

## 13. ACCOUNTANTS' REPORT



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### ACCOUNTANTS' REPORT

(Prepared for inclusion in the Prospectus to be dated 3 October 2013)

The Board of Directors  
UMW Oil & Gas Corporation Berhad  
3rd Floor, The Corporate  
No. 10, Jalan Utas (15/7)  
Batu Tiga Industrial Estate  
40200 Shah Alam  
Selangor Darul Ehsan  
Malaysia

17 September 2013

Dear Sirs,

### UMW OIL & GAS CORPORATION BERHAD ("UMW-OG" OR THE "COMPANY") ACCOUNTANTS' REPORT

#### 1.0 INTRODUCTION

This report has been prepared by Messrs. Ernst & Young, an approved company auditor, for inclusion in the Prospectus of UMW-OG in connection with the initial public offering ("IPO") and listing of and quotation for the entire enlarged issued and paid-up share capital of UMW-OG on the Main Market of Bursa Malaysia Securities Berhad (hereinafter referred to as the "Prospectus"). This report is issued for the sole purpose of complying with the Prospectus Guidelines - Equity issued by the Securities Commission in connection with the IPO and should not be relied upon for any other purposes. Therefore, this report is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the IPO described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any type of transaction, including the sale of securities other than the IPO.

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 2.0 ABBREVIATIONS

Unless the context otherwise requires, the following definitions shall apply throughout this report.

Act	Companies Act 1965 as amended from time to time and any re-enactment thereof
Bursa Securities	Bursa Malaysia Securities Berhad
CGU	Cash-generating unit
EY	Messrs Ernst & Young
FPE	Financial period ended
FRS	Financial Reporting Standards
FYE	Financial year ending
HESS	Hess (Indonesia-Pangkajene) Limited
HWU	Hydraulic workover unit
IFRS	International Financial Reporting Standards
IPO	Initial Public Offering
Internal Reorganisation	As defined in Note 3.2(a)
Issue Shares	New Shares to be issued by UMW-OG pursuant to the Public Issue
KLIBOR	Kuala Lumpur Interbank Offered Rate
LIBOR	London Interbank Offered Rate
MASB	Malaysia Accounting Standards Board
MFRS	Malaysian Financial Reporting Standards
OCTG	Oil Country Tubular Goods
Offer For Sale	Offer for sale by the Selling Shareholder of up to 231,380,000 Offer Shares (before Over-allotment Option)
Offer Share(s)	Existing Shares(s) to be offered by the Selling Shareholder pursuant to the Offer for Sale

**13. ACCOUNTANTS' REPORT (Cont'd)**

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**2.0 ABBREVIATIONS (CONTD.)**

Public Issue	Public issue of 611,800,000 Issue Shares by UMW-OG
SC	Securities Commission Malaysia
Selling Shareholder	UMWH, being the party undertaking the Offer For Sale
SHPS	Sichuan Haihua Petroleum Steelpipe Co, Ltd
UMD	UMW Deepnautic Sdn Bhd
UMO	UMW Marine and Offshore Pte. Ltd.
UMWC	UMW Corporation Sdn Bhd
UMWH	UMW Holdings Berhad
UMWH Group	Collectively, UMWH and its subsidiaries
UMW-OG or the Company	UMW Oil & Gas Corporation Berhad
UMW-OG Group or Group	Collectively, UMW-OG and its proposed subsidiaries and its proposed associate
UMW-OG Share(s) or Share(s)	Ordinary shares of RM0.50 each in the Company
UMW-OGB	UMW Oil & Gas Berhad
UMW Petropipe	UMW Petropipe (L) Ltd
USG	UMW Synergistic Generation Sdn. Bhd.
USG-E	UMW SG Engineering and Services Sdn. Bhd.
USG-P	UMW SG Power Systems Sdn. Bhd.

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 2.0 ABBREVIATIONS (CONTD.)

**Currencies**

RM and sen	Ringgit Malaysia and sen, the lawful currency of Malaysia
RMB	Renminbi, the lawful currency of the People's Republic of China
SGD	Singaporean Dollar, the lawful currency of the Republic of Singapore
THB	Thai Baht, the lawful currency of Thailand
USD	United States Dollar, the lawful currency of the USA

