdoor toilet erected on No. 4094, 4095, 4100, 4101 and 6048 Bangunan MIEL, Kawasan Industri Teluk Kalong, 24000 Chukai, Terengganu • Industrial Building	11 years	1,499	928,338
	(x)	Lot 31407, PN 11664 Wilayah Persekutuan Labuan • Industrial Land	Leasehold of 999 years expiring on 26 Sep 2906	Industrial 9,278	5,426,004
Fazu Resources (M) Sdn. Bhd.	(xi)	PT10363 Mukim Teluk Kalung, Kemaman Terengganu • Industrial land	Leasehold of 60 years expiring on 27 Feb 2078	Industrial 21,130	810,965

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting ("11th AGM" or "the Meeting") of CARIMIN PETROLEUM BERHAD ("Carimin" or "the Company") will be held at Greens III, Sports Wing, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 30 November 2023 at 3:00 p.m. or at any adjournment thereof, to transact the following businesses: -

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 30 June 2023 together with the Reports of the Directors and Auditors thereon. — **Please refer to Explanatory Note 1**

2. To approve the payment of Directors' fees and benefits of up to RM540,000.00 for the financial year ending 30 June 2024. — **Ordinary Resolution 1**

3. To re-elect the following Directors who retire by rotation pursuant to Clause 85 of the Company's Constitution: -

   i. En. Mohd Rizal Bahari Bin Md Noor; and — **Ordinary Resolution 2**
   ii. En. Wan Muhamad Hatta Bin Wan Mos. — **Ordinary Resolution 3**

4. To re-appoint Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting ("AGM") and to authorise the Directors to fix their remuneration. — **Ordinary Resolution 4**

AS SPECIAL BUSINESS:

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

5. **RETENTION OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR** — **Ordinary Resolution 5**

   "THAT Pn. Yip Jian Lee who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company."

6. **RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTORS**

   "THAT subject to the passing of Ordinary Resolutions 2 and 3, the following Directors who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years, be and are hereby retained as the Independent Non-Executive Directors of the Company:-

   i. En. Mohd Rizal Bahari Bin Md Noor; and — **Ordinary Resolution 6**
   ii. En. Wan Muhamad Hatta Bin Wan Mos." — **Ordinary Resolution 7**

7. **GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("ACT")** — **Ordinary Resolution 8**

   "THAT subject always to the Constitution of the Company, the Act, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/ regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot new ordinary shares in the Company ("Shares") to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time ("Mandate") AND the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa

NOTICE OF ANNUAL GENERAL MEETING

Securities AND such authority shall continue in force until the conclusion of the next AGM of the Company held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier.

AND THAT pursuant to Section 85 of the Act read together with the Company's Constitution, approval be given to waive the statutory pre-emptive rights conferred upon the shareholders of the Company AND the Board of Directors ("Board") is exempted from the obligation to offer such new Shares first to the existing shareholders of the Company in respect of the issuance and allotment of new Shares pursuant to the Mandate.

AND FURTHER THAT the new Shares to be issued pursuant to the Mandate, shall, upon issuance and allotment, rank pari passu in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new Shares."

8. **PROPOSED SHARE BUY-BACK OF UP TO TEN PERCENT (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED SHARE BUY-BACK AUTHORITY")** **Ordinary Resolution 9**

"THAT subject to the provisions of the Act, the provisions of the Constitution of the Company, the Listing Requirements of Bursa Securities and all prevailing laws, rules, regulations, orders, guidelines and requirements for the time being in force, approval and authority be and are hereby given to the Directors of the Company ("Directors"), to the extent permitted by law, to purchase such number of ordinary shares of the Company ("Carimin Shares") as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the best interest of the Company, provided that:

(i) the maximum aggregate number of Carimin Shares, which may be purchased by the Company, shall not exceed 10% of the total number of issued shares in the Company at any point in time subject to compliance with the provision of the Act, the Listing Requirements of Bursa Securities and/or any other relevant authorities;

(ii) the maximum amount of funds to be allocated for the Proposed Share Buy-Back Authority shall not exceed the aggregate of the retained profits of the Company; and

(iii) the authority conferred by this resolution shall be effective immediately after the passing of this resolution and shall continue to be in force until:

  (a) the conclusion of the next AGM of Carimin following the general meeting at which the ordinary resolution for the Proposed Share Buy-Back Authority is passed, at which time shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or

