CARIMIN

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

Forging Ahead in a
Challenging Environment

ANNUAL
REPORT
2022

10th ANNUAL GENERAL MEETING

Venue: Mauna Lani B, Glenmarie Golf Country Club,
No. 3, Jalan Usahawan U1/8,
40150 Shah Alam, Selangor Darul Ehsan

Date: Tuesday, 29 November 2022

Time: 2.30pm

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CARIMIN PETROLEUM BERHAD ANNUAL REPORT 2022

All information provided is correct at time of print,
and subject to changes

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Get access to Carimin's website

ABOUT CARIMIN

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

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

The business for the group grew steadily over the past decade from being a manpower service provider to a dynamic and emerging contractor in integrated maintenance, rejuvenation, hook-up and commissioning ("HUC") of onshore/offshore facilities and the provision of sub-sea underwater inspections, repair, maintenance works and services ("IRM") for the Oil and Gas industries. Towards last quarter of 2022, the group further enlarge its services to include Engineering, Procurement, Construction and Commissioning (EPCC) for onshore pipelines.

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

ABOUT CARIMIN

PETRONAS

Petronas

Khazanah Treasury

Department of Occupational Safety & Health

Department of Safety & Health

ISO 9001:2015

Other licenses and certifications held include:-

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

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

Our competency lies in offering unique and feasible solutions to achieve the desired results in accordance with the Client's expectations. To date, CARIMIN has completed projects valued at more than RM1.0 billion since its inception and among our notable portfolio of clients include oil majors PETRONAS Carigali, PETRONAS Gas, Shell, Murphy Oil, Repsol, ExxonMobil, New Field, Petrofac, HESS and Nippon Oil.

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

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.

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.

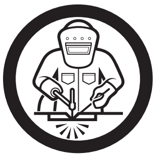
2011

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".

OUR KEY MILESTONES



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.

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.

Lundin Energy

OUR KEY MILESTONES

2016

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

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

2017

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

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

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

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..

PETRONAS CARIGALI

2019

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

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

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

2020

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

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

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

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

2021

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

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

HIBISCUS Petroleum

2022

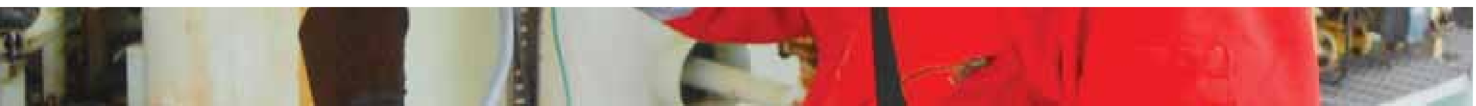
Secured Provision of Once-Off Maintenance, Construction and Modification ("MCM") Services for Resak & Tangga Barat Cluster Turnaround for PETRONAS Carigali Sdn. Bhd..

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.

HIGH-PERFORMANCE CULTURE

Our employees are highly motivated in order for them to perform at their best. In addition, their capabilities are constantly enhanced for them to achieve optimal productivity.



CORPORATE INFORMATION

Board Of Directors

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

Mokhtar Bin Hashim Managing Director

Lim Yew Hoe Executive Director

Wong Kong Foo 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 Practising Certificate
No. 201908001272

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

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

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

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

STOCK INFORMATION

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

CORPORATE STRUCTURE

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

60 %
CARIMIN RESOURCES SERVICES SDN. BHD.
Dormant

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

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

Oil and Gas supported
Civil Engineering
Dormant

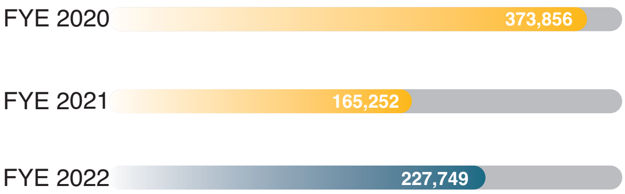
FINANCIAL HIGHLIGHTS

	FYE 2022 RM'000	FYE 2021 RM'000	FYE 2020 RM'000
Financial Results			
Revenue	227,749	165,252	373,856
Profit before tax	10,872	19,365	18,423
Profit after tax	6,867	13,279	11,549
Net profit attributable to:			
Owners of the company	6,543	13,318	12,933
Non-controlling interest	324	(39)	(1,384)
Financial Position			
Assets			
Property, plant and equipment	91,338	97,782	103,941
Right-of-use assets	2,070	2,652	3,037
Investments	590	2,633	4,271
Current assets	191,974	186,339	206,263
Total assets	285,972	289,406	317,512
Equity			
Share capital	149,385	149,385	149,385
Reserves	20,571	26,339	14,011
Total equity attributable to owners of the company	169,956	175,724	163,396
Non-controlling interests	205	(119)	(80)
Liabilities			
Deferred tax liabilities	36	36	409
Bank borrowing	24,941	30,881	41,053
Lease liabilities	469	1,024	1,255
Current liabilities	90,365	81,860	111,479
Total equity and liabilities	285,972	289,406	317,512
WA no. of ordinary share	233,878,000	233,878,000	233,878,000
Financial Indicators			
Earnings per share (sen)	2.80	5.69	5.53
Net dividend per share (sen)	5.50	1.00	1.20
Net assets per share (RM)	0.73	0.75	0.70
Return on equity (%)	3.85	7.58	7.92

FINANCIAL HIGHLIGHTS

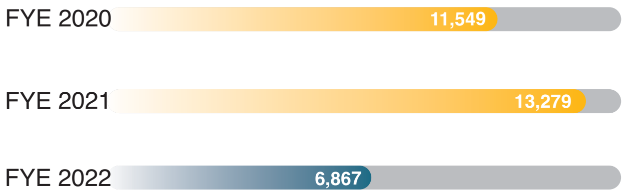
Revenue
(RM'000)

+227,749



Profit After Tax
(RM'000)

+6,867



Total Asset
(RM'000)

+285,972

Shareholders' Equity
(RM'000)

+169,956

DIRECTORS' PROFILE

Tan Sri Dato' Kamaruzzaman Bin Shariff

Non-Independent Non-Executive Chairman

Aged 80
Male
Malaysian

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 the Mayor of Kuala Lumpur from 1995 to 2001. He was appointed as a Director of our Group in 2004. He does not hold directorships in any other public companies and listed issuers.

Mokhtar Bin Hashim

Managing Director and Key Senior Management

Aged 63
Male
Malaysian

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

DIRECTORS' PROFILE

Lim Yew Hoe

Executive Director and Key Senior Management

Aged 54
Male
Malaysian

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

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

Yip Jian Lee

Independent Non-Executive Director

Aged 67
Female
Malaysian

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 PricewaterHouse Tax Services Sdn. Bhd. in 1982, where she was a Tax Supervisor. She then joined Hong Leong Assurance Berhad in 1985 as a Finance & Admin Manager. Later that year, she joined the Institute of Bankers Malaysia as a Director where she served for 15 years before leaving in 2000. Currently, she is on the Board of FWD Takaful Berhad.

DIRECTORS' PROFILE

Mohd Rizal Bahari Bin Md Noor

Independent Non-Executive Director

Aged 51
Male
Malaysian

Mohd Rizal Bahari Bin Md Noor was appointed to the Board on 14 February 2014 as an Independent Non-Executive Director. He is the Chairman of the Nomination and Remuneration Committee and a member of the Audit Committee and Risk Management Committee of the Company. He attended all 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 also completed Level 2 (Certificate) of the Chartered Association of Certified Accountants in 1994. He does not hold directorships in any other public companies and listed issuers.

Wan Muhamad Hatta Bin Wan Mos

Independent Non-Executive Director

Aged 69
Male
Malaysian

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 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 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 the 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.

DIRECTORS' PROFILE

Wong Kong Foo

Executive Director and Key Senior Management

Aged 62

Male

Malaysian

Wong Kong Foo was appointed to the Board on 27 October 2022 as our Executive Director and hence, he did not attend any of the Board meetings held in the financial year. He is responsible for overseeing the Group's Investments and Business Strategy.

He is an entrepreneur with more than 30 years' of experience in corporate management, business start-ups, merger and acquisitions as well as construction. He founded the Emas Kiara Group in the 1990's and was the key strategist for the group's success in establishing several manufacturing facilities producing a wide range of geosynthetic engineering products and industrial textiles in Malaysia. In 2004, the group was successfully listed on Bursa Malaysia as Emas Kiara Industries Berhad. ("EKIB"). During the business operations of EKIB which pioneered the manufacture of geosynthetics in Malaysia, having export markets in Asia, Europe, Middle East, Australia and New Zealand. In 2011, he initiated the successful divertment of EKIB's manufacturing facilities to another world leader in the industries.

Currently, he has directorships and investments in several private limited companies which are involved in real estate, property development, civil engineering & construction and credit financing but not in any other public companies and listed issuers.

Notes:
1. None of the Directors have family relationships with any Directors and/or major shareholders of the Company.
2. None of the Directors have any conflict of interest 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 2022 other than for traffic offences (if any).

KEY SENIOR MANAGEMENT PROFILE

Mohd Zamzuri Yusoff

Chief Operating Officer

Aged 47

Male, Malaysian

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

Patrick Choong

General Manager - Finance

Aged 47

Male, Malaysian

Patrick Choong joined Carimin in April 2016 as Corporate Finance Manager. He is currently the General Manager of Finance heading the Finance and Procurement department of Carimin. He graduated from the Association of Chartered Certified Accountants (ACCA) and is a member of the Malaysia Institute of Accountants (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, construction engineering, property development, management services and as well as oil & gas industry.

KEY SENIOR MANAGEMENT PROFILE

Annuar Bin Tumar

General Manager, Project Management

Aged 54	
Male, Malaysian	

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, the USA in 1991 and has 30 years of experience in the upstream & downstream construction segment of the oil & gas industry. His experience is primarily in project/construction management with the last 15 years being in senior management & leadership positions and has held various management positions including CEO, COO and Operations Director.

Muhammad Hatta Noah

Senior Manager – Tender & Contract

Aged 55	
Male, Malaysian	

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

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

KEY SENIOR MANAGEMENT PROFILE

Syed Kamil Syed Ibrahim

Head – Corporate Compliance & Control

Aged 61

Male, Malaysian

Syed Kamil Syed Ibrahim is the Head of the Corporate Compliance & Control Department. He has an MBA from the University of Southern Queensland, Australia (2005) and a Bachelor of Science in Electrical Engineering from the 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 as a Project Engineer in the Development Projects Division, where he was exposed to many aspects of the industry. In 1988, he was transferred to Offshore Division in Kerteh, Terengganu as the Facilities Engineer in charge of Tapis D and Tapis Pumping which is a critical asset for pumping oil from the oil fields to the Terengganu Crude Oil Terminal (TCOT).

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

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

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

Roslan Bin Chik

Manager, Yard

Aged 56

Male, Malaysian

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

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

KEY SENIOR MANAGEMENT PROFILE

Zhafri Bin Mokhtar

Senior Manager – Corporate Strategy & Business Development

Aged 37	
Male, Malaysian	

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

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

Notes:

1. None of the Key Senior Management 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, except En. Zhafri Bin Mokhtar who is the son of En. Mokhtar Bin Hashim, the Managing Director of the Company.
3. None of the Key Senior Management has any conflict of interest 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 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

DEAR VALUED SHAREHOLDERS,

For the financial year ended 30 June 2022 ("FY2022"), Carimin Petroleum Berhad ("Carimin" or "the Group") overcame challenging economic and operational conditions to turn in another resilient performance. The financial year in review saw Carimin registering a 37.8% increase in revenue to surpass the RM200 million mark. The improvement in revenue was largely attributable to the increase in demand for oil and gas activities which translated into more work orders for the Group. The Group's profit after tax ("PAT"), however, declined by 48.3% or RM6.4 million to RM 6.9 million mainly due to impairments made on one of our vessels, trade receivables and a loss from a joint venture.

During the year in review, our core businesses delivered mixed performances. 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 Maintenance, Construction and Modification ("MCM") and integrated Hook Up and Commissioning ("iHUC") contracts awarded by PETRONAS Carigali Sdn. Bhd. ("PCSB"). Meanwhile, the Group's Manpower Services ("MPS") Division exceeded our targets with its stellar performance.

Our Marine Services ("MS") Division, however, did not perform so well as it was only able to begin the bulk of its operations in the latter part of the year given pandemic restrictions. However, any deficits caused by the delays were offset by the increase in charter rates due to the shortage of vessels in the market. Our Civil Construction ("CC") Division continued to have reduced activities and participated in fewer tenders during the pandemic as it was not considered an essential services provider and as such could not operate.

The year saw us continuing to focus our efforts on managing our level of debt funding and conserving our cash position which led to a healthy balance sheet. Additionally, we remain focused on securing new contracts for our existing businesses whilst we venture into new business segments within the industry. As we remain committed to seeking new opportunities, we are confident that Carimin Group will continue to deliver value to our stakeholders.

FY2022'S OPERATING BACKDROP

The last few years have seen Carimin alongside other oil and gas players contending with fluctuating oil prices, and we continue to adapt to oil price volatility amidst a highly challenging market. Back in March 2020, where the price of Brent Crude had dipped to approximately USD15 per barrel, it rebounded to USD50 per barrel by the year's end. By mid-2021 it had risen to over USD76 per barrel and by late September 2021, the price of Brent Crude topped USD80 per barrel for the first time in nearly three years. From thereon, oil prices on average began to charge higher as economies recovered from pandemic lockdowns and fuel demand picked up while some producing countries experienced supply disruptions.

Over the course of 2021, as vaccination programmes began to be rolled out globally and travel restrictions were eased, there was a resurgence in demand for road transport fuels. This saw businesses within the oil and gas industry began to gain momentum once again. However, the trajectory of recovery within the industry remained challenging throughout the year due to the emergence of new COVID-19 variants which caused further restricted lockdowns. While the gradual opening of international borders in early 2022 did much to revive the aviation sector, it is only anticipated to make a full comeback within the next two years.

In late February 2022, following Russia's invasion of Ukraine, oil prices began to soar to highs not seen since 2008. In March 2022, the price of Brent Crude surpassed USD127 per barrel marking a 15-year high. With the war introducing even more uncertainty into an already volatile market, Brent crude futures began to fluctuate on a daily basis. According to a Reuters' analysis of Refinitiv Eikon data, Brent's session highs and lows averaged USD5.64 within the period of 24 February 2022 through 15 August 2022 as compared to USD1.99 during the same period in 2021.

Given such volatile market conditions, there was an exodus of traders and fund managers from the crude oil markets in the months leading up to September 2022, which in turn led to a new seven-year low in market activity even as the global energy crisis worsened. The declining market participation saw oil prices move around USD25 per barrel for every one million barrels per day ("bp/d") variation in supply or demand over August 2022. This was almost double the USD15 move per million bp/d which was recorded before Russia's invasion of Ukraine. With such wild swings in oil prices, investors were less inclined to trade the markets. The volatility also impacted businesses in 2022 as energy budgets became the biggest operational area to be affected by supply-chain disruptions caused by the pandemic and geopolitics.

MANAGEMENT DISCUSSION AND ANALYSIS

In addition to these obstacles, the operating environment in FY2022 remained challenging as oil and gas industry players continued to deal with the reverberations of the COVID-19 pandemic. These included restrictive SOPs which continued to disrupt logistics and supply chains globally for FY2021 going into FY2022. We not only had to comply with SOPs from the Ministry of Health but also the SOPs set forth by the respective state departments and the Marine Department of Malaysia. All this led to a host of challenges as we sought to mobilise our vessels, crews and supporting services. The quarantine measures and restrictions, especially for marine and manpower services, resulted in additional expenses for the Group.

At the time of writing, although we are seeing a gradual economic recovery on the domestic front, industry players are cautiously optimistic given the volatile price of oil amidst fears of a looming global recession. Moving forward, there is a need to focus more on efforts to face oil price volatility in order to maintain sustainability.

CORE BUSINESSES AND STRATEGIES FOR GROWTH

Today, Carimin continues to reinforce its position as a reputable Malaysian oil and gas company that is providing technical and engineering support services to upstream oil majors via core competencies in four different business segments. Three of these segments cater to oil and gas activities, namely our CHUCTMM; the MPS; and the MS segment. Our fourth business segment focuses on activities within the CC segment.

Our CHUCTMM segment is focused on expanding its operations and assets in tandem with the Group's strategies for growth. This will ensure that we have the capacity to support our objective of securing larger contract packages from PETRONAS and other oil majors. Currently, we operate our own yard in Kemaman and have leased several yards (inclusive of Labuan) to meet the needs of our ongoing MCM and iHUC works. In addition, the development of our new five-acre fabrication yard in Kemaman is in progress.

The Group's MPS business continues to grow steadily as more oil and gas majors began embarking on projects and the demand for technical and professional expertise increases. We will continue to leverage on our experienced talent pool to secure more contracts for the long term. This strategy supports our position of being the supplier of choice for manpower services for both the upstream and downstream sectors. At the same time, the division will focus its efforts on bolstering its capabilities on the specialised consultancy, training and placement services fronts.

The MS Division continues to play a pivotal supporting role for the Group's CHUCTMM projects in the marine services segment. In addition to the provision of vessel charter services for the regional market, the MS Division also offers subsea underwater inspection, repair and maintenance ("IRM") services that typically encompass platform and pipeline inspections, structural integrity checks, and debris clearance activities. While the medium-term outlook for the division has been challenging in view of the deferment of offshore work activities during the pandemic, in line with our long-term strategy to secure the division's position as a competitive player in the regional market, we are working to proactively secure more contracts.

MANAGEMENT DISCUSSION AND ANALYSIS

For the financial year in review, Group revenue increased by 37.8% or RM62.4 million from RM165.3 million to RM227.7 million. With the improved demand for oil and gas products, the Group was able to leverage the demand uptrend for such projects.

Carimin is committed to prudently implementing strategic initiatives that allow us to nurture our existing businesses while exploring new opportunities. In doing so, we are not only focusing on our current core competencies but also further strengthening our foundations to support growth and expansion. In FY2022, the Group embarked on a new business that involves the Engineering, Procurement, Construction, and Commissioning ("EPCC") of onshore pipelines and associated facilities. During the year under review, the Company was awarded an onshore pipeline project by Petronas Gas Berhad, marking the Group's maiden entry into the onshore business segment.

The Group is also working on augmenting its decommissioning capability and our collaboration with international companies such as Emas Energy Services (Thailand) Ltd and DOF Subsea Asia Pacific Pte Ltd will enable the Group to participate in this segment.

The CC industry remains very challenging as there are fewer major infrastructure projects on the horizon plus industry players have to contend with rising building material costs and labour shortages. Despite these prevailing circumstances, Carimin's CC division will actively identify and participate in projects where it has competencies.