  (b) the expiration of the period within the next AGM is required by law to be held; or

  (c) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company of the Carimin Shares before the aforesaid expiry date and made in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any other relevant government and/or regulatory authorities;

THAT the Directors be and are hereby authorised to deal with the Carimin Shares purchased under the Proposed Share Buy-Back Authority, at their discretion, in the following manner:

(i) cancel the purchased Carimin Shares; or

(ii) retain the purchased Carimin Shares as treasury shares for distribution as share dividends to the shareholders of the Company and/or resell in accordance with the relevant rules of Bursa Securities and/or transfer under an employees' share scheme and/or transfer as purchase consideration; or

(iii) retain part of the purchased Carimin Shares as treasury shares and cancel the remainder;

AND THAT the Directors be and are hereby authorised and empowered to do all acts and things and to take all such steps as necessary or expedient (including opening and maintaining a Central Depository System account) and to enter into and execute, on behalf of the Company, any instrument, agreement and/or arrangement with any person, and with full power to assent to any condition, modification, variation and/or amendment as may be imposed by Bursa Securities or any relevant regulatory authority, and/or as may be required in the best interest of the Company and to take all such steps as the Directors may deem fit, necessary and expedient in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Share Buy-Back Authority."

9. **PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY** **Special Resolution**

"THAT the proposed amendments to the Constitution of the Company as set out in "Appendix A", be approved and adopted with immediate effect AND THAT the Directors and/or Secretaries of the Company be authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the said proposed amendments for and on behalf of the Company."

10. To transact any other business of which due notice shall have been given.

By order of the Board

TEA SOR HUA (MACS 01324) (SSM PC No.: 201908001272)
WINNIE GOH KAH MUN (MAICSA 7068836) (SSM PC No.: 202308000205)
Company Secretaries

Petaling Jaya, Selangor Darul Ehsan
31 October 2023

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

(a) A member who is entitled to attend and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

(b) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak and vote at the Meeting.

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

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

(e) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

(f) To be valid, the instrument appointing a proxy may be made via hardcopy or by electronic means in the following manners and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the Meeting or at any adjournment thereof at which the person named in the appointment proposes to vote:-

(1) In Hardcopy Form

The proxy form shall be deposited at the Share Registrar's office, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan.

(2) By Electronic Means

The proxy form shall be electronically lodged via TIIH Online website at https://tiih.online. Kindly refer to the Administrative Notes on the procedures for the electronic lodgement of the proxy form via TIIH Online.

(g) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 23 November 2023. Only members whose names appear in the General Meeting Record of Depositors as at 23 November 2023 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

(h) All the resolutions set out in this Notice of the Meeting will be put to vote by poll.

(i) The members are advised to refer to the Administrative Notes on the registration process for the Meeting.

(j) Given the constantly evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our Meeting at short notice. Kindly check Bursa Securities' and the Company's corporate website at www.carimin.com for the latest updates on the status of the Meeting.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES TO ORDINARY BUSINESS AND SPECIAL BUSINESS

1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 30 June 2023

This Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

2. Item 2 of the Agenda – Directors' Fees and Benefits

The estimated Directors' fees and benefits were calculated based on the current Board size and the number of scheduled Board and Committee meetings to be held. This resolution is to facilitate payment of Directors' fees and benefits on a current financial year basis. In the event the proposed amount is insufficient due to more meetings or an enlarged Board size, approval will be sought at the next AGM for such shortfall.

3. Item 3 of the Agenda – Re-election of Directors

Clause 85 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being or if their number is not a multiple of three, then the number nearest to one-third (1/3) shall retire by rotation at an AGM of the Company and be eligible for re-election PROVIDED ALWAYS that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. Hence, two (2) of seven (7) Directors of the Company are to retire pursuant to Clause 85 of the Company's Constitution.

En. Mohd Rizal Bahari Bin Md Noor and En. Wan Muhamad Hatta Bin Wan Mos ("Retiring Directors") who were appointed to the Board on 14 February 2014, will retire and being eligible, have offered themselves for re-election at the 11th AGM pursuant to Clause 85 of the Company's Constitution.

The Board has endorsed the Nomination and Remuneration Committee's recommendation to seek shareholders' approval to re-elect the Retiring Directors as they possess the required skill sets to facilitate and contribute to the Board's effectiveness and value.