As we move forward, the Carimin Group will remain steadfast in its ambition to deliver sustainable long-term value to our stakeholders. By leveraging the strengths and differences of our core competencies, we aim to develop a robust business that remains resilient but also flexible to navigate the various operational challenges. In this vein, we will continue to expand the scope of our core businesses, increase our operational efficiencies, mitigate business risks, preserve business sustainability and safeguard shareholders' interests. As the world embraces the energy transition evolution, Carimin will continue to adopt a lower-carbon future by exploring new technologies and renewable energy opportunities that may include new businesses beyond our oil and gas portfolio.

FINANCIAL PERFORMANCE IN FY2022

Overview

For the financial year in review, Group revenue increased by 37.8% or RM62.4 million from RM165.3 million to RM227.7 million. With the improved demand for oil and gas products, the Group was able to leverage the demand uptrend for such projects.

While revenue increased, the Carimin Group's PAT declined by 48.3% or RM6.4 million from RM13.3 million to RM6.9 million in FY2022. The decrease in PAT was largely attributable to expected credit loss ("ECL") from individual customer which amounted to RM3.7 million. We also incurred an impairment loss of RM0.4 million relating to the Carimin Airis, our anchor handling tug supply vessel. Furthermore, the divestment of the SK Deep Sea accommodation workboat resulted in an RM1.5 million loss and a reversal of previous earnings amounting to RM1.1 million.

Contributing approximately 68.6% of the Group's total revenue in FY2022, the CHUCTMM Division registered a RM58.6 million or 60.1% increase in revenue from RM97.6 million in FY2021 to RM156.2 million in FY2022. The CHUCTMM division was involved in completing more iHUC-related projects given the increase in offshore activities following the lifting of the COVID-19 Movement Control Order ("MCO") or MCO restrictions. Meanwhile, the MPS Division which garnered some 18.9% of the year's revenue, recorded a RM15.1 million or 53.7% increase in revenue from RM28.1 million in the preceding year to RM43.1 million in FY2022.

MANAGEMENT DISCUSSION AND ANALYSIS

The financial year in review also saw the Group's MS Division registered a RM10.9 million or 27.7% decline in revenue from RM39.3 million to RM28.4 million. While this was primarily due to delays in resumption of its operations in the latter part of the year given pandemic restrictions, this was offset by higher charter fees. The MS divisions contributed 12.5% of the Group's total revenue in FY2022.

Despite the financial year's FY2022's lower profitability, the Group remains resilient moving forward. Our subsidiaries' ability to generate revenue amidst a challenging operating environment bodes well for the Group as we progress.

Liquidity and Capital Resources

The Group's cash and cash equivalents stood at RM88.4 million of which RM32.3 million was placed in fixed deposits as security for the bank facilities granted to the Group. This amount reflected a 30.8% or RM39.3 million decrease from the RM127.7 million registered as at the end of FY2021. During the year under review, RM9.1 million was utilised for term-loan financing of vessels, whereas RM8.9 million was utilised to partly finance the operational activities relating to the procurement of materials, engineering and manpower services, repair and maintenance, as well as the purchase of tools and equipment. Other major outflows for FY2022 included the payment of dividends to shareholders totalling RM12.9 million.

Gearing Ratio

As at the end of FY2022, the Group's gearing ratio dropped to 0.15 from 0.18 times as at the end of FY2021. Our total equity in FY2022 amounted to RM170.0 million (FY2021: RM175.7 million), whereas our net cash position stood at RM54.5 million (FY2021: RM96.9 million).

Capital Management, Future Commitments, and Funding Sources

Back in FY2021, Carimin obtained approval from Bursa Malaysia Securities Berhad ("Bursa Securities") to issue up to 46,775,600 Placement Shares (or 20%) in accordance with the Group's Proposed Private Placement for the acquisition of assets and working capital purposes. However, the Group decided not to proceed with the private placement as the intended purpose for the funds did not materialise.

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, the integrated facility will complement the Group's existing two-acre fabrication yard as well as expand our capacity to manage larger projects and multiple contracts.

Dividend Payments

In respect of the FY2021, the Group rewarded shareholders with a single-tier dividend during the year in review. On 20 October 2021, the Board declared the payment of a special single-tier dividend of 5.0 sen per ordinary share which amounted to RM11.69 million. This amount was paid out to shareholders on 17 November 2021. Carimin remains committed to building a sustainable business that will continue to deliver sustainable value to our stakeholders for the long term.

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 currently facing cost pressures due to inflationary impact on materials, supply chain issues and under-investment in the past few years. Should costs increase, this will negatively impact the bottom lines of oil and gas players.

If the Russia-Ukraine war persists, the expectation is that the price of crude will remain escalated. As long as the price of oil price goes higher than USD70 per barrel, oil and gas projects will remain commercially viable. This bodes well for oil and gas service providers like Carimin.

With upstream service providers headed towards a steady oil and gas capital expenditure ("CAPEX") rhythm guided by PETRONAS's expanded budget (i.e., RM60 billion CAPEX over the next five years as compared to the RM40 billion to RM45 billion it has been spending in the recent past), we anticipate a gradual increase and higher demand for work orders on several fronts.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS SEGMENT PERFORMANCE OVERVIEW

Construction, Hook Up and Commissioning as well as Topside Major Maintenance ("CHUCTMM")

Carimin's CHUCTMM Division comes under the ambit of Group subsidiary, Carimin Engineering Services Sdn. Bhd. ("CESSB"). Given the division's wide range of services and various revenue streams, it continues to maintain its position as the main contributor to the Group's total revenue. Aside from CHUCTMM activities, CESSB also offers its clients Engineering, Procurement, Construction, Installation & Commissioning ("EPCIC"), Rejuvenation, Decommissioning, Plug and Abandonment, as well as major blasting and painting services at its fabrication yards.

During the financial year in review, the CHUCTMM Division remained the significant contributor to the Group's total revenue that mostly came from the iHUC segment which saw the completion of both its B11 and Kumang work orders. The eventual relaxation of COVID-19 SOPs has also served to drive work progress in the CHUCTMM Division's Shallow offshore project.

In respect of the MCM contract, we continue to chalk up good progress with better contributions from our Dulang Top Side Maintenance (CTSM) works, Field Improvement Projects and Static projects.

Following the resumption of oil and gas activities, the CHUCTMM Division successfully secured new contracts in FY2022 that include the provision of MCM services for the Resak and Tangga Barat Cluster Turnaround, Tiong, PM9 (Bekok & Non Bekok), Duyong, Pulai and Ladang field Turnaround. We have also received a 15-month extension of the main services contract for MCM for oil cluster and additional scope for gas cluster and this bodes well for us over the FY2023 and FY2024 period.

Going forward, the outlook for the CHUCTMM Division remains positive and we expect the division to continue to deliver a steadfast performance. The division will actively explore more business opportunities while gradually expanding its scope of services.

The division is also actively expanding its operational capabilities and efficiencies in anticipation of new projects from PETRONAS and other oil majors as the pace of industry development picks up.

To ensure the CHUCTMM Division maintains its competitive edge, it will continue to explore opportunities in underwater works, decommissioning services, associated well plugging and abandonment activities, as well as late-life asset management. With many oil and gas assets operating for more than 40 years, domestic decommissioning presents an interesting growth opportunity that is only expected to intensify going forward.

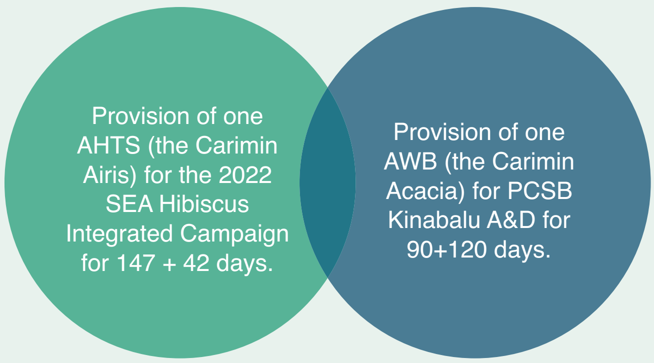
Marine Services ("MS")

The Group's MS Division supports the Malaysian oil and gas industry through its provision of marine support services via our wholly owned vessels. These vessels are the Carimin Airis, an anchor handling tug supply ("AHTS") vessel, and the Carimin Acacia, a dynamic positioning Class 2 (DP2) accommodation work boat ("DP2 AWB"). The MS Division provides ship management and in-house catering services to improve margins for its fleet and chartered offshore vessels. This is part of our strategy to reduce expenses and increase efficiencies within our operations.

During the year, the Group divested its 15% stake in SK Deep Sea ("SKDS"), a DP2 accommodation workboat due to the high costs required to reinstate the vessel to seaworthiness after it was laid off during the pandemic. This resulted in a loss of RM1.5 million to the Group.

As oil majors began to implement more projects, an increase in work activities is anticipated for our MS Division. During the financial year, the division secured an Environmental Baseline Survey ("EBS") for Tepat B from Total E&P Malaysia. The project involves the mobilisation of personnel and equipment for the preparation and execution of a field survey which includes laboratory analysis and reports. The fieldwork was completed in January 2022.

The MS Division also went on to secure the following contracts, both of which will keep the division busy till the end of 2022:



Given the uptrend in oil price and offshore work activities, Carimin anticipates that the demand for marine support services will increase in tandem. As part of our bid to capitalise on the expected increase in CHUCTMM projects, the MS Division will continue to improve the strength of its services by implementing cost optimisation activities, providing ship management and maintenance services, as well as undertaking vessel charters locally and regionally.

To further expand the reach of its vessel charter services within the region, the MS Division will also continue to actively secure more marine spread contracts with third-party vessels including offshore catering services.

MANAGEMENT DISCUSSION AND ANALYSIS

Manpower Services ("MPS")

The MPS Division under Carimin Sdn. Bhd. ("CSB") is responsible for providing highly skilled personnel and professional expertise to the Oil and Gas industry. The division retains its competitive edge among oil and gas players with its portfolio of highly qualified, expert consultants and people who are specially trained to meet the various needs of the industry.

In FY2022, following the opening of several economic sectors, there was increased demand from clients requiring manpower services. Tapping its talent pool, the MPS Division not only went on to secure several new contracts, but it also saw its performance increase significantly. The following table highlights the multitude of new manpower supply contracts that CSB secured in FY2022:

No.	Contract Description	Award Date	Duration
1	Umbrella agreement for manpower services (general) - agreement number 409069	23 Sep 2021	3 years
2	Umbrella agreement for manpower services (specialist) - agreement number 408999	17 Sep 2021	3 years
3	Provision of third-party manpower supply services for the projects department for 2021-2024	19 Oct 2021	2 years
4	Umbrella contract for the provision of professional manpower services for drilling/workover	16 Dec 2021	1 year
5	Provision of hook-up and commissioning support services for Phase 4a, North Malay Basin	29 Nov 2021	2 years
6	Provision of third-party manpower services for IPC Malaysia B.V. (MP7/C/DDR/21/153)	1 Jan 2022	2 years
7	Umbrella contract for the provision of professional manpower services for PTTEP Malaysia operations	30 Jun 2022	2 years
8	Provision of manpower supply for technical and non-technical personnel to support the NMB project	1 Jul 2022	2 years

Civil Construction ("CC")

Carimin Bina Sdn. Bhd. ("CBSB" or "the company") represents the Group's Civil Construction ("CC") Division. Since its inception, the division has established a good history as a trusted service provider within the infrastructure segment. During the COVID-19 pandemic, as the Company was not considered an essential service provider, this resulted in a significant reduction in the CC Division's activities from 2020. While the re-opening of economic sectors in FY2022 has provided new project opportunities, the steep increase in raw material and labour costs necessitates that CBSB is selective over the projects it takes on. Moving forward, the CC Division will remain cautious in bidding for new projects and will focus on its niche areas.

New On-Shore Business

In February 2022, CESSB entered into a joint venture ("JV") agreement with I Drill Pipelines Constructions Sdn. Bhd. ("I Drill") to carry out EPCC works on the Lion Lateral Extension project and the construction of a metering station for ND Paper Malaysia's Bougainvillea project for Petronas Gas Berhad. The first of its kind for the Group, the project which entails the construction of a 10 km onshore 16-inch diameter pipeline and a metering station to supply natural gas to a paper-making plant in Banting, Selangor, is set to be completed in August 2023.

This project underscores CESSB's strategy to expand its core competencies to include onshore EPCC pipeline construction. The Carimin Engineering-I Drill JV, with CESSB as the lead partner, will provide both companies with the necessary resources to successfully venture into EPCC pipeline construction.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS RISKS AND MITIGATION STRATEGIES

Carimin is wholly committed to ensure that our businesses and operations are run in a manner that is ethical, trustworthy and sustainable. As a responsible corporate entity, we prioritise the identification and mitigation of the various risks that may exert a material effect on our operations, performance, financial condition and liquidity. In accordance with Bursa Securities' requirements, we have disclosed the high-level risks that are most pertinent to our business along with the corresponding mitigation strategies:

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

MANAGEMENT DISCUSSION AND ANALYSIS

RISK RATING: HIGH

Risk Category	Description of Risk	Possible Consequences	Mitigation Measures
	Change of government and customer policies.	• Liberalisation and review of policies impacting the industry. • Increase in operational and overhead costs due to new regulations. • Increase in competition due to open tenders instead of closed tenders. • Reviews of the contract by the client. • Inability to meet customer's requirements. • Unable to retain customers / loss of market share.	• Ensure good business relationships with government/clients. • Seek legal advice where appropriate. • Increase competitive edge by enhancing our competency and capacity. • Close lobbying with regulatory bodies. • Pursue active membership in local oil and gas associations i.e., Malaysian Oil and Gas Services Council ("MOGSC"), Malaysia Shipowners Association ("MASA"). • Develop understanding of contract base scope and market requirements. • Collaborate with reputable local parties to pursue contracts. • Stay competitive when entering for tender bids risk.
Financial Risk	Inadequate budgetary control and monitoring.	• In excess of budgeted expenditure/reduced profits. • Impact on cash flow management. • Delays in project delivery. • Exposure to Liquidated and Ascertained Damages ("LAD").	• To include the project management team ("PMT") in budget cost control meetings with the purpose of highlighting various shortcomings and to garner their feedback. • Ensure that necessary remedial actions are undertaken to address variances. • Ensure strict adherence to SOPs/ Financial Authority Limit ("FAL") practices. • Provide proper budget and project closeout reports. • Divisional budget to be prepared and consolidated for Board/ Management approval and to be used thereafter as a benchmark for cost control.
Operational Risk	Delays in project completion.	• Company's reputation is affected. • Forced to pay fines for delays ("LAD"). • Potential legal action by the client. • Increase in project costs. • Poor brand reputation affecting future tenders. • Opportunity cost (longer time required to complete existing projects due to the pandemic and social distancing.	• Closely monitor projects. • Ensure the PMT is involved in early engagement sessions with the client during the design stage. • Project team and client to meet regularly to keep up to date on project status. • Site planner to provide frequent updates. • Any project issues to be dealt with immediately. • Communicate with clients on any delays in the delivery timeline due to supply shortages or logistic issues. • To develop SOPs to ensure Extensions of Time ("EOTs") are being applied accordingly. • Project Management Team to monitor EOT application (with/without cost impact). • Close liaison with the client.

MANAGEMENT DISCUSSION AND ANALYSIS

RISK RATING: HIGH			
Risk Category	**Description of Risk**	**Possible Consequences**	**Mitigation Measures**
			• Ensure the proper filing of all documentation such as project minutes, site meeting notes, and email correspondence relating to delays, etc. • Organise weekly management meetings to discuss, plan and provide updates on project progress. • Project planning approval to be based on financial, equipment and manpower availability.
	Poor management of Marine assets (i.e., vessels).	• Unable to meet delivery timeline due to vessel breakdown. • Additional costs for repairs incurred – vessel main and aux machinery. • Third-party vessel costs incurred.	• To maintain a minimum inventory level for critical spares. • Conduct routine vessels check and inspections. • To maintain proper handover among officers (Master and Chief Engineer). • Conduct vessel docking for hull and machinery maintenance and repair.
Customer Risk	Obligation to fulfil contracted rates during the low oil price environment.	• Financial impact. • Higher costs from vendors/ suppliers. • Potential losses. • Unable to deliver on the project.	• Bulk orders to reduce the cost. • Long-term price agreements with vendors. • Renegotiate terms of contracts. • Conduct direct negotiations with vendors. • Encourage multi-tasking.
Suppliers Risk	Delivery of project materials not meeting customer requirements.	• Additional costs incurred for replacement of products. • Loss in profit margin. • Company reputation and performance are affected. • Delay in project completion due to poor quality supplier, sub-contractor selection and supplies. • Additional costs incurred to expedite the delivery.	• Source from approved manufacturers and vendors. • Conduct factory inspection and expediting at source. • Conduct receiving inspection expeditiously. • Appoint competent procurement personnel in relation to technical bid evaluation. • Ensure procurement procedures are updated and in place. • Purchase requestor to provide input and feedback on items to be purchased. • Specific supplier performance evaluation to be conducted annually and/or on a project basis. • Existing SOPs to be adhered to strictly. • Conduct regular meetings and audits amongst procurement and the PMT (documented).

MANAGEMENT DISCUSSION AND ANALYSIS

RISK RATING: HIGH			
Risk Category	**Description of Risk**	**Possible Consequences**	**Mitigation Measures**
Corporate Governance	Lack of oversight on letters of demand ("LODs") and legal suits by clients, vendors, sub-contractors or JV partners.	• Financial impact and losses. • Escalation to litigation and judgements by default. • Company reputation is affected. • Lack of confidence from shareholders/clients and other counterparties. • Getting reprimanded by the authorities. • Legal action against Board members and senior management.	• Liaise and conduct meetings with counterparties – dispute resolution. • Ensure Whistleblowing Policy and Procedures are in place. • To regulate procurement procedures – handling of invoices. • Adhere to SOPS pertaining to the management of accounts payable and AP ageing.

RESPONSIBLE CORPORATE PRACTICES

Being a conscientious industry player, Carimin is committed to uphold the highest standards of ethical practices along with high standards of professionalism. Our dedication stems from our belief that good governance not only translates into good business but is also essential to the sustainability of the Group. We continue to stringently incorporate the best corporate governance and risk management practices into the framework of our organisation. As a responsible industry player, we also ensure that we conduct our businesses in compliance with the updated Malaysian Code on Corporate Governance 2021 ("the Code").