The Retiring Directors had abstained from all deliberations and decisions on their own eligibility to stand for re-election at the Board meeting.

The details and profiles of the Retiring Directors are provided in the Directors' Profile section on pages 12 of the Company's Annual Report 2023.

4. Items 5 and 6 of the Agenda - Retention of Independent Non-Executive Directors

The Board had assessed the independence of Pn. Yip Jian Lee, En. Mohd Rizal Bahari Bin Md Noor and En. Wan Muhamad Hatta Bin Wan Mos, who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years. The Board is satisfied that they have met the independence and recommended them to continue to act as the Independent Non-Executive Directors of the Company based on the following reasons:

(a) they have declared and confirmed that they fulfilled the criteria under the definition of Independent Director as set out in Paragraph 1 of the Listing Requirements of Bursa Securities;
(b) they have vast experience in their respective industries which could provide the Board with a diverse set of experience, expertise and independent judgement;
(c) they have good knowledge of the Company and its subsidiaries' business operations;
(d) they have devoted sufficient time and attention to their responsibilities as Independent Directors of the Company; and
(e) they have exercised due care during their tenure as Independent Non-Executive Directors of the Company and carried out their duties in the best interest of the Company and shareholders of the Company.

Pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance, the retention of Pn. Yip Jian Lee, En. Mohd Rizal Bahari Bin Md Noor and En. Wan Muhamad Hatta Bin Wan Mos as Independent Non-Executive Directors of the Company are subject to the shareholders' approval through a two-tier voting process.

NOTICE OF ANNUAL GENERAL MEETING

5. **Item 7 of the Agenda – General Authority for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Act**

   The Ordinary Resolution 8 proposed under item 7 of the Agenda, is to seek a general mandate for issuance and allotment of shares by the Company pursuant to Sections 75 and 76 of the Act. This Ordinary Resolution, if passed, will empower the Directors to issue and allot new shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and cost involved in convening at a general meeting to approve the issuance and allotment of such shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

   This general mandate will provide flexibility to the Company for issuance and allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

   As at the date of this Notice, no new shares in the Company were issued and allotted pursuant to the mandate granted to the Directors at the last AGM held on 29 November 2022 which will lapse at the conclusion of the Meeting.

   Pursuant to Section 85 of the Act and the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company. This Ordinary Resolution 8, if passed, will exclude the shareholders' pre-emptive right to be offered new shares to be issued by the Company.

6. **Item 8 of the Agenda – Proposed Share Buy-Back Authority**

   The Ordinary Resolution 9 proposed under item 8 of the Agenda is to seek the mandate on the authority to purchase its own shares of up to 10% of the total number of issued shares of the Company. This Ordinary Resolution, if passed, will empower the Directors of the Company to purchase its own ordinary shares of up to 10% of the total number of issued shares of the Company through Bursa Securities at any time within the time stipulated.

   Please refer to the Share Buy-Back Statement dated 31 October 2023 for further details of the Proposed Share Buy-Back Authority.

7. **Item 9 of the Agenda – Proposed Amendments to the Constitution of the Company ("Proposed Amendments")**

   The Proposed Amendments are mainly to streamline the Constitution with the relevant regulatory requirements as well as to enhance administrative efficiency.

   The Proposed Amendments shall take effect once the special resolution has been passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the Meeting.

APPENDIX A

PROPOSED AMENDMENTS TO THE CONSTITUTION OF CARIMIN PETROLEUM BERHAD ("THE COMPANY")

This is the Appendix A referred to in Agenda 9 of the Notice of Eleventh Annual General Meeting of the Company dated 31 October 2023.