On the Sustainability front, Carimin continues to subscribe to Bursa Securities' sustainability guidelines. The guidelines help us to ensure that we operate in a sustainable manner and that we develop sustainability initiatives that will serve to benefit the Group and the communities that we serve for the long term. All sustainability-related endeavours and initiatives come under the purview of the Group's in-house Sustainability Committee ("SC'). The SC closely monitors the Group's implementation of our sustainability endeavours and regularly reports on our progress to ensure that we continue to move toward building a sustainable future.

As a testament of our efforts, the Group's ESG rating assessed by FTSE Russell has improved from 1.7 in 2021 to 2.7 in June 2022 and elevated from 1-Star Band to 3-Star Band rating. The FTSE Russell ESG ratings form the basis for the FTSE4Good Indices and PLCs in the FBM EMAS index which attain ratings of 2.9 or more would be included in FTSE4Good Bursa Malaysia Index. We hope to improve our ESG ratings further and be included in the Index in the near future.

For more detailed insights into our sustainability activities, please refer to our Sustainability Statement on pages 32 to 53 of this Annual Report.

OUTLOOK AND PROSPECTS (FY2023 AND BEYOND)

Following the easing of COVID-19 measures in many countries in early 2022, the medium-term expectation was for economies to be reinvigorated by growing consumer confidence and a return to normality for supply chains. However, in view of Russia's conflict with Ukraine, China's zero-COVID policy, worsening supply chain disruptions, unsettled energy and food markets, as well as interest rate hikes by the US Federal Reserve and the European Central Bank, the optimistic outlook for the global economy has all but diminished in the latter half of 2022. In fact, the International Monetary Fund has lowered its global growth forecast for 2022 and 2023 to 3.2% and 2.7% respectively and is of the view that a global recession is imminent. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic

In late September 2022, the World Economic Forum published its quarterly Chief Economists Outlook with its Community of Chief Economists expecting reduced growth, stubbornly high inflation and real wages to continue falling for the remainder of 2022 and 2023. 7 out of 10 chief economists consider a global recession to be at least somewhat likely, while almost 9 out of 10 of the chief economists expect growth in Europe to be weak in 2023, while moderate growth is expected in the Middle East and North Africa region, the US, South Asia and Latin America. The grim outlook for growth is being driven in part by high inflation, which has triggered sharp monetary tightening across many economies.

MANAGEMENT DISCUSSION AND ANALYSIS

In its East Asia and the Pacific Economic Update published in late September 2022, the World Bank has raised its 2022 economic growth forecast for Malaysia, predicting that domestic gross domestic product ("GDP") will grow to 6.4% from 5.5% previously. The World Bank forecasts that GDP growth will be supported by strong domestic demand and underpinned by continued improvements in labour market conditions. Tourism-related activities by domestic and international travellers are expected to see an uptake. In addition, the continuation of multi-year investment projects will likely provide additional support for economic growth.

Nonetheless, the World Bank forecasts that downside risks, particularly on the external front, will continue to prevail. On the domestic front, speculation over Malaysia's next general election could also raise uncertainty among investors in the near term. On top of this, concerns about rising inflation, particularly food inflation (which is now at over 7%), the sluggish labour market recovery, the shortage of workers, and the depreciation of the ringgit, are all affecting Malaysia's growth potential. The Government has relied a lot on subsidies to cushion the shocks, while Bank Negara Malaysia ("BNM") has begun raising interest rates to try and deal with the depreciation of the ringgit. To date, BNM has so far raised the OPR thrice in 2022 to 2.5% from a record low of 1.75%.

By way of global oil prices, fears of a global recession caused crude oil prices to fall for most of the third quarter of 2022 driving oil prices down to an eight-month low. Oil's poor performance over the third quarter is clearly a reflection of an oil market that is losing its tightness as global recession risks surge.

Going into the fourth quarter of 2022, there seems to be some upside potential for prices coming from the OPEC+ Group. In early October, OPEC+ (led by Saudi Arabia) announced the biggest cut to its collective target since 2020. Despite the headline number of a cut of 2 million bp/d, the actual reduction from current OPEC+ oil production would be half that figure, at around 1 million bp/d to 1.1 million bp/d. This is because many producers have not been able to produce to their quotas for months.

While the immediate impact of this historically enormous cut in crude oil supply on global oil prices was not as dramatic as some had feared, it has drawn the ire of the United States which has said repercussions against OPEC+ (in particular Saudi Arabia) would follow. While escalating tensions between the United States and OPEC+ have triggered some short-term market swings for oil, it remains to be seen what will happen moving forward. The tightness of global oil supply that OPEC officials have been warning about remains very real and is about to get potentially more severe after the EU embargo on maritime Russian oil imports takes effect in December. Physical demand destruction appears to be the only way to moderate prices and a soaring U.S. dollar has done a lot to achieve that, although probably unintentionally.

In its September 2022 Oil Market Report ("OMR"), the International Energy Agency ("IEA") is forecasting world oil demand to rise by 2 mb/d in 2022 and 2.1 mb/d in 2023, marginally lower than the forecast in its August 2022 OMR.

The world today is undergoing an energy transition that is being driven by climate change concerns. This has accelerated the shift from fossil-based energy sources to renewables. With fossil fuel remaining core to the global energy mix, players like PETRONAS are redefining their energy offerings by pushing for the increased use of natural gas as a cleaner source of fuel in the energy transition while building capabilities in renewable energy for the security and sustainability of supply. In tandem with this, PETRONAS is encouraging Oil and Gas Services and Equipment or OGSE industry players to step out and explore opportunities and creative partnerships in New Energy for diversification. In line with this, Carimin will consider such opportunities to collaborate with the national oil and gas company and other industry players as we move towards a low-carbon future.

MANAGEMENT DISCUSSION AND ANALYSIS

As the Carimin Group ventures forward into FY2023, we are cautiously optimistic of maintaining our profitability as the Group makes the most of revenues from the contracts in hand.

Our Management Team and staff have proven their mettle by way of working under volatile market conditions and will now set their sights on boosting our core competencies. We have a proven track record in handling multiple jobs simultaneously and will proactively focus our efforts on pursuing new opportunities. As we move forward, we will continue to leverage our resources and assets including capacity building, strengthen our operational efficiencies, and implement cost-cutting strategies to ensure long-term sustainable growth. At the same time, we will explore new business opportunities that will fuel expansion and sustainable growth. The Board and the Management of Carimin remain optimistic about the outlook and the Group's prospects for FY2023.

IN APPRECIATION

The Board and the Management of Carimin wish to express our sincere appreciation to all those who supported the Group through another challenging year. Our utmost gratitude to our valued shareholders, customers and business partners for your steadfast support and confidence in us. Our heartfelt appreciation also goes out to our loyal employees for your perseverance, diligence and professionalism that helped carry the Group through FY2022 to deliver a resilient performance.

A special note of thanks goes to En. Mazhar Bin Palil, our General Manager for Human Resources & Administration, who retired in April 2022. His contributions over his 11 years of service to Carimin have been immense and are much appreciated.

As we move forward into a new financial year, we call upon our stakeholders to continue giving us their unwavering support. Despite the uncertain economic environment and highly competitive marketplace, Carimin remains resolute in its aim to turn in a steadfast performance and create long-term value for our stakeholders.

SUSTAINABILITY STATEMENT

At Carimin Group of Companies ("Carimin" or "the Group"), our sustainability strategy is to create shared meaningful social and economic values for our various stakeholders. We believe that we can achieve operational efficiency and produce long-term growth by embedding sustainability in our business activities, which will benefit both the current and future generations.

The last few years have been marked by disruption and uncertainty. The world is still reeling from the pandemic's economic impacts. There is also the matter of Russia's conflict with Ukraine, which has set in motion a global energy crisis. Despite these setbacks, we remain resolute in fulfilling our mission to enrich the communities where we operate, nurture our employees, satisfy our customers' needs and manage our supply chain. As we and our stakeholders embark on the journey back to normalcy, our main agenda is strong economic recovery.

OUR SUSTAINABILITY FOCUS

ECONOMY

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

ENVIRONMENT

To adhere to all pertinent Environmental regulations and promote environmental protection

SOCIETY

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

GOVERNANCE

To demonstrate leadership and maintain trust through strong governance practices.

FY2022 HIGHLIGHTS:

HSE Highlights
- Fatality Rate: 0
- Lost Time Injury Target("LTI") 0.25; Actual: 0
- Lost Time Injury Frequency ("LTIF") Target: 0.25; Actual: 0
- Environmental Spill Target: 0; Actual: 0

Awards and Recognition
- Awarded HSE champion by Petronas Carigali
- 4 million safe man-hours HSE certificate of recognition
- DOSH Grade A award for Work Site Compliance

Sustainability Rating
- ESG Rating by FTSE RUSELL improved from 1.7 last FY to 2.7 in FY2022.

Anti-Corruption
- Performed Corruption Risk Assessment

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

This Sustainability Statement conveys the initiatives that we have undertaken to demonstrate our commitment to apply the best sustainability practices. Each section describes our progress in implementing these actions. This report also provides an overall picture of how we plan to create sustainable values for our stakeholders now and in the future.

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 2021 to 30 June 2022. 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 (2nd Edition)
- Malaysian Code of Corporate Governance (MCCG)
- Reference Guideline: Global Reporting Initiative (GRI) Standards (Core option)

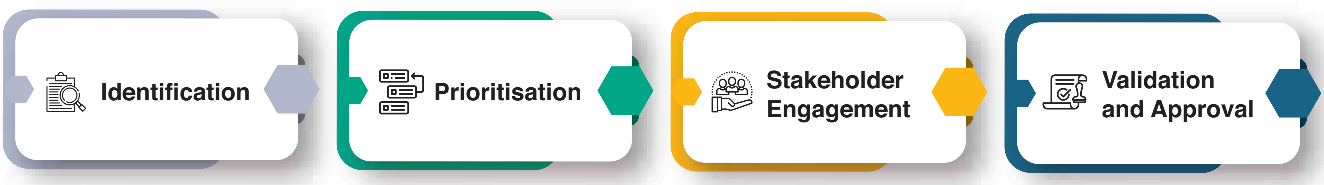
Feedback:
We welcome your feedback: biz@carimin.com

MATERIALITY MATTERS

We regularly perform materiality assessments to verify that we are focused on sustainability issues that reflect the current status of our business and stakeholders and to ensure 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 Senior Management Team and Heads of Department ("HODs") worked together to review our sustainability themes through the following process:

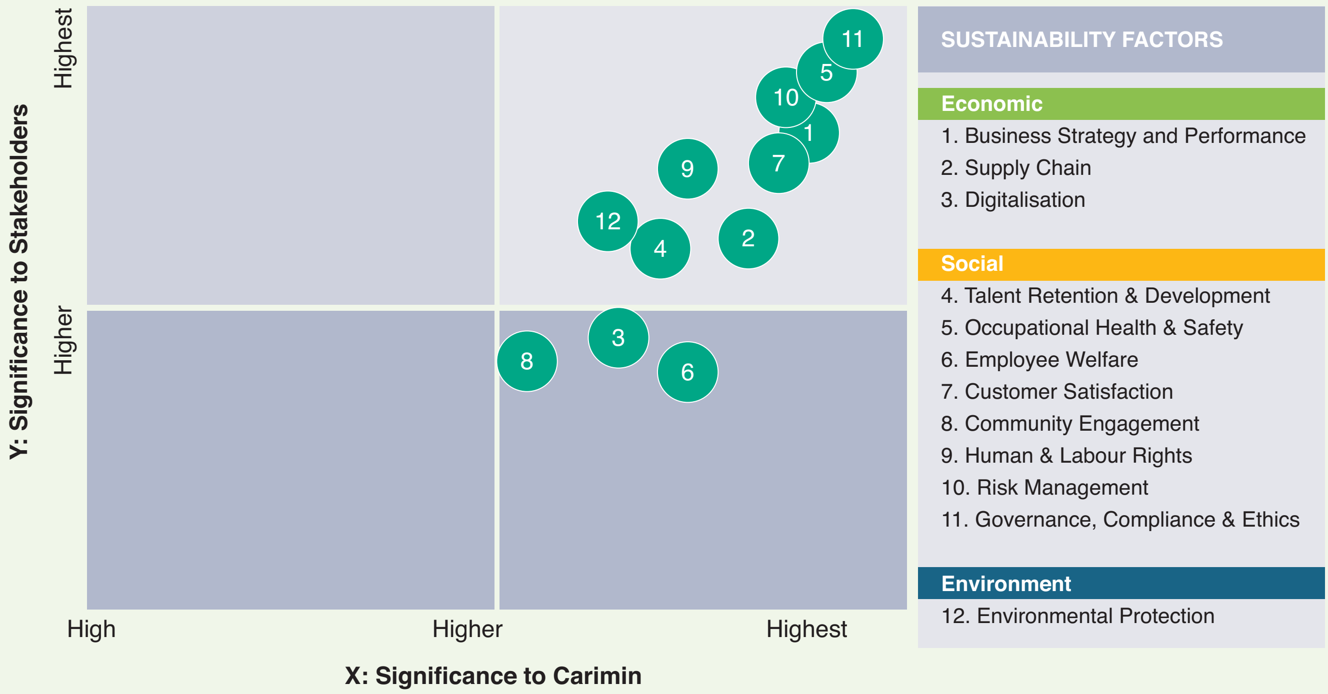


This report focuses on the issues considered most important by both the Group and our stakeholders for the current financial year. We make sure that materiality assessments are conducted annually so that any changes in our business and the external environment are accurately reflected.

To proceed with 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 for their feedback, confirmation and validation and then submitted to the Board for approval.

SUSTAINABILITY STATEMENT

Materiality Matrix 2022



The diagram above depicts the results of our materiality assessment. The issues ranked in the upper right-hand quadrant are those that are considered most significant by both the Group and the stakeholders. Our materiality assessment identified twelve (12) material EES issues, of which two emerging priorities were added: (1) human and labour rights an emerging national and international concern; (2) The risk management was added because we have developed a comprehensive risk management policy and framework to support our sustainability.

The top four (4) priority aspects are Governance, Compliance and Ethics, Occupational Health and Safety, Risk Management, and Business Strategy and Performance, which are closely linked to the core nature of our business. We have removed Automation being in the midstream O&G sector, automation is less important while Digitalisation was retained as it is gaining more relevance.

Our activities do not significantly impact the community as we do not operate in highly populated areas and do not produce much industrial waste or pollution.

STAKEHOLDER MATTERS

Our different stakeholder groups influence our operations in different ways. Some of our stakeholders are critical to our business strategy and are, 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 so that we can immediately respond to any valid and reasonable concerns.

In addition, we have our 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 - AGM/EGM meetings - Written letters and e-mail communications - Investor briefings
Bankers	• Business Strategy • Economic Performance	• Strategic Capital Management	- Meetings - Annual reviews
Employees	• Health & Safety (H & S) • Career Development • Job Security	• OSHA Compliance • HSE Risk Management • Education & Training • Succession Planning	- HSE meeting & conference - Career management - Performance reviews - Awards and recognitions
Customers	• Service Quality • Health, Safety & Environmental ("HSE") Compliance	• ISO 9001 Certification • HSE Performance Goals • Quality Certification	- HSE meetings, - Attend conferences & mentorships - Customer service interactions
Community	• Community Welfare & Engagement	• Local Hiring and Sourcing • Community Outreach Activities	- Local recruiting & hiring - CSR activities - Sports activities
Government	• Compliance	• Regulatory Compliance • Seminars & Conferences	- Regulatory seminars - Updating of permits & licenses
Suppliers/ Contractors	• Health and Safety • Ethics and Transparency	• OSHA Compliance • Anti Bribery and Corruption Policy (ABC) • Code of Conduct & Business Ethics (COBE)	- H & S awareness training & discussion - ABC policy awareness - COBE awareness

SUSTAINABILITY STATEMENT

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS ("SDGs")

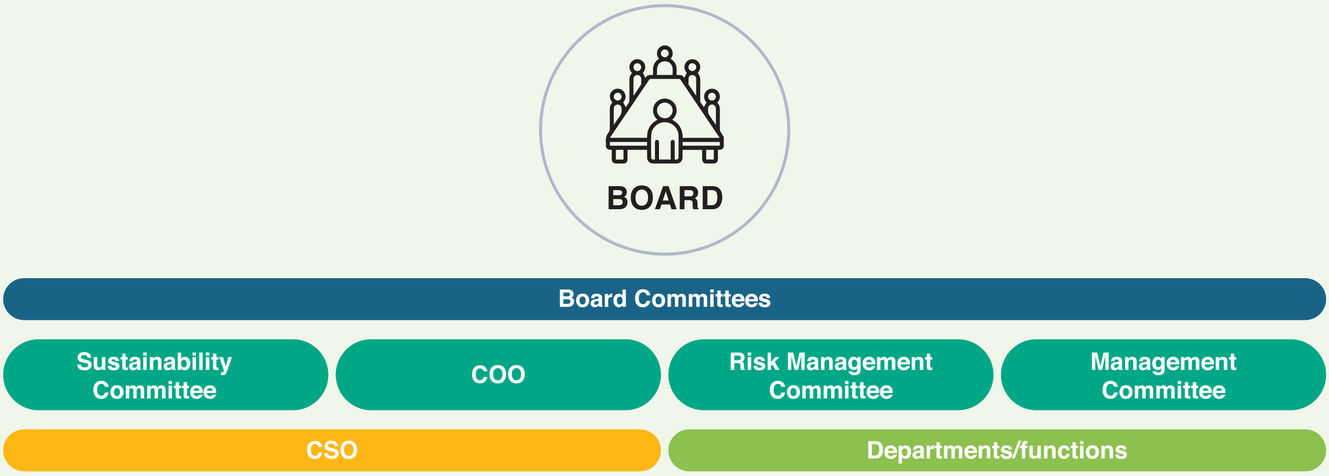
Endorsed by all 193 United Nations Member States in 2015, the 2030 Agenda focuses global efforts and attention on 17 pressing issues. While the overall responsibility lies with national governments, the SDGs cannot be achieved without a concerted effort by businesses and other organisations.

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

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

SUSTAINABILITY GOVERNANCE

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. Tasked with this responsibility is our Sustainability Committee.