CLAUSE NO.	EXISTING CLAUSE	PROPOSED CLAUSE
69 *Chairman*	The Chairman of the Board (if any) shall preside as Chairman at every general meeting. If the Company has no Chairman or if at any general meeting, the Chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting or if the Chairman of the Board is not willing to act as Chairman for the general meeting, the Directors present shall choose one of their number to act as Chairman or if one (1) Director only is present, he shall preside as Chairman if he is willing to act. If no Director is present, or if each of the Directors present declines to preside as Chairman, the Members present and entitled to vote shall elect one (1) of their number to be the Chairman. The election of the Chairman shall be by a show of hands. However, a proxy shall not be eligible for election as chairman of the meeting.	The Chairman of the Board (if any) shall preside as Chairman at every general meeting. If the Company has no Chairman or if at any general meeting, the Chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting or if the Chairman of the Board is not willing to act as Chairman for the general meeting, the Directors present shall choose one of their number to act as Chairman or if one (1) Director only is present, he shall preside as Chairman if he is willing to act. If no Director is present, or if each of the Directors present declines to preside as Chairman, the Members present and entitled to vote shall elect one (1) of their number to be the Chairman. ~~The election of the Chairman shall be by a show of hands.~~ However, a proxy shall not be eligible for election as chairman of the meeting.
71 *Polls*	A resolution put to vote at any meeting of Members (other than the election of the chairman of the meeting or the adjournment of the meeting which may be voted by way of show of hands) shall be determined by poll. A poll shall be taken in such manner and either forthwith or after an interval or adjournment or otherwise as the Chairman directs and the result of the poll shall be the resolution of the meeting at which the poll was taken. The Company shall appoint at least one (1) scrutineer for the purposes of a poll in accordance with the Listing Requirements, Applicable Laws, and may, in addition to the power of adjourning meetings contained in this Constitution, adjourn the meeting to some place and time fixed for the purpose of declaring the result of the poll. The poll may be conducted manually using voting slips or electronically using various forms of electronic voting devices. Such votes shall be counted by the poll administrator and verified by the scrutineer(s), as may be appointed for the purpose of determining the outcome of the resolution(s) to be decided by poll.	A resolution put to vote at any meeting of Members (other than the election of the chairman of the meeting or the adjournment of the meeting which may be voted by way of show of hands) shall be determined by poll. A poll shall be taken in such manner and either forthwith or after an interval or adjournment or otherwise as the Chairman directs and the result of the poll shall be the resolution of the meeting at which the poll was taken, **but a poll demanded on the election of the chairman of the meeting or on a question of adjournment shall be taken forthwith.** The Company shall appoint at least one (1) scrutineer for the purposes of a poll in accordance with the Listing Requirements, Applicable Laws, and may, in addition to the power of adjourning meetings contained in this Constitution, adjourn the meeting to some place and time fixed for the purpose of declaring the result of the poll. The poll may be conducted manually using voting slips or electronically using various forms of electronic voting devices. Such votes shall be counted by the poll administrator and verified by the scrutineer(s), as may be appointed for the purpose of determining the outcome of the resolution(s) to be decided by poll.
125A *Validity of Electronic / Digital Signature*	New provision	**For the avoidance of doubt, any document or instrument transmitted by any technology purporting to include a signature and/or electronic or digital signature of any of the following persons:** **(a) a holder of Shares;** **(b) a Director (including Alternate Director);** **(c) a committee member;** **(d) in the case of a corporation, which is a holder of shares, its director or secretary or a duly appointed attorney or duly authorised representative,** **shall in the absence of express evidence to the contrary available to the person relying on such document or instrument at the relevant time, be deemed to be a document or instrument signed by such person in the terms in which it is received.**

ADMINISTRATIVE NOTES

FOR THE ELEVENTH ANNUAL GENERAL MEETING ("11TH AGM" OR "MEETING") OF CARIMIN PETROLEUM BERHAD ("CARIMIN" OR "THE COMPANY")

Day/ Date	:	**Thursday, 30 November 2023**
Time	:	**3:00 p.m.**
Venue	:	**Greens III, Sports Wing, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan**

In transition to the endemic phase of Covid-19 and to safeguard the health and safety of shareholders, proxies and invited guests who may be attending the 11th AGM in person, please find the below requirements and method of participating in the 11th AGM of the Company:

- If you are unwell with sore throat, flu, fever, cough, aches and pains, nasal congestion, diarrhoea or shortness of breath, you are required to comply with the directives issued by Ministry of Health to self-quarantine or seek medical advice and will not be allowed to attend the 11th AGM. You are hereby strongly advised and encouraged to submit your Proxy Form prior to the 11th AGM.