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

- Ensure business strategy considers sustainability
- Approve and review the sustainability targets and performance
- Be Informed of all sustainability issues relevant to the Company, particularly the risks and opportunities, so that they can make sound decisions

THE SUSTAINABILITY COMMITTEE: The Committee is headed by the Chief Operating Officer ("COO"), who is assisted by the Chief Sustainability Officer ("CSO") with 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 to the Board as regards the sustainability outcome

The fourth tier of our sustainability governance comprises the CSO, Heads of Departments and special function departments. The CSO coordinates with various departments and functions and works closely with the COO, Risk Management Committee and the Management Committee. Their responsibilities include:

- Supporting strategy decisions, in charge of developing, implementing, monitoring and improving sustainability initiatives.
- Making sure that sustainability is integrated into every part of the organisation.
- Reviewing the progress of the sustainability measures against the set targets set by the Sustainability Committee
- Reporting findings to the Sustainability Committee

We are pleased to report that there has been a major improvement in our ESG ratings. The Group's ESG rating assessed by FTSE Russell has improved from 1.7 last year to 2.7 in June 2022. The Company's position has been elevated from 1-Star Band to 3-Star Band rating (4-Star band being the best). The FTSE Russell ESG ratings form the basis for the FTSE4Good Indices and PLCs in the FBM EMAS index which attain ratings of 2.9 or more would be included in FTSE4Good Bursa Malaysia Index. We are putting in additional effort to further improve our ESG ratings with the objective of being included in the Index in the near future.

SUSTAINABILITY STATEMENT

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 Anti-Bribery and Corruption Policy ("ABC Policy"). Moreover, we make it a point to always be up-to-date with emerging changes in sustainability best practices, and we can readily adopt or update our policies as appropriate.

Management and Monitoring:

We have established rigorous procedures to enforce strict compliance with our policies. Specifically, all newly hired employees 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.

A Corruption Risk Assessment was performed during this FY and as a result a Corruption Risk Register was created. This exercise gave us more insight into corruption risks within our business and operations.

Grievance Channel:

The Whistleblowing Policy provides a platform where all stakeholders can report grievances and actual or suspected incidents of misconduct. In addition, we have implemented a procedure to manage WB cases. 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 on our corporate website.

SUSTAINABILITY RISK MANAGEMENT

The Board and the Management Team have instituted the Risk Management (“RM”) Policy and Framework, which covers various aspects of managing risks throughout the Group.

Our RM 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.

We perform Project and Environmental, Health and Safety (“EHS”) 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 is commenced and before those hazards could cause an accident. For more information, please visit http://www.carimin.com/images/gallery/Risk%20Management%20Policy%20&%20Framework.pdf

ECONOMY

Energy demand is intertwined with economic growth. As economies throughout the world progressed, so did their needs 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 many times 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, so is digitalisation.

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 economic global climate, we remain a steadfast part of the O&G industry in contributing to a sustainable economy.

We are aware of global reckoning on climate change and greenhouse gases (GHG), which has led to an accelerating shift towards renewable energy and reducing GHG emissions. Given that our sector supports the energy industry, our transition to digitalisation will lead to reduced energy consumption in our operations.

FY2022 Economic Impacts:

Revenue	Shareholders' Equity	Amount of Contracts to the Supply Chain	Number of Employees
RM **227.75** million	RM **169.96** million	RM **195.01** million	**129**

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)
Contracts Secured
- Provision of One-Off MCM Services for Resak and Tangga Barat Cluster Turnaround;Received a 15-months contract extension for MCM main services for Oil Cluster; - Provision of one AHTS (the Carimin Airis) for the 2022 SEA Hibiscus Integrated Campaign for 147 + 42 days; - Provision of one AWB (the Carimin Acacia) for PETRONAS Kinabalu A&D for 90+120 days.
Capital Investments
- Construction of a 5-acre fabrication yard which comprise an office building, warehouses and workshops for open fabrication, equipment storage, blasting and painting at Kemaman, Terengganu

SUSTAINABILITY STATEMENT

Direct Economic Impact

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 Impact

Our indirect impacts can be traced in the value added to the Malaysian local and national economy. The midstream investment and expenditures of the O&G support operation sector have had a significant and beneficial economic impact over the 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 for relevant job scopes. The capital investment and purchase of intermediate input of goods from direct and indirect suppliers supports a number of industries outside the O&G sector.

HEALTH SAFETY AND ENVIRONMENT ("HSE")


A

Our Telok Kalong Yard("TKY") was awarded Grade A by DOSH for Work Site Compliance

At Carimin, we embody sustainable excellence in all activities and services. We strive to achieve beyond the minimum regulatory requirements in every aspect of our business and operations. We will always keep our personnel's safety and care for their wellbeing uppermost, while at the same time conserving and preserving the environment. The Group adopts an integrated HSE management system and processes in one complete framework. The unified approach entails developing systematic practices for HSE compliance, including waste management, removal or reduction of dangerous pollutants and activities that reduce the risk of injuries for all employees, contractors, vendors and stakeholders. We have implemented group wide a HSE Management System Manual which covers all our activities.

HSE COMMITTEE

Main HSE Committee is part of the sustainability working group, it was established as the central body responsible for all employees and environmental protection and operational health and safety. The committee comprises heads of departments, headed by the HSE manager and chaired by the Managing Director, who is also a member of the Board. The committee review protocols, develop strategies, make recommendations, and monitor operational activities to ensure that all legislation is complied. Necessary measures are taken to prevent accidents, create a safe working surrounding and protect the environment.

A Project Safety Committee is present in all Carimin operations, and the committee meets weekly to discuss HSE programmes, incidents, legislation and training, among other issues. The Project Safety Committee consists of our business partners and employees; the committee reports the monthly, quarterly and annual performance to the Main HSE committee, which in turn conveys the status of the Group's HSE to the Sustainability Committee.

Main HSE Committee

- **Managing Director (Chairman)**
  - **COO (Deputy Chairman)**
    - **HSE Manager (Secretary)**
      - Marine Manager
      - Procurement Manager
      - PMT Manager
      - Yard Manager
      - QA/QC Manager
      - HR Manager
      - Finance Manager

Project Safety Committee

- **Construction Superintendent/ Team Leader (Chairman)**
  - **HSE Officer (Secretary)**
    - Construction Engineer
    - QA/QC Manager or Inspector
    - Contractors & Subcontractors
    - Representatives from disciplines/ trades

HSE POLICIES

It is the Group's policy to conduct our business only after considering the Health and Safety of our stakeholders, including the potential impact on the environment.

The Group HSE policy applies to all employees and business partners. 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 HSE policies http://www.carimin.com/hse.html

HSE PROMOTION PROGRAMMES

Constant HSE communication and programs are essential practices that provide employees with the information and skills to carry out their jobs safely.

Rewarding Positive Behaviour:
Recognition highlights management's emphasis on this aspect of the business operations. It also motivates and engages employees to identify hazards, intervene, and report unsafe acts and conditions.

SUSTAINABILITY STATEMENT

HSE Incentives

• BEST Unsafe Condition Unsafe Act ("UCUA")

• MOST UCUA

• HSE Best Personnel Performance

• HSE Sharing

Incident Reporting and Communication:
All cases, injuries, accidents, fatalities and other incidents are promptly investigated to determine the potential severity and probability of recurrence. All incidents, actions are taken, and new HSE regulations are tabled at the HSE meetings. HSE breaches are taken seriously, and appropriate measures are taken, including employee or contractor dismissal who has frequently been errant or has committed a serious offence.

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

Job Hazard Analysis ("JHA"):
The 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, clients and government agencies much as DOSH and DOE also conduct audits and inspections.

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 lifesaving appliances and survival techniques. This training is required for employees and subcontractors working onshore and offshore.
- *Manager/Supervisor Training* highlights the worksite environment and HSE training.
- *Refresher courses* are organised at required intervals.

We have conducted various HSE training for FY2022. The training is conducted utilising the government and third-party organisations of Offshore Petroleum Industry Training Organisation (OPITO), the global industry standard in oil and gas safety, skills, and competence.

Besides the standard OPITO and Basic Offshore Safety Induction and Emergency Training (BOSIET), we have conducted additional training and awareness campaigns at our worksites. These are as shown in the tabulation below.

PERIOD	HSE TRAINING & ACTIVITIES
1st Quarter	• Best UCUA, Most UCUA, HSE Best Personnel Performance • Kumang-E Redev Project: Pre-Rig Up Campaign • Hand & Finger Injury Campaign • Respect & Care Program • PAUSE (Pause, Assess, Understand, Share & Execute) & Good Catch Program • Hot Work Campaign
2nd Quarter	• Best UCUA, Most UCUA, HSE Best Personnel Performance • Monsoon ZIZA (Zero Incident, Zero Accident) Campaign – Offshore B11 Compressor Project • Hand & Finger Injury Mini Campaign – Labuan Yard • Leadership Enhancement and Development (LeAD) Audit Program – Labuan Yard • Project Lesson Learnt – B11 Compressor Project
3rd Quarter	• Best UCUA, Most UCUA, HSE Best Personnel Performance • Audit & Site Visit by Client – Labuan Yard • HSE Hand & Finger Injury Campaign – Labuan Yard • Respect & Care Program – Labuan Yard
4th Quarter	• Best UCUA, Most UCUA, HSE Best Personnel Performance • HSE Road Safety Campaign – Telok Kalong Yard • Line of Fire HSE Awareness Campaign – Angsi Platform • Best in Class Verification Assurance – Labuan Yard • LeAD Verification Audit – Labuan Yard • HSE Management Site Visit – Telok Kalong Yard • Occupational Safety and Health Workplace Assessment (OSHWA) Audit, Noise Exposure Audit & Use and Standard of Exposure Chemical Hazardous to Health (USECHH) Audit by DOSH • Working at Height Awareness Campaign – Angsi Bravo Platform • Hearing Conservation Program – Labuan Yard • Dropped Object Awareness Campaign – Angsi Bravo Platform

SUSTAINABILITY STATEMENT

ENVIRONMENT

Carimin's business activities are mainly in the Upstream sector of the O & G industry, where we provide technical and engineering support services. We have established an environmental policy that is specific to our business operations and extends to our supply chain and business partners. Looking forward to the next financial years we will adapt our policy to reflect emerging environmental issues.

Climate Change

Our Group recognise the impact of climate change and we are one with other organisations and Malaysian international agenda to avoid the negative impacts that can exacerbate climate change.

We address the issue of climate change by reducing or avoiding our impact though operational efficiency. Digitalisation is one of our material issues and we see this as an opportunity to decrease our electricity usage and waste. Digitalising will enable greater connectivity and control, optimisation and analytics which in turn enable our systems to run efficiently. It also allows us to track emerging trends including actively managing our energy consumption and purchased materials. This can also translate to reduced printing, with information at our fingertips we can easily facilitate more online meetings and thus, eliminating unnecessary travelling.

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 by licensed contractors covering activities for transportation of waste from our premises to proper treatment until discharge notification is received.

Scheduled or Hazardous Waste:

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

General Waste:

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

Biodiversity

As stated in our environmental policy "allocate resources and persons responsible for protecting the land, water". Any potential hazard to is biodiversity in land and water are included in our sustainability risk assessment. The assessment will provide a method to identify and address the impacts of our operations on biodiversity at all operational sites and future operations.

Compliance and Performance

In the year under review, we are proud to report that the Group has maintained an excellent record regarding the HSE aspects of our business operations. As a testimony of our HSE performance, in the year under review, our client, Petronas Carigali awarded Carimin with HSE Leadership Enhancement and Development (LeAD) champion for IRSO (Integrated Regional Satellite Office) project and HSE certificate of recognition for 4 million safe man-hours.

The following HSE main regulations govern our operations:

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

SUSTAINABILITY STATEMENT

HSE INDICATORS

The table below shows our HSE performance and indicators.

PERIOD	Fatality	Total Man Hours Worked	Total Man Hours Worked / Since 2009	Total Safe Man-hours worked	Total Safe Man Hours Worked/ since 2009
FY2022	0	802,598	21,396,084	802,598	21,091,291
FY2021	0	1,872,491	19,594,566	1,872,491	18,059,273
FY2020	0	1,996,291	17,722,123	1,996,291	16,186,830

PERIOD	*LTI Target	LTI Performance	**LTIF Target	LTIF Performance	Work Related Fatalities	Environmental Spill
FY2022	0.25	0	0.15	0	0	0
FY2021	0.25	0	0.15	0	0	0
FY2020	0.25	0	0.15	0	0	0

* *LTI (Lost Time Injury): on-the-job accident that resulted in an employee being absent from the workplace for a minimum of one shift or full work day*

** *LTIF (Lost Time Injury Frequency): Total LTI Case X 1,000,000/Total man hours exposed*

GROUP ENERGY CONSUMPTION				
PERIOD / FY	Vessels Marine Gas Oil / Litres	Electricity /kWh	Diesel/Litres	Petrol/Litres
2022	5,259,177	346,626	3,925	946
2021	3,470,245	352,773	2,784	1,145
2020	3,248,655	419,924	6,118	4,811

GROUP WASTE GENERATION (MT)				
PERIOD / FY	Recycled Waste /MT	General Waste /MT	Scheduled Waste /MT	Oil Spill /Litres
2022	0	54.0	7.5	0
2021	2.5	51.7	44.1	0
2020	22.8	157.8	63.7	0

EMPLOYEE

Company Philosophy on Human Resources:

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

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 and government agencies.

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 SOP

The 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 customer 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.

SUSTAINABILITY STATEMENT

The table below shows the list of training completed in FY2022. The external health and safety training sessions are certified career-enhancement programmes that will prepare employees for careers dedicated to the O&G industry.

TRAINING AND DEVELOPMENT		
Topic: Description	**Training Hours**	**Number of Attendees**
Pelan Anti Rasuah (Anti-Corruption Plan)	80	10
Electrical Installation	32	2
Procurement Management	16	1
Implementation of KPI	584	73
Designated Person Ashore	24	1
Risk Management - Basics	78	52
Basic first Aid	8	2
WB Case Management Procedure and Risk Management Policy & Framework (HODs / Managers)	12	12
Risk Management - Projects	59	39
Corruption, Code of Conduct & Business Ethics	96	64
Sustainability Reporting Workshop	8	1
Total	**997**	**257**

Training Hours: No of Attendees x training session time.

WORKFORCE DIVERSITY

Value and respect each other

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 espouse equal employment opportunity and non-discrimination in relation to gender, ethnicity or race, age and nationality at the workplace.

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 exerting 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.

	FY2022	FY2021	FY2020
Age Composition			
20-30 yrs. old	31 (24.03%)	38 (27.33%)	46 (33.82%)
31-45	75 (58.14%)	76 (54.67%)	69 (50.73%)
46-60	21 (16.28%)	25 (17.98%)	21 (15.44%)
Above 60	2 (1.55%)	0	0
Total	129	139	136
Gender Distribution			
Male	91 (70.54%)	104 (74.82%)	95 (69.85%)
Female	38 (29.46%)	35 (25.17%)	41 (30.14%)
Ethnic /Nationality Distribution			
Malaysian	128	138	135
Non-Malaysian	1	1	1
New Employee Hires			
Male	16	5	29
Female	8	4	3
Employee Turnover			
Male	26	7	12
Female	5	8	3

Employee Retention by Gender

PERIOD	2022		2021		2020	
Gender	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**
Turnover	26	5	7	8	12	3
Newly Hired	16	8	5	4	29	3

Employment Contracts FYE2022

	Number	Percentage
Permanent Employees	46	35.7 %
Fixed-term Contract Employees (as at FYE2022)	83	64.3 %
TOTAL	129	100%

Workforce by Employment Level and Gender Distribution

PERIOD	2022		2021		2020	
Gender	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**
Executive Directors	3	0	3	0	3	0
Management	17	1	20	1	16	1
Executive	23	18	18	16	9	16
O&G Professionals	30	3	50	2	55	1
Non-Professionals	18	16	13	16	17	18
Sub Total	91	38	104	35	100	36
Total	129		139		136	

SUSTAINABILITY STATEMENT

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

Local hiring is one of our major contributions. We sustain the local economy by hiring fellow Malaysians and 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 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.

OUTREACH INITIATIVES

Carimin collaborates with various Non-Governmental Organisations and community groups such as Pusat Pungutan Zakat ("PPZ, MAIWP") to build harmonious and lasting relationships with the communities. In 2022, our community welfare initiatives were focused on the lower income household category ("B40").

We advocate the spirit of volunteerism to improve employee engagement and deepen company ties to the communities. Four of our employees volunteered in the food distribution during the month of Syawal and Ramadan.



Food distribution during the month of Ramadan

Philanthropic Donations		
PROGRAMME OBJECTIVES	**NGO Collaboration**	**BENEFICIARIES**
Provision of food for B40 recipients in Cheras, Kuala Lumpur	PPZ MAIWP	200 B40 individuals
Monetary contribution to flood victims of Rumah Perlindungan Darul Ukhwah (HIV patients)	Rumah Perlindungan Darul Ukhwah	Flood damage repair works
Monetary contribution to our staff whose houses were hit by floods in Dec 2021. Each received RM3,000 in Jan 2022.		2 Carimin Engineering Services Sdn Bhd personnel
Provision of food and monetary donations to 80 homeless individuals in Kuala Lumpur to celebrate Ramadan	PPZ MAIWP	80 homeless individuals
Food and monetary donations for B40 recipients in Kepong, Kuala Lumpur to celebrate the religious month of Syawal	PPZ MAIWP	100 B40 individuals

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.

SUSTAINABILITY STATEMENT

PROFESSIONAL MEMBERSHIPS AND ASSOCIATION

MOGSC
MALAYSIAN OIL & GAS SERVICES COUNCIL

Malaysian Oil & Gas Services Council

MASA

Malaysian Ship Owners Association

mprc
malaysia petroleum resources corporation

Malaysian Petroleum Resources Corporation

Carimin's collaboration with professional memberships and associations has 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 must abide by all pertinent laws and regulations relating to minimum wage, occupational health and safety and prevention of child and forced labour. They must also adhere to 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 evaluate 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. In the year under review, there had been no incidence of child and slave labour in our supply chain.

Supplier Transparency and Ethics

The Group's Code 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. Any supplier wishing to raise concerns or disclose improper conduct may use the whistleblowing platform.

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 2022 ("FYE 2022"). 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 2022. 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 in leading and directing the Group towards realising long term objectives and as well maximising shareholders' value. The Board retains full and effective control of the Group's strategic plans, implementing an appropriate system of risk management and ensuring the adequacy and integrity of the Group's system of internal control.

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 responsibility of the Board Committees, the Managing Director, Executive Director 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.

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 and challenging the Board towards a high performance and integrity.

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

PART I - BOARD RESPONSIBILITIES (CONT'D)

1.2 Chairman of the Board (Cont'd)

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 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 Managing Director to various stakeholders' discussion.

The Chairman is not a chairman of the Board Committees but is 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 Managing Director

The positions of the Chairman and Managing Director 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 Managing Director 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 Secretary

The Board is supported by a competent and qualified Company Secretary who is a member of the Malaysian Association of Companies Secretaries and she is holding a professional certificate as a qualified Company Secretary under Section 235(2) of the Companies Act 2016 ("Act"). She possesses over 29 years of experience in corporate secretarial practices.