REGISTRATION ON THE DAY OF 11TH AGM

1. Registration will commence at 1:30 p.m.
2. Please present your original National Registration Identity Card (NRIC) or Passport to the registration staff for verification.
3. A voting slip and an identification wristband will be given to you thereafter. No one will be allowed to enter the meeting room without an identification wristband.
4. Registration must be done in person. No person is allowed to register on behalf of another.
5. The registration counter will handle the verification of identity, registration and revocation of proxy/proxies.

GENERAL MEETING RECORD OF DEPOSITORS

For the purpose of determining who shall be entitled to attend the 11th AGM, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at **23 November 2023** and only a depositor whose name appears on such Record of Depositors shall be eligible to attend the 11th AGM.

APPOINTMENT OF PROXY OR ATTORNEY OR CORPORATE REPRESENTATIVE

Shareholders who appoint proxy(ies) to participate at the 11th AGM must ensure that the duly executed Proxy Forms are deposited in a hard copy form or by electronic means to Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") not later than **Tuesday, 28 November 2023 at 3:00 p.m.**

The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner: -

(i) **In hardcopy form**
In the case of an appointment made in hardcopy form, the proxy form must be deposited with the Share Registrar of the Company at Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan.

(ii) **By electronic means**
The proxy form shall be electronically lodged with the Share Registrar of the Company via TIIH Online website at https://tiih.online. Kindly refer to the procedures below for the electronic lodgement of a proxy form via TIIH Online.

Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan not later than **Tuesday, 28 November 2023 at 3:00 p.m.** to participate in the 11th AGM. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

ADMINISTRATIVE NOTES

FOR THE ELEVENTH ANNUAL GENERAL MEETING ("11TH AGM" OR "MEETING") OF CARIMIN PETROLEUM BERHAD ("CARIMIN" OR "THE COMPANY")

For a corporate member who has appointed a representative, please deposit the ORIGINAL certificate of appointment with the Share Registrar of the Company at Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan on/or before the 11th AGM. The certificate of appointment should be executed in the following manner:-

(i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.

(ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:-

(a) at least two (2) authorised officers, of whom one shall be a director; or

(b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

PROCEDURES FOR ELECTRONIC SUBMISSION OF PROXY FORM

The procedures to lodge your Form of Proxy electronically via Tricor's TIIH Online website are summarised below:

	Procedures	Actions
i.	**Steps for Individual Shareholders**	
(a)	Register as a User with TIIH Online	• Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services" by selecting "**Create Account by Individual Holder**". Please refer to the tutorial guide posted on the homepage for assistance. • If you are already a user of TIIH Online, you are not required to register again.
(b)	Proceed with submission of Proxy Form	• After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. • Select the corporate event: "**CARIMIN PETROLEUM BERHAD 11TH AGM - SUBMISSION OF PROXY FORM**". • Read and agree to the Terms & Conditions and confirm the Declaration. • Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf. • Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint the Chairman as your proxy. • Indicate your voting instructions - FOR or AGAINST, otherwise your proxy(ies) will decide your vote. • Review and confirm your proxy(ies) appointment. • Print the proxy form for your records.
ii.	**Steps for Corporation or Institutional Shareholders**	
(a)	Register as a User with TIIH Online	• Access TIIH online at https://tiih.online. • Under e-Services, the authorised or nominated representative of the corporation or institutional member selects "**Create Account by Representative of Corporate Holder**". • Complete the registration form and upload the required documents. • Registration will be verified, and you will be notified by email within one (1) to two (2) working days. • Proceed to activate your account with the temporary password given in the email and reset your own password. *(Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate member electronic proxy submission. Please contact the persons stated under "**ENQUIRY**" section below if you need clarifications on the user registration.)*

ADMINISTRATIVE NOTES

FOR THE ELEVENTH ANNUAL GENERAL MEETING (“11TH AGM” OR “MEETING”) OF CARIMIN PETROLEUM BERHAD (“CARIMIN” OR “THE COMPANY”)

	Procedures	Actions
(b)	Proceed with submission of Proxy Form	• Login to TIIH Online website at https://tiih.online. • Select the corporate event: “**CARIMIN PETROLEUM BERHAD 11TH AGM - SUBMISSION OF PROXY FORM**”. • Read and agree to the Terms & Conditions and confirm the Declaration. • Proceed to download the file format for “**Submission of Proxy Form**” in accordance with the Guidance Note set therein. • Prepare the file for the appointment of proxy(ies) by inserting the required data. • Submit the proxy appointment file. • Login to TIIH Online, select corporate event: “**CARIMIN PETROLEUM BERHAD 11TH AGM - SUBMISSION OF PROXY FORM**”. • Proceed to upload the duly completed proxy appointment file. • Select “**Submit**” to complete your submission. • Print the confirmation report of your submission for your record.