The Company Secretary plays an important role in facilitating overall compliance with the Companies Act 2016, Listing Requirements and other relevant laws and regulations. The Company Secretary also assists the Board and Board Committees to function effectively and in accordance with her scope of responsibility and best practices and ensures adherence to the existing Board policies and procedures. In order to discharge the roles effectively, the Company Secretary has been continuously attending the necessary training programmes, conferences, seminars and/or forums so as to keep herself abreast with the latest developments in the corporate governance realm and changes in regulatory requirements that are relevant to her profession and enable her to provide the necessary advisory role to the Board.

The Board has direct access to the professional advice and services of the Company Secretary when performing their duties and discharging their responsibilities.

Overall, the Board is satisfied with the performance and support rendered by the Company Secretary and team.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART I - BOARD RESPONSIBILITIES (CONT'D)

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 Secretary. 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 Managing Director, 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 reflect the latest compliance requirements as a result of changes in the regulatory framework.

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 reviews the Code of Conduct and Business Ethics regularly.

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

PART I - BOARD RESPONSIBILITIES (CONT'D)

1.8 Whistle Blowing Policy

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

The Board will review and update the Whistle Blowing 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 set 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 corporate website at www.carimin.com.

The ABC Policy will be reviewed from time to time.

1.10 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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. Subsequent to the resignation of Datuk Haji Junaidi Bin Datuk Haji Abdul Rahman on 15 September 2022 and the appointment of En. Wong Kong Foo on 27 October 2022, 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	Managing Director
6.	Lim Yew Hoe	Executive Director
7.	Wong Kong Foo	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 12 to 15 in this Annual Report.

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, none of the existing Independent Directors of the Company has exceeded the tenure of a cumulative term of 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.

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

PART II - BOARD COMPOSITION (CONT'D)

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

All 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.

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 attributes 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 gained 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 corporate 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.

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

PART II - BOARD COMPOSITION (CONT'D)

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 *(Managing Director)*	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
Datuk Haji Junaidi Bin Datuk Haji Abdul Rahman *(Executive Director)* *(Appointed on 23 February 2022 and resigned on 15 September 2022)*	N/A	N/A	N/A

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 corporate website at www.carimin.com.

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

PART II - BOARD COMPOSITION (CONT'D)

2.6 NRC (Cont'd)

The activities undertaken by the NRC during the FYE 2022 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 he could devote sufficient time to the role.
(ii) Undertaken an effectiveness evaluation exercise of the Board and its Committees as a whole with the objective of assessing its effectiveness.
(iii) Reviewed and recommended to the Board the contribution and performance of the AC.
(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 the last AGM held on 2 December 2021.
(vi) Reviewed and recommended to the Board the remuneration packages and directors' fees and/or benefits of all Directors of the Company.

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 Director, NRC evaluates the nominee's ability to discharge such responsibilities/functions as expected from Independent Directors.

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.

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 Managing Director;
ii. Performance of Executive Director;
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.

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 (Cont'd)

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 Director, 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 which to stay aligned with the MCCG practices.

Based on the evaluations conducted in the FYE 2022, the NRC and the Board were satisfied with the performance of the individual Directors, 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 2022, the Board had 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.

The number of meetings held and attended by each member of the Board and Board Committees during the FYE 2022 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	N/A
Yip Jian Lee *(Independent Non-Executive Director)*	5/5	6/6	3/3	N/A
Mohd Rizal Bahari Bin Md Noor *(Independent Non-Executive Director)*	5/5	6/6	3/3	1/1
Wan Muhamad Hatta Bin Wan Mos *(Independent Non-Executive Director)*	5/5	6/6	3/3	1/1
Mokhtar Bin Hashim *(Managing Director)*	5/5	N/A	N/A	1/1
Lim Yew Hoe *(Executive Director)*	5/5	N/A	N/A	N/A
Wong Kong Foo *(Executive Director)* *(Appointed on 27 October 2022)*	N/A	N/A	N/A	N/A
Datuk Haji Junaidi Bin Datuk Haji Abdul Rahman *(Executive Director)* *(Appointed on 23 February 2022 and resigned on 15 September 2022)*	0/1	N/A	N/A	N/A

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

PART II - BOARD COMPOSITION (CONT'D)

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 2022, all Directors had 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 relating to Director Appointment, Independence and other Amendments
Yip Jian Lee	• AOB Conversation with AC • Cyber Incident Management Training • IT Infrastructure and Strategy • Keeping Ahead of Cyber Risk's New Normal • Climate Change: Impacts on Insurance Companies & Role of the Board • BNM Fintech Week 2022: - Getting it Right: Securing Results from Digital Transformation - Web 3.0 and the Future of Finance - Deep Dive into Defi • Board, Governance & Opportunities for Non-Profit • Climate Risk Management and Scenario Analysis • Empowering & rewarding the "Boardroom Brigade" – a Board Remuneration Masterclass • The Key Amendments to the Listing Requirements of Bursa Securities relating to Director Appointment, Independence and other Amendments
Mohd Rizal Bahari Bin Md Noor	• The Amendments to the Listing Requirements of Bursa Securities relating to Director Appointment, Independence and other Amendments
Wan Muhamad Hatta Bin Wan Mos	• The Amendments to the Listing Requirements of Bursa Securities relating to Director Appointment, Independence and other Amendments • Webinar on Whistleblowing by NAVEX • Webinar by Institute of Corporate Directors Malaysia, Board & Directors Effectiveness Evaluation • Webinar on From Upstream to Midstream with Fiber Optics – Maximise Asset Performance with Reduced Cost by Schlumberger World Oil • Webinar on Global Macroeconomics Updated by Fitch Solutions
Mokhtar Bin Hashim	• The Amendments to the Listing Requirements of Bursa Securities relating to Director Appointment, Independence and other Amendments

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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
Lim Yew Hoe	• The Amendments to the Listing Requirements of Bursa Securities relating to Director Appointment, Independence and other Amendments • Malaysian Oil and Gas Services Council; Hydrogen Dialogue Series with Petronas • Maybank Investment; Investment Asean 2021 – Asean New Finance: Crypto Opportunities & Hurdles

Although Datuk Haji Junaidi Bin Datuk Haji Abdul Rahman has not been able to attend a structured training programme since his appointment until the end of the FYE 2022 due to other commitments, he has continued to gain updates on his own accord.

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.

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.

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

PART III – REMUNERATION (CONT'D)

3.1 Remuneration Policy (Cont'd)

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 to ensure 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.

3.2 Remuneration of Directors

The remuneration payable to the Directors on the Company and the Group basis for the FYE 2022 are as follows:-

The Company

	RM						
Name of Directors	**Fee**	**Allowance**	**Salary**	**Bonus**	**Benefits-in Kind**	**Other emolument**	**Total**
Tan Sri Dato' Kamaruzzaman Bin Shariff	115,000	5,900	-	-	-	-	120,900
Yip Jian Lee	80,000	5,200	-	-	-	-	85,200
Mohd Rizal Bahari Bin Md Noor	70,000	5,800	-	-	-	-	75,800
Wan Muhamad Hatta Bin Wan Mos	70,000	5,800	-	-	-	-	75,800
Mokhtar Bin Hashim	-	-	-	-	-	-	-
Lim Yew Hoe	-	-	-	-	-	-	-
Wong Kong Foo *(Appointed on 27 October 2022)*	-	-	-	-	-	-	-
Datuk Haji Junaidi Bin Datuk Haji Abdul Rahman *(Appointed on 23 February 2022 and resigned on 15 September 2022)*	-	-	-	-	-	-	-
TOTAL	335,000	22,700	-	-	-	-	357,700

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

PART III – REMUNERATION (CONT'D)

3.2 Remuneration of Directors (Cont'd)

The Group

	RM						
Name of Directors	**Fee**	**Allowance**	**Salary**	**Bonus**	**Benefits-in Kind**	**Other emolument**	**Total**
Tan Sri Dato' Kamaruzzaman Bin Shariff	115,000	5,900	-	-	-	-	120,900
Yip Jian Lee	80,000	5,200	-	-	-	-	85,200
Mohd Rizal Bahari Bin Md Noor	70,000	5,800	-	-	-	-	75,800
Wan Muhamad Hatta Bin Wan Mos	70,000	5,800	-	-	-	-	75,800
Mokhtar Bin Hashim	-	-	876,000	182,500	-	-	1,058,500
Lim Yew Hoe	156,000	12,000	-	-	-	-	168,000
Wong Kong Foo *(Appointed on 27 October 2022)*	-	-	-	-	-	-	-
Datuk Haji Junaidi Bin Datuk Haji Abdul Rahman *(Appointed on 23 February 2022 and resigned on 15 September 2022)*	-	-	-	-	-	-	-
TOTAL	491,000	34,700	876,000	182,500	-	-	1,584,200

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 for 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 2022 are as follows:-

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

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 and requested the Managing Director, Executive Director and General Manager of Finance to join the assessment.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

5.1 Risk Management and Internal Control Framework

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

The Board is responsible for the Group's system of internal controls. The internal control covers the financial and non-financial aspects including 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 2022.

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 2022 are as disclosed in the AC Report and Statement on Risk Management and Internal Control of the Annual Report 2022.

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 Group performed 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 overseas, if any and ensures 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 ways for shareholders and members of the public to gain access to corporate information, Board Charter and policies, announcements, news and events relating to the Group.

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 Ninth AGM ("9th AGM") of the Company held on 2 December 2021 was sent to the shareholders on 29 October 2021, which is more than 28 days prior to the date of the 9th 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.

The 9th AGM of the Company was held on a fully virtual basis and entirely via remote participation and voting. The detailed procedures to participate in the meeting remotely were provided to the shareholders in the Administrative Guide prior to the 9th AGM. This has allowed shareholders to participate online, using a smartphone, tablet or computer as well as view live webcast of the meeting.

All resolutions set out in the notice of the 9th 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 is 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

All Directors had attended the 9th AGM and be 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 9th AGM. The Senior Management and External Auditors were also be invited to attend the AGM and assist the Board in addressing relevant queries made by the shareholders.

During the proceedings of the 9th AGM, the Chairman invited shareholders to raise questions pertaining to the Company's audited financial statements and the other agenda items tabled for approval at the meetings. All questions raised by the shareholders were answered and addressed accordingly.

Shareholders were encouraged to post their questions to the Board using the question pane facility throughout the 9th AGM. The Company facilitates and encourages shareholder participation at its 9th AGM. This meeting provides an update for shareholders on its performance and offers an opportunity for shareholders to ask questions and vote.

The Board had ensured that the required infrastructure and tools were in place to enable the smooth broadcast of the 9th AGM and meaningful engagement with the shareholders. The summary of the key matters discussed at the 9th AGM was also published on the Company's 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 2022, 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 are fully accountable for ensuring that the financial statements are drawn up in accordance with the requirements of the Companies Act 2016 and the applicable approved accounting standards issued by the Malaysian Accounting Standards Board so as to give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the operation results and cash flows of the Group and the Company for the financial year then ended.

In preparing the financial statements for the financial year ended 30 June 2022, 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. The Directors also have overall responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("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' interests 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 Group's business activities involve a certain degree of risk. Key Management staff and Heads of Departments are delegated with the responsibility of managing identified risks within defined parameters and standards. Such identified risks are discussed annually with the Internal Auditor and are brought to the RMC and subsequently to AC for deliberation at its scheduled meetings.

RISK MANAGEMENT PROCESS

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

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

During the financial year ended 30 June 2022 ("FYE 2022"), the RMC met once with the management and respective Head of department to identify and discuss on the potential risk areas faced by the Group on various corporate proposals. The Committee also deliberated on the Risk Management Policy and Framework presented by the Management and later recommend for adoption by the Board.

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 are 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 are independent of the activities and operations of the Group and report directly to the AC.

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:- - Contract Compliance; - Procurement to Payment; and - Anti-Bribery & Anti-Corruption Policy and Procedures pursuant to the Corporate Liability Provision under Section 17A of the Malaysian Anti-Corruption Commission Act 2009

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 2022 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 Director 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 Director 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

Risk Management Committee meetings are held regularly and are attended by Executive Director 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 Director 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 read and understand the policy. All business partners including consultants and contractors are required to comply with the Group's anti-corruption policy and guidelines. The said policy is also made available on the Company's corporate website.

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.

REVIEW OF THE 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 2022. Their review was carried out in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 ("AAPG 3") – Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants. The External Auditors report to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures requested by paragraphs 41 and 42 of the Statement on Risk Management and Internal Controls Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

ASSURANCE TO THE BOARD

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

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 Board's resolution dated 26 October 2022.

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 is 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 six (6) 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	6 of 6
Mohd Rizal Bahari Bin Md Noor, Member	6 of 6
Wan Muhamad Hatta Bin Wan Mos, Member	6 of 6

AUDIT COMMITTEE REPORT

The following is a summary of the main works carried out by the AC during the financial year ended 30 June 2022 ("FYE 2022"):-

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

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

v. Reviewed the 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; and

vii. Self-appraised the performance of the AC for the financial year ended 30 June 2021 and submit the evaluation to the Nomination and Remuneration Committee for assessment.

INTERNAL AUDIT FUNCTION

The 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 2022 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 2022 is as follows:-

Details of utilisation	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance Utilisation (RM'000)	Time Frame for utilisation
Purchase of offshore support vessel	35,320	35,320	—	
Development of minor fabrication yard	12,000	1,959	10,041	Within 104 months*
Repayment of bank borrowings	8,000	8,000	—	
Working capital	7,950	7,950	—	
Estimated listing expenses	3,500	3,500	—	
Total	**66,770**	**56,729**	**10,041**	

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

AUDIT AND NON-AUDIT FEE

The fees paid/payable for services rendered by the External Auditors during the financial year ended 30 June 2022 ("FYE 2022") are as below:-

Description	Audit Fee (RM)	Non-Audit Fee (RM)	Total (RM)
The Company	48,000	13,000	61,000
The Group	234,000	13,000	247,000

MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

There were no material contracts entered into by the Company and its subsidiaries involving the Directors' and major shareholders' interest during the FYE 2022.

RECURRENT RELATED PARTY TRANSACTIONS

There was no recurrent related party transaction of a revenue or trading nature during the FYE 2022.

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 2022.

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	6,867	2,086
Attributable to:-		
Owners of the Company	6,543	2,086
Non-controlling interests	324	-
	6,867	2,086

DIVIDENDS

Dividends paid or declared by the Company since 30 June 2021 are as follows:-

	RM'000
<u>In respect of the financial year ended 30 June 2021</u>	
A second interim dividend of 0.5 sen per ordinary share, paid on 28 October 2021	1,169
A special dividend of 5.0 sen per ordinary share, paid on 17 November 2021	11,694
	12,863

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

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

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

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

CHANGE OF CIRCUMSTANCES

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

DIRECTORS' REPORT

ITEMS OF AN UNUSUAL NATURE

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

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

DIRECTORS

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

Tan Sri Dato' Kamaruzzaman Bin Shariff
Mokhtar Bin Hashim
Lim Yew Hoe
Mohd Rizal Bahari Bin Md Noor
Wan Muhamad Hatta Bin Wan Mos
Yip Jian Lee
Datuk Haji Junaidi Bin Datuk Haji Abdul Rahman (Appointed on 23.02.2022 and resigned on 15.09.2022)

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
Abd Hakim Bin Asmaun (Resigned on 17.11.2021)
Mad Daud Bin Sukarmin (Resigned on 17.11.2021)
Mazhar Bin Palil (Resigned on 17.11.2021)
Muhammad Hatta Bin Noah (Resigned on 17.11.2021)
IR. Dr. Mohd Asbi Bin Othman (Resigned on 30.12.2021)

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares			
	At 1.7.2021	**Bought**	**Sold**	**At 30.6.2022**
The Company				
Direct Interests				
Tan Sri Dato' Kamaruzzaman Bin Shariff	2,000,000	-	-	2,000,000
Mokhtar Bin Hashim	57,751,734	-	-	57,751,734
Lim Yew Hoe	3,150,000	-	-	3,150,000
Mohd Rizal Bahari Bin Md Noor	50,000	-	-	50,000
Wan Muhamad Hatta Bin Wan Mos	50,000	-	-	50,000
Yip Jian Lee	50,000	-	-	50,000
Indirect Interests				
Lim Yew Hoe*	6,000,000	-	-	6,000,000

Note:

* *Deemed interested by virtue of his shareholdings in Emas Kiara Marketing Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.*

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 40(b) to the financial statements.

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

DIRECTORS' REMUNERATION

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

Directors of the Company	The Group RM'000	The Company RM'000
Fee	491	335
Salaries, bonuses and other benefits	1,094	23
Defined contribution benefits	127	-
	1,712	358

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 RM10,215 respectively. No indemnity was given to or insurance effected for auditors of the Company.

SUBSIDIARIES

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

SIGNIFICANT EVENT

The details of the significant event is disclosed in Note 44 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	234	48
Non-audit fee	13	13
	247	61

Signed in accordance with a resolution of the directors dated 26 October 2022.

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 88 to 156 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 2022 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 26 October 2022.

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 88 to 156 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 26 October 2022

Lim Yew Hoe

Before me

Datin Hajah Raihela Wanchik (No. W-275)
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 2022 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 88 to 156.

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 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

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

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

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

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

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

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

Key Audit Matters (Cont'd)

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

Impairment of vessels
Refer to Note 6 to the financial statements

Key Audit Matter	How our audit addressed the Key Audit Matter
As at 30 June 2022, the Group reported an aggregate carrying value of RM85.96 million for its vessels including dry docking expenditure. The volatility of the oil and gas prices had affected the offshore activities and upstream vessels, which gave rise to a risk that the carrying amount of the Group's vessels and dry docking expenditure might exceed their recoverable amounts. An impairment of RM0.45 million on its vessels was recognised in the current financial year following its impairment assessment as disclosed in Note 6 to the financial statements. The impairment is recognised as the recoverable amount of the vessels, being the vessels' fair value less cost of disposal ("FVLCOD") is lower than the carrying amount. We focused on this area as the determination of the recoverable amount of the vessels involved significant assumptions in particular the estimated fair value of the vessels, as provided by an independent professional valuer ("valuer").	• Our audit procedures include, amongst others:- - Evaluating the qualification and competency of valuer engaged by the Management to understand and determine whether there were any matters that might have affected their objectivity or their scope of work was limited; - Assessing the accuracy and relevance of key inputs used by valuer to examine the assumptions and valuation techniques used in deriving the fair values of the vessels in accordance with MFRS 136 'Impairment of Assets'; and - Reviewing the adequacy of disclosures in the financial statements.

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 2022, the Group's trade receivables amounted to approximately RM22.35 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.

INDEPENDENT AUDITORS' REPORT

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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)

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:- (Cont'd)

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

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

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

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

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

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

OTHER MATTERS

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

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

Ung Voon Huay
03233/09/2024 J
Chartered Accountant

Kuala Lumpur

26 October 2022

STATEMENTS OF FINANCIAL POSITION

AT 30 JUNE 2022

	Note	The Group 2022 RM'000	The Group 2021 RM'000	The Company 2022 RM'000	The Company 2021 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	80,176	88,176
Property, plant and equipment	6	91,338	97,782	-	-
Right-of-use assets	7	2,070	2,652	-	-
Investment in joint venture	8	-	2,583	-	-
Other investments	9	590	50	-	-
		93,998	103,067	80,176	88,176
CURRENT ASSETS					
Trade receivables	10	22,352	9,309	-	-
Other receivables, deposits and prepayments	11	9,577	5,029	10	10
Contract assets	12	66,188	37,245	-	-
Amount owing by subsidiaries	13	-	-	35,990	32,933
Amount owing by joint venture	14	2,130	2,130	-	-
Current tax assets		244	4,957	14	12
Short-term investments	15	49,666	86,191	30,290	35,402
Fixed deposits with licensed banks	16	33,838	30,713	-	-
Cash and bank balances		7,979	10,765	124	583
		191,974	186,339	66,428	68,940
TOTAL ASSETS		285,972	289,406	146,604	157,116

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

STATEMENTS OF FINANCIAL POSITION

AT 30 JUNE 2022

	Note	The Group 2022 RM'000	The Group 2021 RM'000	The Company 2022 RM'000	The Company 2021 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	149,385	149,385	149,368	149,368
Merger deficit	18	(80,802)	(80,802)	-	-
Retained profits/(Accumulated losses)		100,806	107,126	(3,422)	7,355
Fair value reserve	19	567	15	267	19
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		169,956	175,724	146,213	156,742
NON-CONTROLLING INTERESTS	5	205	(119)	-	-
TOTAL EQUITY		170,161	175,605	146,213	156,742
NON-CURRENT LIABILITIES					
Long-term borrowings	20	7,683	16,780	-	-
Leases liabilities	21	45	469	-	-
Deferred tax liabilities	22	36	36	-	-
		7,764	17,285	-	-
CURRENT LIABILITIES					
Trade payables	24	32,939	32,587	-	-
Other payables and accruals	25	57,061	42,472	391	374
Current tax liabilities		365	6,801	-	-
Short-term borrowings	26	17,258	14,101	-	-
Lease liabilities	21	424	555	-	-
		108,047	96,516	391	374
TOTAL LIABILITIES		115,811	113,801	391	374
TOTAL EQUITY AND LIABILITIES		285,972	289,406	146,604	157,116

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 2022

		The Group		The Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
REVENUE	27	227,749	165,252	12,000	10,000
COST OF SALES	28	(195,012)	(129,656)	-	-
GROSS PROFIT		32,737	35,596	12,000	10,000
OTHER INCOME	29	1,722	2,595	334	607
		34,459	38,191	12,334	10,607
ADMINISTRATIVE EXPENSES	30	(15,231)	(14,577)	(742)	(761)
OTHER EXPENSES	31	(1,295)	(2,720)	(9,500)	-
FINANCE COSTS	32	(2,716)	(1,706)	-	-
NET (IMPAIRMENT LOSSES)/ REVERSAL ON FINANCIAL ASSETS	33	(3,262)	1,815	-	1,324
SHARE OF LOSSES OF EQUITY ACCOUNTED JOINT VENTURE		(1,083)	(1,638)	-	-
PROFIT BEFORE TAXATION		10,872	19,365	2,092	11,170
INCOME TAX EXPENSE	34	(4,005)	(6,086)	(6)	(9)
PROFIT AFTER TAXATION		6,867	13,279	2,086	11,161
OTHER COMPREHENSIVE INCOME					
Items that Will Not be Reclassified Subsequently to Profit or Loss					
Fair value changes of equity investments		552	179	248	(3)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		7,419	13,458	2,334	11,158

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 2022

		The Group		The Company	
		2022	2021	2022	2021
	Note	RM'000	RM'000	RM'000	RM'000
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		6,543	13,318	2,086	11,161
Non-controlling interests		324	(39)	-	-
		6,867	13,279	2,086	11,161
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		7,095	13,497	2,334	11,158
Non-controlling interests		324	(39)	-	-
		7,419	13,458	2,334	11,158
EARNINGS PER SHARE (SEN)					
- Basic	35	2.80	5.69		
- Diluted	35	2.80	5.69		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

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

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

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 30.6.2021/1.7.2021		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	36	-	-	-	(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 2022

The Company	Note	Share Capital RM'000	Fair Value Reserve RM'000	(Accumulated Losses)/ Retained Profits RM'000	Total Equity RM'000
Balance at 1.7.2020		149,368	22	(2,637)	146,753
Profit after taxation for the financial year		-	-	11,161	11,161
Other comprehensive income for the financial year:					
- Fair value changes of equity investments		-	(3)	-	(3)
Total comprehensive income for the financial year		-	(3)	11,161	11,158
Contributions by and distributions to owners of the Company:					
- Dividend	36	-	-	(1,169)	(1,169)
Total transactions with owners		-	-	(1,169)	(1,169)
Balance at 30.6.2021/1.7.2021		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	36	-	-	(12,863)	(12,863)
Total transactions with owners		-	-	(12,863)	(12,863)
Balance at 30.6.2022		149,368	267	(3,422)	146,213

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	The Group		The Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES				
Profit before taxation	10,872	19,365	2,092	11,170
Adjustments for:-				
Depreciation of property, plant and equipment	6,639	6,843	-	-
Depreciation of right-of-use assets	582	668	-	-
Impairment loss on investments in subsidiaries	-	-	9,500	-
Impairment loss:				
- property, plant and equipment	448	1,638	-	-
- trade receivables	4,518	537	-	-
- other receivables	38	-	-	-
- investment in joint venture	1,500	-	-	-
Interest income	(1,092)	(2,037)	(334)	(607)
Interest expense	2,716	1,706	-	-
Gain on disposal of equipment	(17)	(1)	-	-
Reversal of impairment loss:				
- trade receivables	(1,294)	(2,352)	-	-
- amount owing by subsidiaries	-	-	-	(1,324)
Share of net losses of equity-accounted joint venture	1,083	1,638	-	-
Net unrealised gain on foreign exchange	(11)	(22)	-	-
Fair value gain/(loss) on short-term investments	552	179	248	(3)
Operating profit before working capital changes	26,534	28,162	11,506	9,236
(Increase)/Decrease in contract assets	(28,943)	10,540	-	-
(Increase)/Decrease in trade and other receivables	(21,393)	9,384	-	-
Increase/(Decrease) in trade and other payables	14,941	(29,393)	17	11
CASH (FOR)/FROM OPERATIONS	(8,861)	18,693	11,523	9,247
Interest paid	(2,716)	(1,706)	-	-
Income tax paid	(5,987)	(7,422)	(8)	(37)
Income tax refund	259	8	-	-
NET CASH (FOR)/FROM OPERATING ACTIVITIES/BALANCE CARRIED FORWARD	(17,305)	9,573	11,515	9,210

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	The Group 2022 RM'000	The Group 2021 RM'000	The Company 2022 RM'000	The Company 2021 RM'000
BALANCE BROUGHT FORWARD		(17,305)	9,573	11,515	9,210
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Additional investment in an existing subsidiary		-	-	(1,500)	-
Proceeds from disposal of equipment		17	1	-	-
Interest received		1,092	2,037	334	607
Purchase of property, plant and equipment	37(a)	(643)	(2,322)	-	-
Advances to subsidiaries		-	-	(3,057)	-
Repayment from subsidiaries		-	-	-	570
Placement of fixed deposits with tenure more than 3 months	37(c)	(1,517)	(1)	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(1,051)	(285)	(4,223)	1,177
CASH FLOWS FOR FINANCING ACTIVITIES					
Dividend paid	36	(12,863)	(1,169)	(12,863)	(1,169)
Increase in placement of pledged deposits with licensed banks	37(c)	(1,608)	(1,772)	-	-
Repayment of lease liabilities	37(b)	(555)	(514)	-	-
Repayment of term loans	37(b)	(9,054)	(10,172)	-	-
NET CASH FOR FINANCING ACTIVITIES		(24,080)	(13,627)	(12,863)	(1,169)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(42,436)	(4,339)	(5,571)	9,218
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		11	22	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		96,956	101,273	35,985	26,767
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	37(c)	54,531	96,956	30,414	35,985

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

1. GENERAL INFORMATION

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 26 October 2022.

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)
Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2

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

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
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: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 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:- (Cont'd)

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	**Effective Date**
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

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

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation 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.

(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.

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(d) Impairment of Non-Trade Receivables

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

(e) Revenue Recognition for Construction Contracts

(i) Hook up, Construction and Commissioning

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

(ii) Civil Construction

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

(f) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amounts of current tax assets and current tax liabilities as at the reporting date are RM244,464 and RM365,392 (2021 - RM4,957,851 and RM6,801,397) 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies

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

(a) Lease Terms

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

(b) Contingent Liabilities

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

4.2 BASIS OF CONSOLIDATION

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

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

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

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

(a) Business Combinations

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(a) Business Combinations (Cont'd)

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

(b) Non-controlling Interests

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

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

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

(d) Loss of Control

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

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

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

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

4.3 BUSINESS COMBINATION UNDER COMMON CONTROL

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 BUSINESS COMBINATION UNDER COMMON CONTROL (CONT'D)

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.

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(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.

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(d) Derecognition (Cont'd)

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

(e) Financial Guarantee Contracts

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

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

4.6 INVESTMENTS IN SUBSIDIARIES

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

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

4.7 JOINT ARRANGEMENTS

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

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

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

The investment in a joint venture is accounted for in the consolidated financial statements using the equity method, based on the financial statements of the joint venture made up to 30 June 2022. 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 JOINT ARRANGEMENTS (CONT'D)

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

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

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

4.8 PROPERTY, PLANT AND EQUIPMENT

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

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

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%

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 CONTRACT ASSET AND CONTRACT LIABILITIY

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

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

4.11 CASH AND CASH EQUIVALENTS

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 IMPAIRMENT (CONT'D)

(b) Impairment of Non-financial Assets (Cont'd)

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

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

4.13 PROVISIONS

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

4.14 EMPLOYEE BENEFITS

(a) Short-term Benefits

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

(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).

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 INCOME TAXES (CONT'D)

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

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

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

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

4.16 CONTINGENT LIABILITIES

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

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

4.17 OPERATING SEGMENTS

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

4.18 EARNINGS PER ORDINARY SHARE

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

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

4. 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. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

4.21 REVENUE FROM CONTRACT WITH CUSTOMERS

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 REVENUE FROM CONTRACT WITH CUSTOMERS (CONT'D)

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.

5. INVESTMENTS IN SUBSIDIARIES

	The Company 2022 RM'000	The Company 2021 RM'000
Unquoted shares, at cost		
Ordinary shares	101,803	101,803
Preference shares	1,500	-
	103,303	101,803
Allowance for impairment losses	(23,127)	(13,627)
	80,176	88,176
Allowance for impairment losses:-		
At 1 July	(13,627)	(13,627)
Addition during the financial year	(9,500)	-
At 30 June	(23,127)	(13,627)

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2022 %	Percentage of Issued Share Capital Held by Parent 2021 %	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	60	60	Dormant.
Carimin Airis Offshore Sdn. Bhd.*	Malaysia	100	100	Providing chartering of offshore support vessel.
Carimin Acacia Offshore Sdn. Bhd.*	Malaysia	100	100	Providing chartering of offshore support vessel.

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 2022 %	2021 %	Principal Activities
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, 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 (2021 - Nil), representing the write-down of the investments to their recoverable amounts, was recognised in "Other Expenses" line item of the statements of profit or loss and other comprehensive income. The recoverable amounts were determined based on their value in use approach, and this is derived from the net assets position of the respective subsidiaries as at the end of the reporting period.

(b) During the financial year, Carimin 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. Each PS are redeemable and convertible only at the issuer's option, and any dividends are discretionary.

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

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

	Effective Equity Interest 2022 %	2021 %	The Group 2022 RM'000	2021 RM'000
Carimin Bina Sdn. Bhd.	40	40	763	298
Carimin Resources Services Sdn. Bhd.	40	40	114	122
Carimin Subsea Sdn. Bhd.	40	40	(672)	(539)
			205	(119)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(e) 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. 2022 RM'000	Carimin Bina Sdn. Bhd. 2021 RM'000
At 30 June		
Non-current assets	541	-
Current assets	3,001	3,088
Non-current liabilities	-	-
Current liabilities	(1,635)	(2,342)
Net assets	1,907	746
Financial Year Ended 30 June		
Revenue	10	302
Profit/(loss) for the financial year	1,161	(222)
Total comprehensive income/(expenses)	1,161	(222)
Total comprehensive income/(expenses) attributable to non-controlling interests	465	(89)

	Carimin Subsea Sdn. Bhd. 2022 RM'000	Carimin Subsea Sdn. Bhd. 2021 RM'000
At 30 June		
Non-current assets	-	-
Current assets	5,607	1,535
Non-current liabilities	-	-
Current liabilities	(5,788)	(2,883)
Net liabilities	(181)	(1,348)
Financial Year Ended 30 June		
Revenue	3,618	-
(Loss)/profit for the financial year	(333)	142
Total comprehensive (expenses)/income	(333)	142
Total comprehensive (expenses)/income attributable to non-controlling interests	(133)	57

6. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.7.2021 RM'000	Additions (Note 37(a)) RM'000	Depreciation Charge (Notes 28 and 31) RM'000	Impairment Loss (Note 31) RM'000	At 30.6.2022 RM'000
2022					
Carrying Amount					
Freehold land	225	-	-	-	225
Buildings	4,569	-	(431)	-	4,138
Furniture and fittings	194	-	(3)	-	191
Operation tools and equipment	53	68	(32)	-	89
Office equipment	149	-	(42)	-	107
Motor vehicles	100	103	(46)	-	157
Renovation	48	-	(47)	-	1
Vessels	88,235	-	(4,856)	(448)	82,931
Vessels equipment	691	396	(256)	-	831
Drydocking	2,986	-	(793)	-	2,193
Others #	532	76	(133)	-	475
	97,782	643	(6,639)	(448)	91,338

Others includes computers and telecommunication equipment.

The Group	At 1.7.2020 RM'000	Additions (Note 37(a)) RM'000	Depreciation Charge (Notes 28 and 31) RM'000	Impairment Loss (Note 31) RM'000	At 30.6.2021 RM'000
2021					
Carrying Amount					
Freehold land	225	-	-	-	225
Buildings	5,000	-	(431)	-	4,569
Furniture and fittings	203	-	(9)	-	194
Operation tools and equipment	59	23	(29)	-	53
Office equipment	115	84	(50)	-	149
Motor vehicles	24	90	(14)	-	100
Renovation	395	-	(347)	-	48
Vessels	94,795	-	(4,922)	(1,638)	88,235
Vessels equipment	1,000	19	(328)	-	691
Drydocking	1,697	1,887	(598)	-	2,986
Others #	428	219	(115)	-	532
	103,941	2,322	(6,843)	(1,638)	97,782

Others includes computers and telecommunication equipment.

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

The Group	At Cost RM'000	Accumulated Depreciation RM'000	Accumulated Impairment Losses RM'000	Carrying Amount RM'000
2022				
Freehold land	225	-	-	225
Buildings	9,820	(5,316)	(366)	4,138
Furniture and fittings	781	(590)	-	191
Operation tools and equipment	6,514	(5,966)	(459)	89
Office equipment	902	(670)	(125)	107
Motor vehicles	1,116	(959)	-	157
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
Others	1,918	(1,288)	(155)	475
	171,828	(57,942)	(22,548)	91,338
2021				
Freehold land	225	-	-	225
Buildings	9,820	(4,885)	(366)	4,569
Furniture and fittings	781	(587)	-	194
Operation tools and equipment	6,446	(5,934)	(459)	53
Office equipment	902	(628)	(125)	149
Motor vehicles	1,122	(1,022)	-	100
Plant and equipment	923	(507)	(416)	-
Renovation	2,213	(2,135)	(30)	48
Vessels	140,875	(32,091)	(20,549)	88,235
Vessels equipment	1,894	(1,203)	-	691
Drydocking	4,251	(1,265)	-	2,986
Others	1,842	(1,155)	(155)	532
	171,294	(51,412)	(22,100)	97,782

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

	The Group 2022 RM'000	The Group 2021 RM'000
Buildings	3,153	3,528
Vessels	82,931	88,235
Vessels equipment	831	691
Drydocking	2,193	2,986
	89,108	95,440

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

(b) During the financial year, the Group has carried out a review of the recoverable amount of its vessels. An impairment loss of RM447,907 (2021 - RM1,637,979), representing the write-down of the vessels to the recoverable amount was recognised in the statements of profit or loss and other comprehensive income as disclosed in Note 31 to the financial statements, determined based on fair value less cost to sell approach.

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

7. RIGHT-OF-USE ASSETS

The Group	At 1.7.2021 RM'000	Depreciation Charge (Notes 28 and 31) RM'000	At 30.6.2022 RM'000
2022			
Carrying Amount			
Leasehold land	1,716	(49)	1,667
Buildings	675	(405)	270
Operation tools and equipment	195	(97)	98
Motor vehicles	66	(31)	35
	2,652	(582)	2,070

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

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

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

i. Leasehold land	The Group entered into 2 (2021 - 2) non-cancellable operating lease agreements for the use of land. The leases are for a period of 60 (2021 - 60) years with no renewal or purchase option included in the agreements. The leases do not allow the Group to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land. A tenancy, is however, allowed with the consent of the lessor.
ii. Buildings	The Group leased office buildings for 3 years, with an option to extend for another one year.
iii. Motor vehicles and operation tools and equipment	The Group leased its motor vehicles and operation tools and equipment under hire purchase arrangements. The leases are secured by the leased assets. The Group has an option to purchase the assets at the expiry of the lease period at an insignificant amount.

8. INVESTMENT IN JOINT VENTURE

	The Group	
	2022 RM'000	**2021 RM'000**
Unquoted shares, at cost	1,500	1,500
Share of post-acquisition profits	-	1,083
	1,500	2,583
Accumulated impairment losses	(1,500)	-
	-	2,583

The details of the joint venture are as follows:-

Name of Joint Venture	Principal Place of Business	Percentage of Ownership held by Company 2022	Company 2021	Subsidiary 2022	Subsidiary 2021	Principal Activities
Synergy Kenyalang Offshore Sdn. Bhd.* ("SKO")	Malaysia	-	-	15%	15%	Providing chartering of offshore support vessel.