NO RECORDING OR PHOTOGRAPHY

Unauthorised recording or photography of the proceedings of the 11th AGM is strictly not allowed. The Company reserves the right to take appropriate legal actions against anyone who violates this rule.

ENQUIRY

If you have any enquiries on the above, please contact our Share Registrar during office hours on Mondays to Fridays from 9:00 a.m. to 5:30 p.m. (except on public holidays): -

Tricor Investor & Issuing House Services Sdn. Bhd.
General Line : +603-2783 9299
Fax Number : +603-2783 9222
Email : is.enquiry@my.tricorglobal.com
Contact person : Mohammad Khairudin : +603-2783 7973
Mohamad.Khairudin@my.tricorglobal.com

CARIMIN

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

PROXY FORM

I/We*____ NRIC/ Passport/ Registration No.*__________________________________
(full name in capital letters)

of ____
(full address)

Email Address ____ Mobile Phone No. ______________________________

being (a) member(s) of CARIMIN PETROLEUM BERHAD [201201006787 (908388-K)] ("the Company") hereby appoint:-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

and / or*

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Eleventh Annual General Meeting ("Meeting") of the Company to be held at Greens III, Sports Wing, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 30 November 2023 at 3:00 p.m. or at any adjournment thereof.

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

No	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' fees and benefits of up to RM540,000.00 for the financial year ending 30 June 2024.		
2.	To re-elect En. Mohd Rizal Bahari Bin Md Noor as a Director who retires by rotation pursuant to Clause 85 of the Company's Constitution.		
3.	To re-elect En. Wan Muhamad Hatta Bin Wan Mos as a Director who retires by rotation pursuant to Clause 85 of the Company's Constitution.		
4.	To re-appoint Crowe Malaysia PLT as Auditors of the Company.		
5.	To retain Pn. Yip Jian Lee as an Independent Non-Executive Director of the Company.		
6.	To retain En. Mohd Rizal Bahari Bin Md Noor as an Independent Non-Executive Director of the Company.		
7.	To retain En. Wan Muhamad Hatta Bin Wan Mos as an Independent Non-Executive Director of the Company.		
8.	To approve the authority for Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
9.	To approve the Proposed Share Buy-Back Authority.		
No.	**Special Resolution**	**For**	**Against**
1.	To approve the proposed amendments to the Constitution of the Company.		

* *delete whichever not applicable*

Dated this _________ day of _________________, 2023.

CDS ACCOUNT NO.	NO. OF SHARES HELD

____
Signature of Member(s)/Common Seal

Notes:

(a) A member who is entitled to attend and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

(b) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak and vote at the Meeting.

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

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

(e) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

(f) To be valid, the instrument appointing a proxy may be made via hardcopy or by electronic means in the following manners and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the Meeting or at any adjournment thereof at which the person named in the appointment proposes to vote:-

(1) In Hardcopy Form

The proxy form shall be deposited at the Share Registrar's office, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan.

(2) By Electronic Means

The proxy form shall be electronically lodged via TIIH Online website at https://tiih.online. Kindly refer to the Administrative Notes on the procedures for the electronic lodgement of the proxy form via TIIH Online.

(g) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 23 November 2023. Only members whose names appear in the General Meeting Record of Depositors as at 23 November 2023 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

(h) All the resolutions set out in this Notice of the Meeting will be put to vote by poll.

(i) The members are advised to refer to the Administrative Notes on the registration process for the Meeting.

(j) Given the constantly evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our Meeting at short notice. Kindly check Bursa Malaysia Securities Berhad's and the Company's corporate website at www.carimin.com for the latest updates on the status of the Meeting.

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AFFIX
STAMP

The Share Registrar of
CARIMIN PETROLEUM BERHAD
201201006787(908388-K)

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur,
Wilayah Persekutuan.

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www.carimin.com

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

B-1-6, Block B, Megan Avenue 1
189, Jalan Tun Razak
50400 Kuala Lumpur
Wilayah Persekutuan
Tel : 03-2168 7000
Fax : 03-2164 2199/
03-2171 1792