- *Not audited by Crowe Malaysia PLT

8. INVESTMENT IN JOINT VENTURE (CONT'D)

(a) Held by Carimin Marine Services Sdn. Bhd., the results of SKO are equity accounted based on the unaudited management accounts for the period from 1 July 2021 to 30 June 2022 respectively.

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

	2022 RM'000	2021 RM'000
At 30 June		
Non-current assets	32,783	44,440
Current assets	512	1,951
Non-current liabilities	(4,605)	(10,069)
Current liabilities	(21,953)	(18,429)
Net assets	6,737	17,893
12-month Period Ended 30 June		
Revenue	-	1,155
Loss for the financial year	(11,731)	(10,923)
Total comprehensive expenses	(11,731)	(10,923)
Group's share of loss for the financial year/total comprehensive expenses	(1,083)	(1,638)
Carrying amount of the Group's interest in this joint venture	-	2,583

The Group has not recognised losses relating to SKO, where its share of losses exceeds the Group's interest in this joint venture. The Group's cumulative share of unrecognised losses at the end of the reporting period was RM677,145 (2021 - Nil), of which RM1,082,553 (2021 - RM1,638,472) 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 2022 RM'000	The Group 2021 RM'000
Investment in club membership, at fair value		50	50
Investment in redeemable secured loan stock ("RSLS"), at amortised cost	(a)	540	-
		590	50

(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.

10. TRADE RECEIVABLES

	The Group	
	2022 RM'000	2021 RM'000
Third parties	27,289	11,319
Allowance for impairment losses	(4,937)	(2,010)
	22,352	9,309
Allowance for impairment losses:-		
At 1 July	(2,010)	(4,829)
Addition during the financial year (Note 33)	(4,518)	(537)
Reversal during the financial year (Note 33)	1,294	2,352
Written off during the financial year	297	1,004
At 30 June	(4,937)	(2,010)

The Group's normal trade credit terms range from 30 to 60 (2021 - 30 to 60) days.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		The Group		The Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Other receivables:-					
Third parties		955	935	-	-
Goods and services tax recoverable		-	3	-	-
		955	938	-	-
Allowance for impairment losses		(788)	(750)	-	-
		167	188	-	-
Advances	(a)	8,119	4,004	-	-
Deposits		139	74	-	-
Prepayments		1,152	763	10	10
		9,577	5,029	10	10

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

	The Group	
	2022 RM'000	2021 RM'000
Allowance for impairment losses:-		
At 1 July	(750)	(750)
Addition during the financial year (Note 33)	(38)	-
At 30 June	(788)	(750)

12. CONTRACT ASSETS

	The Group	
	2022 RM'000	2021 RM'000
At 1 July	37,245	47,785
Performance obligations performed	227,749	165,252
Transfer to trade receivables	(198,806)	(175,792)
At 30 June	66,188	37,245
Represented by:-		
- Construction, offshore hook up and commissioning and topside major maintenance ("CHUCTMM")	56,129	33,402
- Marine services ("MS")	6,380	475
- Manpower services ("MPS")	2,354	1,776
- Civil construction ("CC")	1,325	1,592
	66,188	37,245

(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 RM1,094,428 (2021 - RM1,184,453). 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	
	2022 RM'000	2021 RM'000
Current		
Non-trade balances	40,320	37,263
Allowance for impairment losses	(4,330)	(4,330)
	35,990	32,933
Allowance for impairment losses:-		
At 1 July	(4,330)	(5,654)
Reversal during the financial year (Note 33)	-	1,324
At 30 June	(4,330)	(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.

14. AMOUNT OWING BY JOINT VENTURE

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

15. SHORT-TERM INVESTMENTS

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Money market fund, at fair value (Note 37(c))	49,666	86,191	30,290	35,402

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 0.90% to 2.75% (2021 - 1.82% to 3.28%) per annum respectively.

16. FIXED DEPOSITS WITH LICENSED BANKS

(a) Included in fixed deposits with licensed banks of the Group at the end of the reporting period is an amount of RM32,265,827 (2021 - RM30,657,500) pledged to licensed banks as security for banking facilities granted to the Group. The fixed deposits bore effective interest rates ranging from 1.30% to 2.15% (2021 - 1.30% to 3.10%) per annum. The fixed deposits have maturity periods ranging from 30 to 365 (2021 - 30 to 365) days.

(b) Included in the fixed deposits with licensed banks of the Group at the end of the reporting period is an amount of RM1,572,527 (2021 - RM55,481) which is with tenure of more than 3 months.

17. SHARE CAPITAL

	2022	2021	2022	2021
	Number of Shares ('000)		RM000	RM'000
Issued and Fully Paid-Up				
The Group				
Ordinary Shares				
At 1 July/30 June	233,878	233,878	149,385	149,385
The Company				
Ordinary Shares				
At 1 July/30 June	233,878	233,878	149,368	149,368

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

18. MERGER DEFICIT

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

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

19. FAIR VALUE RESERVE

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

20. LONG-TERM BORROWINGS

	The Group	
	2022 RM'000	2021 RM'000
Term loans (Note 23)	7,683	16,780

21. LEASE LIABILITIES

	The Group 2022 RM'000	2021 RM'000
At 1 July	1,024	1,255
Changes due to reassessment of lease term (Note 7 and Note 37(b))	-	283
Interest expense recognised in profit or loss (Note 37(b))	32	56
Repayment of principal	(555)	(514)
Repayment of interest expense	(32)	(56)
At 30 June	469	1,024
Analysed by:-		
Current liabilities	424	555
Non-current liabilities	45	469
	469	1,024

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

22. DEFERRED TAX LIABILITIES

The Group	At 1.7.2021 RM'000	Recognised in Profit or Loss (Note 34) 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

22. DEFERRED TAX LIABILITIES (CONT'D)

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

23. TERM LOANS (SECURED)

	The Group 2022 RM'000	2021 RM'000
Current liabilities (Note 26)	14,144	14,101
Non-current liabilities (Note 20)	7,683	16,780
	21,827	30,881

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

	Effective Interest Rate %	The Group 2022 RM'000	2021 RM'000
Floating rate term loans	4.00 - 8.60	21,827	30,881

The term loans are secured by:-

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

24. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 60 (2021 - 30 to 60) days.

25. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Other payables	1,128	470	-	8
Accruals	55,916	41,985	391	366
Deposits received	17	17	-	-
	57,061	42,472	391	374

26. SHORT-TERM BORROWINGS

		The Group	
		2022 RM'000	2021 RM'000
Bank overdraft (secured)	(a)	3,114	-
Term loans (secured) (Note 23)		14,144	14,101
		17,258	14,101

(a) The bank overdrafts of the Group at the end of reporting period bore fixed interest rates ranging from 6.82% to 7.90% (2021 - Nil) per annum and are secured by fixed deposits with licensed banks of the Group as disclosed in Note 16 to the financial statements.

27. REVENUE

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue from Contracts with Customers				
Revenue recognised over time				
Manpower services	43,124	28,058	-	-
Hook up, construction and commissioning	156,197	97,570	-	-
Civil construction	10	302	-	-
Marine services	28,418	39,322	-	-
	227,749	165,252	-	-
Revenue from Other Source				
Revenue recognised at a point in time				
Dividend income	-	-	12,000	10,000
	227,749	165,252	12,000	10,000

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

28. COST OF SALES

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Included are the following items:				
Depreciation:				
- property, plant and equipment (Note 6)	6,069	6,146	-	-
- right-of-use assets (Note 7)	502	534	-	-
Rental of vehicles, yard and others	183	261	-	-
Staff costs:				
- salaries and others	29,192	23,328	-	-
- defined contribution plan	2,088	1,292	-	-

29. OTHER INCOME

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Included are the following items:				
Gain on disposal of equipment	17	1	-	-
Gain on foreign exchange:				
- realised	5	5	-	-
- unrealised	172	192	-	-
Interest income:				
- fixed deposits	371	435	-	-
- repo	14	20	4	7
- short-term investments	593	1,449	309	567
- others	114	133	21	33
Rental income	66	66	-	-

30. ADMINISTRATIVE EXPENSES

	The Group		The Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Included are the following items:				
Auditors' remuneration:				
- audit fee:				
- current financial year	234	222	48	45
- non-audit fee	13	13	13	13
Contributions to defined contribution plan (Note 38):				
- directors of the Company	127	179	-	-
- directors of the subsidiaries	7	17	-	-
Directors' fee (Note 38):				
- directors of the Company	491	451	335	295
- directors of the subsidiaries	-	24	-	-
Directors' non-fee emoluments (Note 38):				
- directors of the Company	1,094	1,450	23	25
- directors of the subsidiaries	84	146	-	-
Staff costs:				
- salaries and others	8,857	9,166	-	-
- defined contribution plan	1,047	1,063	-	-

31. OTHER EXPENSES

	The Group		The Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Included are the following items:				
Depreciation:				
- property, plant and equipment (Note 6)	570	697	-	-
- right-of-use assets (Note 7)	80	134	-	-
Impairment loss:				
- investments in subsidiaries (Note 5)	-	-	9,500	-
- property, plant and equipment (Note 6)	448	1,638	-	-
Loss on foreign exchange:				
- realised	36	81	-	-
- unrealised	161	170	-	-
	1,295	2,720	9,500	-

32. FINANCE COSTS

	The Group 2022 RM'000	The Group 2021 RM'000	The Company 2022 RM'000	The Company 2021 RM'000
Interest expense:				
- bank overdrafts	33	10	-	-
- term loans	2,294	1,541	-	-
- others	357	99	-	-
- lease liabilities (Note 21)	32	56	-	-
	2,716	1,706	-	-

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

	The Group 2022 RM'000	The Group 2021 RM'000	The Company 2022 RM'000	The Company 2021 RM'000
Impairment losses:				
- trade receivables (Note 10)	(4,518)	(537)	-	-
- other receivables (Note 11)	(38)	-	-	-
Reversal of impairment losses:				
- trade receivables (Note 10)	1,294	2,352	-	-
- amount owing by subsidiaries (Note 13)	-	-	-	1,324
	(3,262)	1,815	-	1,324

34. INCOME TAX EXPENSE

	The Group 2022 RM'000	The Group 2021 RM'000	The Company 2022 RM'000	The Company 2021 RM'000
Current tax:				
- for the current financial year	4,006	6,701	6	9
- overprovision in the previous financial year	(1)	(242)	-	-
	4,005	6,459	6	9
Deferred tax (Note 22):				
- origination and recognition of temporary differences	-	(213)	-	-
- overprovision in the previous financial year	-	(160)	-	-
	-	(373)	-	-
	4,005	6,086	6	9

34. INCOME TAX EXPENSE (CONT'D)

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 2022 RM'000	The Group 2021 RM'000	The Company 2022 RM'000	The Company 2021 RM'000
Profit before taxation	10,872	19,365	2,092	11,170
Tax at the statutory tax rate of 24%	2,609	4,648	502	2,681
Tax effects of:-				
Share of losses of equity-accounted joint venture	260	393	-	-
Non-taxable income	(145)	(666)	(2,954)	(2,854)
Non-deductible expenses	484	348	2,458	182
Deferred tax assets not recognised during the financial year	1,405	2,356	-	-
Utilisation of deferred tax assets previously not recognised	(607)	(591)	-	-
Overprovision in the previous financial year:				
- current tax	(1)	(242)	-	-
- deferred tax	-	(160)	-	-
	4,005	6,086	6	9

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2021 - 24%) of the estimated assessable profit for the financial year.

No deferred tax assets were recognised for the following items:

	The Group 2022 RM'000	The Group 2021 RM'000
Accelerated capital allowances	(80,828)	(75,579)
Unrealised gain on foreign exchange	(8)	(25)
Allowance for impairment losses on trade receivables	4,937	2,010
Allowance for impairment losses on other receivables	38	-
Allowance for impairment losses on property, plant and equipment	22,692	22,244
Allowance for impairment losses on investment in joint venture	1,500	-
Unutilised tax losses	10,140	9,492
Unabsorbed capital allowances	103,677	100,681
	62,148	58,823

Subject to the agreement of the Inland Revenue Board, the Group has unutilised tax losses and unabsorbed capital allowances amounting to approximately RM10,140,000 (2021 - RM9,492,000) and RM103,677,000 (2021 - RM100,681,000) respectively which are available to offset against their future taxable profit.

The unused tax losses are allowed to be utilised for 10 (2021 - 7) consecutive years of assessment ("YA") while the unabsorbed capital allowances are allowed to be carried forward indefinitely.

35. EARNINGS PER SHARE

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

	The Group	
	2022	**2021**
Profit attributable to owners of the Company (RM)	6,543,000	13,318,000
Weighted average number of ordinary shares at 30 June	233,878,000	233,878,000
Basic earnings per share (sen)	2.80	5.69

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

36. DIVIDEND

	The Group	
	2022	**2021**
	RM'000	**RM'000**
First interim dividend of 0.5 sen per ordinary share in respect of the previous financial year	-	1,169
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	1,169

37. CASH FLOW INFORMATION

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

	The Group	
	2022	**2021**
	RM'000	**RM'000**
Cost of property, plant and equipment purchased (Note 6)	643	2,322
Less: Amount financed through borrowings	-	-
Cash disbursed for purchase of property, plant and equipment	643	2,322

37. CASH FLOW INFORMATION (CONT'D)

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

	Term Loans RM'000	Lease Liabilities RM'000	Total RM'000
The Group			
2022			
At 1 July	30,881	1,024	31,905
Changes in Financing Cash Flows			
Repayment of borrowing principal	(9,054)	(555)	(9,609)
Repayment of borrowing interests	(2,294)	(32)	(2,326)
	(11,348)	(587)	(11,935)
Non-cash Changes			
Finance charges recognised in profit or loss (Note 32)	2,294	32	2,326
	2,294	32	2,326
At 30 June	21,827	469	22,296
2021			
At 1 July	41,053	1,255	42,308
Changes in Financing Cash Flows			
Repayment of borrowing principal	(10,172)	(514)	(10,686)
Repayment of borrowing interests	(1,541)	(56)	(1,597)
	(11,713)	(570)	(12,283)
Non-cash Changes			
Finance charges recognised in profit or loss (Note 32)	1,541	56	1,597
Acquisition of new leases (Note 21)	-	283	283
	1,541	339	1,880
At 30 June	30,881	1,024	31,905

37. CASH FLOW INFORMATION (CONT'D)

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

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Short-term investments (Note 15)	49,666	86,191	30,290	35,402
Fixed deposits with licensed banks (Note 16)	33,838	30,713	-	-
Cash and bank balances	7,979	10,765	124	583
Bank overdrafts (Note 26)	(3,114)	-	-	-
	88,369	127,669	30,414	35,985
Less: Fixed deposits pledged to licensed banks (Note 16)	(32,266)	(30,658)	-	-
Fixed deposits with tenure more than 3 months (Note 16)	(1,572)	(55)	-	-
	54,531	96,956	30,414	35,985

38. KEY MANAGEMENT PERSONNEL COMPENSATION

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

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

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Directors				
Directors of the Company				
Executive Directors				
Short-term employee benefits:				
- fee	156	156	-	-
- non-fee emoluments	1,071	1,425	-	-
Defined contribution plan	127	179	-	-
	1,354	1,760	-	-
Non-executive Directors				
Short-term employee benefits:				
- fee	335	295	335	295
- non-fee emoluments	23	25	23	25
	358	320	358	320
	1,712	2,080	358	320

38. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

The key management personnel compensation during the financial year are as follows (Cont'd):-

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Directors (Cont'd)				
Directors of the Subsidiaries				
Executive Directors				
Short-term employee benefits:				
- fee	-	24	-	-
- non-fee emoluments	84	146	-	-
Defined contribution plan	7	17	-	-
	91	187	-	-
Total directors' remuneration (Note 30)	1,803	2,267	358	320

39. CONTINGENT LIABILITIES

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

	The Group	
	2022 RM'000	2021 RM'000
Bank/Performance guarantee extended to third parties by:		
- subsidiaries	46,113	35,644

40. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

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

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

40. 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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
(i) Subsidiaries:				
- interest income	-	-	21	33
- dividend from a subsidiary	-	-	12,000	10,000
(ii) Key management personnel compensation:				
- short-term employee benefits (Note 38)	(1,803)	(2,267)	(358)	(320)

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

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

41. OPERATING SEGMENTS

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

The Group is organised into five (5) main reportable segments as follows:-

- Manpower services ("MPS") - providing services to its customers in sourcing suitable personnel to fulfil specified functions.
- Construction, offshore hook up and commissioning and topside major maintenance ("CHUCTMM") - providing offshore hook up and commissioning on production platforms typically involving the final installation, testing and commissioning of the facilities' structures machinery and equipment.
- Marine services ("MS") - providing vessel chartering, underwater inspection, repair, and maintenance works and services to external customers.
- Civil construction ("CC") - providing general contracting work and geotechnical engineering to external customers.
- Others - comprises investment holding, providing corporate and management services, rental of equipment and machineries to external customers, neither of which are of a sufficient size to be reported separately.

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

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

(c) Each reportable segment liabilities is measured based on all liabilities of the segment other than 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.

41. OPERATING SEGMENTS (CONT'D)

41.1 BUSINESS SEGMENTS

	MPS RM'000	CHUCTMM RM'000	MS RM'000	CC RM'000	Others RM'000	Elimination RM'000	Group RM'000
2022							
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
2022							
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

41. OPERATING SEGMENTS (CONT'D)

41.1 BUSINESS SEGMENTS (CONT'D)

	MPS RM'000	CHUCTMM RM'000	MS RM'000	CC RM'000	Others RM'000	Elimination RM'000	Group RM'000
2022							
Capital expenditure							
Additions to non-current assets other than financial instruments:							
- property, plant and equipment	-	243	396	-	4	-	643

	MPS RM'000	CHUCTMM RM'000	MS RM'000	CC RM'000	Others RM'000	Elimination RM'000	Group RM'000
2022							
Other material items of (income)/expenses 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)

41. OPERATING SEGMENTS (CONT'D)

41.1 BUSINESS SEGMENTS (CONT'D)

	MPS RM'000	CHUCTMM RM'000	MS RM'000	CC RM'000	Others RM'000	Elimination RM'000	Group RM'000
2021							
Revenue							
External revenue	28,058	97,570	39,322	302	-	-	165,252
Inter-segment revenue	-	-	13,676	-	4,878	(18,554)	-
Total revenue	28,058	97,570	52,998	302	4,878	(18,554)	165,252
Results							
Segment results	1,128	24,136	(3,280)	(209)	9,959	(11,062)	20,672
Finance costs	(18)	(158)	(1,530)	(33)	-	33	(1,706)
Interest income	178	1,108	131	21	632	(33)	2,037
Share of losses of equity-accounted joint venture	-	-	-	-	-	-	(1,638)
Profit before taxation							19,365
Income tax expense							(6,086)
Consolidated profit after taxation							13,279
2021							
Assets							
Segment assets	84,381	125,464	175,754	3,021	161,553	(265,724)	284,449
Current tax assets							4,957
Consolidated total assets							289,406
Liabilities							
Segment liabilities	18,161	70,975	198,152	2,342	6,125	(189,815)	105,940
Deferred tax liabilities							36
Current tax liabiities							6,801
Lease liabilities							1,024
Consolidated total liabilities							113,801

41. OPERATING SEGMENTS (CONT'D)

41.1 BUSINESS SEGMENTS (CONT'D)

	MPS RM'000	CHUCTMM RM'000	MS RM'000	CC RM'000	Others RM'000	Elimination RM'000	Group RM'000
2021							
Capital expenditure							
Additions to non-current assets other than financial instruments:							
- property, plant and equipment	-	330	1,906	-	86	-	2,322

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

41.2 GEOGRAPHICAL SEGMENTS

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

41.3 MAJOR CUSTOMER

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

	Revenue 2022 RM'000	Revenue 2021 RM'000	
Customer A	161,113	118,538	CHUCTMM Segment

42. CAPITAL COMMITMENTS

	The Group	
	2022 RM'000	2021 RM'000
Purchase of property, plant and equipment	303	303

43. FINANCIAL INSTRUMENTS

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

43.1 FINANCIAL RISK MANAGEMENT POLICIES

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

(a) Market Risk

(i) Foreign Currency Risk

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

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**
2022	
<u>Financial Assets</u>	
Cash and bank balances	367
<u>Financial Liabilities</u>	
Trade payables	(337)
Currency exposure	30
2021	
<u>Financial Assets</u>	
Cash and bank balances	4,066
Currency exposure	4,066

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

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

	The Group	
	2022	**2021**
	RM'000	**RM'000**
Effects on Profit After Taxation		
USD/RM		
- strengthened by 10%	2	309
- weakened by 10%	(2)	(309)

(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 15 and 23 to the financial statements.

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Interest Rate Risk Sensitivity Analysis

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

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Effects on Profit After Taxation				
Increase of 100 basis points	212	420	230	269
Decrease of 100 basis points	(212)	(420)	(230)	(269)

(iii) Equity Price Risk

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

(b) Credit Risk

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

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by five (5) customers which constituted approximately 69% of its trade receivables 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.

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(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.

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 difficult 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.

<u>Trade Receivables and Contract Assets</u>

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 (2021 - 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.

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses

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

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

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables.

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
2022			
Low credit risk	167	-	167
Credit impaired	788	(788)	-
	955	(788)	167
2021			
Low credit risk	185	-	185
Credit impaired	750	(750)	-
	935	(750)	185

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

Fixed Deposits with Licensed Banks, Cash and Bank Balances

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

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Amount Owing By Subsidiaries (Non-trade Balances)

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
2022			
Low credit risk	40,320	(4,330)	35,990
2021			
Low credit risk	37,263	(4,330)	32,933

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

Financial Guarantee Contracts

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

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

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

Maturity Analysis

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

The Group	Weighte Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
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	4.52 - 7.07	469	480	435	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	-
2021						
Non-derivative Financial Liabilities						
Trade payables	-	32,587	32,587	32,587	-	-
Other payables and accruals	-	42,472	42,472	42,472	-	-
Lease liabilities	4.52 - 7.07	1,024	1,067	587	480	-
Term loans	4.45 - 8.60	30,881	31,645	14,582	17,063	-
		106,964	107,771	90,228	17,543	-

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

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

The Company	Weighte Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
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	-	-
2021						
Non-derivative Financial Liabilities						
Other payables and accruals	-	374	374	374	-	-
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries	-	-	66,749	66,749	-	-
		374	67,123	67,123	-	-

43. FINANCIAL INSTRUMENTS (CONT'D)

43.2 CAPITAL RISK MANAGEMENT

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

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

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

	The Group	
	2022	**2021**
	RM'000	**RM'000**
Lease liabilities (Note 21)	469	1,024
Term loans (Note 23)	21,827	30,881
Bank overdrafts (Note 26)	3,114	-
	25,410	31,905
Less: Short-term investments (Note 15)	(49,666)	(86,191)
Less: Fixed deposits with licensed banks (Note 16)	(33,838)	(30,713)
Less: Cash and bank balances	(7,979)	(10,765)
Net debt	(66,073)	(95,764)
Total equity	169,956	175,724
Debt-to-equity ratio	N/A	N/A

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.

43. FINANCIAL INSTRUMENTS (CONT'D)

43.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2022	
	The Group RM'000	The Company RM'000
Financial Assets		
Mandatorily at Fair Value Through Other Comprehensive Income		
Short-term investments (Note 15)	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)	167	-
Amount owing by subsidiaries (Note 13)	-	35,990
Amount owing by joint venture (Note 14)	2,130	-
Fixed deposits with licensed banks (Note 16)	33,838	-
Cash and bank balances	7,979	124
	67,006	36,114
Financial Liability		
Amortised Cost		
Trade payables (Note 24)	32,939	-
Other payables and accruals (Note 25)	57,061	391
Lease liabilities (Note 21)	469	-
Term loans (Note 23)	21,827	-
Bank overdrafts (Note 26)	3,114	-
	115,410	391

43. FINANCIAL INSTRUMENTS (CONT'D)

43.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

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

43. FINANCIAL INSTRUMENTS (CONT'D)

43.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	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)	-

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

43. FINANCIAL INSTRUMENTS (CONT'D)

43.5 FAIR VALUE INFORMATION

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

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

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
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

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
2021								
Financial Assets								
Other investments								
- club membership	-	50	-	-	-	-	50	50
Short-term investments								
- money market fund	-	86,191	-	-	-	-	86,191	86,191
Financial Liability								
Term loans	-	-	-	-	30,881	-	30,881	30,881

43. FINANCIAL INSTRUMENTS (CONT'D)

43.5 FAIR VALUE INFORMATION (CONT'D)

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 Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Fair Value of Financial Instruments Not Carried at Fair Value Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total Fair Value RM'000	Carrying Amount RM'000
2022								
Financial Asset								
Short-term investments								
- money market fund	-	30,290	-	-	-	-	30,290	30,290
2021								
Financial Asset								
Short-term investments								
- money market fund	-	35,402	-	-	-	-	35,402	35,402

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

44. SIGNIFICANT EVENT

Significant event during the financial year is as follows:-

On 22 February 2022, Carimin Engineering Services Sdn. Bhd. (“CES”), a wholly-owned subsidiary of the Company, had entered into a Joint Venture Agreement (“JVA”) with I Drill Pipelines Constructions Sdn. Bhd. (“IDRILL”) to jointly bid for Lion Lateral Extension and Metering Station for Nine Dragon Paper (“Bougainvillea Project”) for Petronas Gas Berhad (“PGB”). On June 2022, CES and IDRILL had jointly accepted the Letter of Award (“LOA”) for Bougainvillea Project from PGB. The contract is valued of RM52,249,204.25 only and the duration for completion of works is within 17 months to initial acceptance.

ANALYSIS OF SHAREHOLDINGS
AS AT 23 SEPTEMBER 2022

Total Number of Issued Shares	:	233,878,000 Ordinary Shares
Class of Shares	:	Ordinary Shares ("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	12	0.29	300	*
100 - 1,000 shares	588	14.18	346,600	0.15
1,001 - 10,000 shares	2,263	54.58	12,716,400	5.44
10,001 - 100,000 shares	1,120	27.02	36,647,800	15.67
100,001 - less than 5% of issued shares	161	3.88	91,709,238	39.21
5% and above of issued shares	2	0.05	92,457,662	39.53
Total	**4,146**	**100.00**	**233,878,000**	**100.00**

Note:
** negligible*

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

	Direct Interest		Indirect Interest	
Name of Substantial Shareholders	No. of Shares	%	No. of Shares	%
Mokhtar Bin Hashim	57,751,734	24.69	-	-
Cipta Pantas Sdn. Bhd.	38,787,428	16.58	-	-
Wong Kong Foo	-	-	43,337,428[1]	18.53

Note:
1 Deemed interested by virtue of his shareholdings pursuant to Section 8 of the Companies Act 2016 ("the Act") held through Intan Kuala Lumpur Sdn. Bhd. and Cipta Pantas Sdn. Bhd.

DIRECTORS' SHAREHOLDINGS
(As per the Register of Directors' Shareholdings)

	Direct Interest		Indirect Interest	
Name of Directors	No. of Shares	%	No. of Shares	%
Tan Sri Dato' Kamaruzzaman Bin Shariff	2,000,000	0.86	-	-
Mokhtar Bin Hashim	57,751,734	24.69	-	-
Lim Yew Hoe	3,150,000	1.35	6,000,000[1]	2.57
Yip Jian Lee	50,000	0.02	-	-
Mohd Rizal Bahari Bin Md Noor	50,000	0.02	-	-
Wan Muhamad Hatta Bin Wan Mos	50,000	0.02	-	-

Note:
1 Deemed interested by virtue of his shareholdings pursuant to Section 8 of the Act held through Emas Kiara Marketing Sdn. Bhd.

ANALYSIS OF SHAREHOLDINGS

AS AT 23 SEPTEMBER 2022

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 23 SEPTEMBER 2022

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

No.	Name	No. of Shares Held	%
1	Mokhtar Bin Hashim	53,670,234	22.95
2	Affin Hwang Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Cipta Pantas Sdn. Bhd.)	38,787,428	16.58
3	Maybank Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Gan Hai Toh)	10,577,600	4.52
4	Maybank Nominees (Tempatan) Sdn Bhd. (Pledged securities account for Intan Kuala Lumpur Sdn. Bhd.)	4,550,000	1.95
5	Maybank Nominees (Tempatan) Sdn. Bhd. (Maybank Private Wealth Management for Mokhtar Bin Hashim)(PW-M01039) (422768)	4,000,000	1.71
6	Alliancegroup Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Khor Jan Yeow (8083119))	3,507,500	1.50
7	English Hotbreads (Sel.) Sdn. Bhd.	3,034,800	1.30
8	AMSEC Nominees (Tempatan) Sdn. Bhd. (Pledged securities account - AmBank (M) Berhad for Emas Kiara Marketing Sdn. Bhd.)	3,000,000	1.28
9	Emas Kiara Marketing Sdn. Bhd.	3,000,000	1.28
10	Maybank Nominees (Tempatan) Sdn. Bhd. (Maybank Private Wealth Management for Lim Yew Hoe (PW M00613) (419180))	3,000,000	1.28
11	Shatar Bin Abdul Hamid	2,920,638	1.25
12	Kenanga Nominees (Tempatan) Sdn. Bhd. Yong Heng Loong	2,850,000	1.22
13	Affin Hwang Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Chin Kok Foong)	2,787,000	1.19
14	UOBM Nominees (Tempatan) Sdn. Bhd. (UOB Asset Management (Malaysia) Berhad for Gibraltar BSN Aggressive Fund)	2,700,000	1.15
15	Public Invest Nominees (Asing) Sdn. Bhd. (Exempt An for Phillip Securities Pte Ltd (Clients))	2,140,000	0.92
16	Tan Sri Dato' Kamaruzzaman Bin Shariff	2,000,000	0.86
17	UOBM Nominees (Tempatan) Sdn. Bhd. (UOB Asset Management (Malaysia) Berhad for Gibraltar BSN Life Berhad (Par Fund))	1,882,500	0.80
18	UOBM Nominees (Tempatan) Sdn. Bhd. (UOB Asset Management (Malaysia) Berhad for Progressive Insurance Bhd (Equity Pfolio 1))	1,490,000	0.64
19	RHB Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Loh You Fook)	1,100,000	0.47
20	AMSEC Nominees (Tempatan) Sdn. Bhd. (Pledged securities account - AmBank (M) Berhad for Ukay One Sdn. Bhd. (Smart))	1,000,000	0.43
21	Maybank Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Shatar Bin Abdul Hamid)	1,000,000	0.43
22	Poh Pek Boon	900,000	0.38
23	UOBM Nominees (Tempatan) Sdn. Bhd. (UOB Asset Management (Malaysia) Berhad for IGRS Equity Portfolio 1)	856,500	0.37
24	Maybank Securities Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Tan Kuan Teck)	758,000	0.32
25	Maybank Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Shaharool Nizam Bin Mohd Kassim)	730,200	0.31
26	Maybank Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Chong Chien Ming)	715,000	0.31
27	Value Ventures Capital Sdn. Bhd.	659,200	0.28
28	CIMSEC Nominees (Tempatan) Sdn. Bhd. (CIMB for Tan Bak Hong (PB))	652,000	0.28
29	Maybank Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Che Nor Rubiah Binti Md Nawi)	650,200	0.28
30	Maybank Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Tan Bak Hong)	650,000	0.28

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 2022 are set out below:-

Registered Owner		Postal address Description of property/ existing use	Tenure / expiry lease /Age Building	Category of land use/land area/ Built-up area (sq m)	Audited NBV as at 30 June 2022 (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	174,808
	(ii)	B-1-4, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur • Office lot	Freehold 23 years	179	573,206
	(iii)	B-1-5, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur • Office Lot	Freehold 23 years	179	408,469
	(iv)	B-1-6, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur • Office Lot	Freehold 23 years	179	385,348
	(v)	B-1-7, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur • Office lot	Freehold 23 years	179	385,348
	(vi)	B-1-8, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur • Office lot	Freehold 23 years	391	900,512
	(vii)	B-7-6, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur • Office lot	Freehold 23 years	215	500,572
	(viii)	No. 7, Jalan SS15/2A, Subang Jaya, 47500 Selangor Darul Ehsan • Double storey intermediate terrace shophouse Office use	Freehold 36 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	10 years	1,499	984,782
Fazu Resources (M) Sdn. Bhd.	(x)	PT10363 Mukim Teluk Kalung, Kemaman Terengganu • Industrial land	Leasehold of 60 years expiring on 27 Feb 2078	Industrial 21,130	825,800

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting ("10th AGM" or "the Meeting") of CARIMIN PETROLEUM BERHAD ("Carimin" or "the Company") will be held at Mauna Lani B, Glenmarie Golf Country Club, No. 3, Jalan Usahawan U1/8, 40150 Shah Alam, Selangor Darul Ehsan on Tuesday, 29 November 2022 at 2:30 p.m. or at any adjournment thereof, to transact the following businesses: -

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 30 June 2022 together with the Reports of the Directors and Auditors thereon. **Please refer to Explanatory Note 1**

2. To approve the payment of Directors' fee and benefits of up to RM540,000.00 for the financial year ending 30 June 2023. **ORDINARY RESOLUTION 1**

3. To re-elect the following Directors who retire by rotation pursuant to Clause 85 of the Company's Constitution: -

   i. Pn. Yip Jian Lee **ORDINARY RESOLUTION 2**
   ii. En. Lim Yew Hoe **ORDINARY RESOLUTION 3**

4. To re-elect En. Wong Kong Foo who retires pursuant to Clause 91 of the Company's Constitution. **ORDINARY RESOLUTION 4**

5. 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 5**

AS SPECIAL BUSINESS:

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

6. **GENERAL AUTHORITY FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **ORDINARY RESOLUTION 6**

   "THAT subject always to the Constitution of the Company, the Companies Act 2016 ("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 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) at any point of time ("Mandate") AND THAT the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier.

   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 THAT the Board is exempted from the obligation to offer such new Shares first to the existing shareholders of the Company in respect of the allotment and issuance of new Shares pursuant to the Mandate.

AND FURTHER THAT the new Shares to be issued pursuant to the Mandate, shall, upon allotment and issuance, rank equally 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."

7. To transact any other business of which due notice shall have been given.

By order of the Board

TEA SOR HUA (MACS 01324) (SSM PC No. 201908001272)
Company Secretary

Petaling Jaya, Selangor Darul Ehsan
31 October 2022

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.

NOTICE OF ANNUAL GENERAL MEETING

(g) *For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 22 November 2022. Only members whose names appear in the General Meeting Record of Depositors as at 22 November 2022 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.*

EXPLANATORY NOTES TO ORDINARY BUSINESS AND SPECIAL BUSINESS

1. **Item 1 of the Agenda – Audited Financial Statements for the financial year ended 30 June 2022**

   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' Fee 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. **Items 3 and 4 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.

   Clause 91 of the Company's Constitution provides that the Directors shall have power at any time and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next AGM, and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors to retire by rotation at such meeting.

   Following thereto, Pn. Yip Jian Lee and En. Lim Yew Hoe will retire by rotation pursuant to Clause 85 of the Company's Constitution whereas En. Wong Kong Foo will retire pursuant to Clause 91 of the Company's Constitution (collectively referred to as "the Retiring Directors"). The Retiring Directors being eligible, have offered themselves for re-election at the 10th AGM.

   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 13 and 15 of the Company's Annual Report 2022.

4. **Item 6 of the Agenda – General Authority for the Directors to Allot and Issue Shares pursuant to Sections 75 and 76 of the Act**

The Ordinary Resolution 6 proposed under item 6 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, is to empower the Directors to issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the 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 such an issue of 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).

The Company had at its Ninth AGM held on 2 December 2021 ("9th AGM"), obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders, to empower the Directors to issue and allot shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes, as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed 20% of the total number of issued shares of the Company (excluding treasury shares) at any point of time ("20% General Mandate"). This 20% General Mandate will expire at the conclusion of the 10th AGM.

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 6, if passed, will exclude the shareholders' pre-emptive right to be offered new shares to be issued by the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the 20% General Mandate granted to the Directors at the 9th AGM which will lapse at the conclusion of the 10th AGM.

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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 Tenth Annual General Meeting ("10th AGM" or "Meeting") of the Company to be held at Mauna Lani B, Glenmarie Golf Country Club, No. 3, Jalan Usahawan U1/8, 40150 Shah Alam, Selangor Darul Ehsan on Tuesday, 29 November 2022 at 2:30 p.m. or at any adjournment thereof.

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

No.	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' fee and benefits of up to RM540,000.00 for the financial year ending 30 June 2023.		
2.	To re-elect Pn. Yip Jian Lee as a Director who retires by rotation pursuant to Clause 85 of the Company's Constitution.		
3.	To re-elect En. Lim Yew Hoe as a Director who retires by rotation pursuant to Clause 85 of the Company's Constitution.		
4.	To re-elect En. Wong Kong Foo as a Director who retires pursuant to Clause 91 of the Company's Constitution.		
5.	To re-appoint Crowe Malaysia PLT as Auditors of the Company.		
6.	To approve the authority for Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		

* *delete whichever not applicable*

Dated this _________ day of ________________, 2022.

CDS ACCOUNT NO.	NO. OF SHARES HELD

____
Signature of Member(s)/Common Seal

Notes:

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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)

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