**Proposed Subsidiaries**

OD4	Offshore Driller 4 Ltd
ODB	Offshore Driller B324 Ltd
UD4	UMW Drilling 4 (L) Ltd
UD5	UMW Drilling 5 (L) Ltd
UD6	UMW Drilling 6 (L) Ltd
UDA	UMW Drilling Academy Sdn Bhd
UDC	UMW Drilling Co Ltd
UJD	UMW JDC Drilling Sdn Bhd
UMV	UMW Malaysian Ventures Sdn Bhd
UMWSD	UMW Standard Drilling Sdn Bhd
UN2	UMW Naga Two (L) Ltd
UN3	UMW Naga Three (L) Ltd
UOS	UMW Oilpipe Services Sdn Bhd
UOS-TJ	UMW Oilfield Services (Tianjin) Co, Limited
UOS-TK	UMW Oilpipe Services (Turkmenistan) Ltd

**13. ACCOUNTANTS' REPORT (Cont'd)****2.0 ABBREVIATIONS (CONTD.)****Proposed Subsidiaries (Contd.)**

UOT	UOT (Thailand) Limited
UPC	UMW Pressure Control Sdn Bhd
UPD	UMW Petrodril (Malaysia) Sdn Bhd
UPD-S	UMW Petrodril Siam Co, Ltd. (Liquidated on 30 August 2013)
URA	UMW Rig Asset (L) Ltd
US-1	UMW Standard 1 Pte Ltd
US-3	UMW Standard 3 Pte Ltd
USV	UMW Singapore Ventures Pte Ltd

**Proposed Associate**

OTT	Oil-Tex (Thailand) Company Ltd
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## 13. ACCOUNTANTS' REPORT (Cont'd)



### 3.0 GENERAL INFORMATION

#### 3.1 Background

The Company was incorporated in Malaysia under the Act on 12 November 2009 as a private limited company under the name of UMW Oil & Gas Corporation Sdn. Bhd. and was converted into a public company on 14 May 2013.

The principal activity of the Company is to carry on the business of an investment holding company, whilst the UMW-OG Group is principally engaged in the provision of offshore drilling services and oilfield services. The principal activities of the proposed subsidiaries and associate are as disclosed in Note 3.4.

On 14 May 2013, UMWH had acquired the entire equity interest in UMW-OG from UMW-OGB, a wholly-owned subsidiary of UMWH, representing 4 ordinary shares of RM0.50 each for a cash consideration of RM2.00. The holding company of the Company refers to UMW Holdings Berhad. Related companies of UMW Holdings Berhad are referred to as related companies.

#### 3.2 Details of the relevant proposals and transactions ("Relevant Proposals and Transactions")

##### (a) Internal reorganisation

###### (i) Transfer of UMW-OG

UMW-OGB transferred its entire equity interest in UMW-OG to UMWH for a consideration of RM2.00 ("**Transfer of UMW-OG**").

###### (ii) Subscription by UMWH

UMWH subscribed 90,000,000 UMW-OG Shares for RM45,000,000. ("**Subscription by UMWH**")

###### (iii) Acquisitions of proposed subsidiaries and proposed associate

UMW-OG Group incorporated URA on 5 April 2013 and acquired the proposed subsidiaries and associate for a total purchase consideration of RM149,929,000, of which RM44,450,000 was settled via cash from the proceeds of the subscription of Shares by UMWH. The balance purchase consideration of RM105,479,000 ("**Amount Owing from Acquisitions**") was settled in the manner described in Note 3.2(a)(iv).

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 3.0 GENERAL INFORMATION (CONTD.)

## 3.2 Details of the relevant proposals and transactions ("Relevant Proposals and Transactions") (Contd.)

## (a) Internal reorganisation (Contd.)

## (iv) Settlement of amounts owing by UMW-OG Group to the companies within UMWH Group (other than companies within UMW-OG Group)

UMW-OG Group settled the Amount Owing from Acquisitions and the outstanding balance of RM1,222,000,000 comprising amounts owed by UMW-OG Group to the companies within the UMWH Group (other than the companies within UMW-OG Group) as at 31 March 2013 and advances drawn down from UMWH, by way of issuance of 1,460,200,000 Shares to UMWH. The outstanding balance of RM597,400,000 will be settled in cash using the proceeds to be raised through the Public Issue.

(Collectively referred to as "**Settlement of Intercompany Liabilities by UMW-OG**")

The Internal Reorganisation was completed on 30 August 2013.

## (b) IPO

UMW-OG's IPO of up to 843,180,000 IPO Shares, representing up to 39% of the enlarged and paid-up share capital of UMW-OG, comprises the following:

- (i) an offer for sale by the Selling Shareholder of up to 231,380,000 Offer Shares, representing 10.7% of the enlarged issued and paid-up share capital of UMW-OG; and
- (ii) a public issue of 611,800,000 Issue Shares, representing 28.3% of the enlarged issued and paid-up share capital of UMW-OG.

For the avoidance of doubt, the IPO Shares offered under the institutional offering and the retail offering through the Offer for Sale and Public Issue do not include the Shares under the over-allotment option.

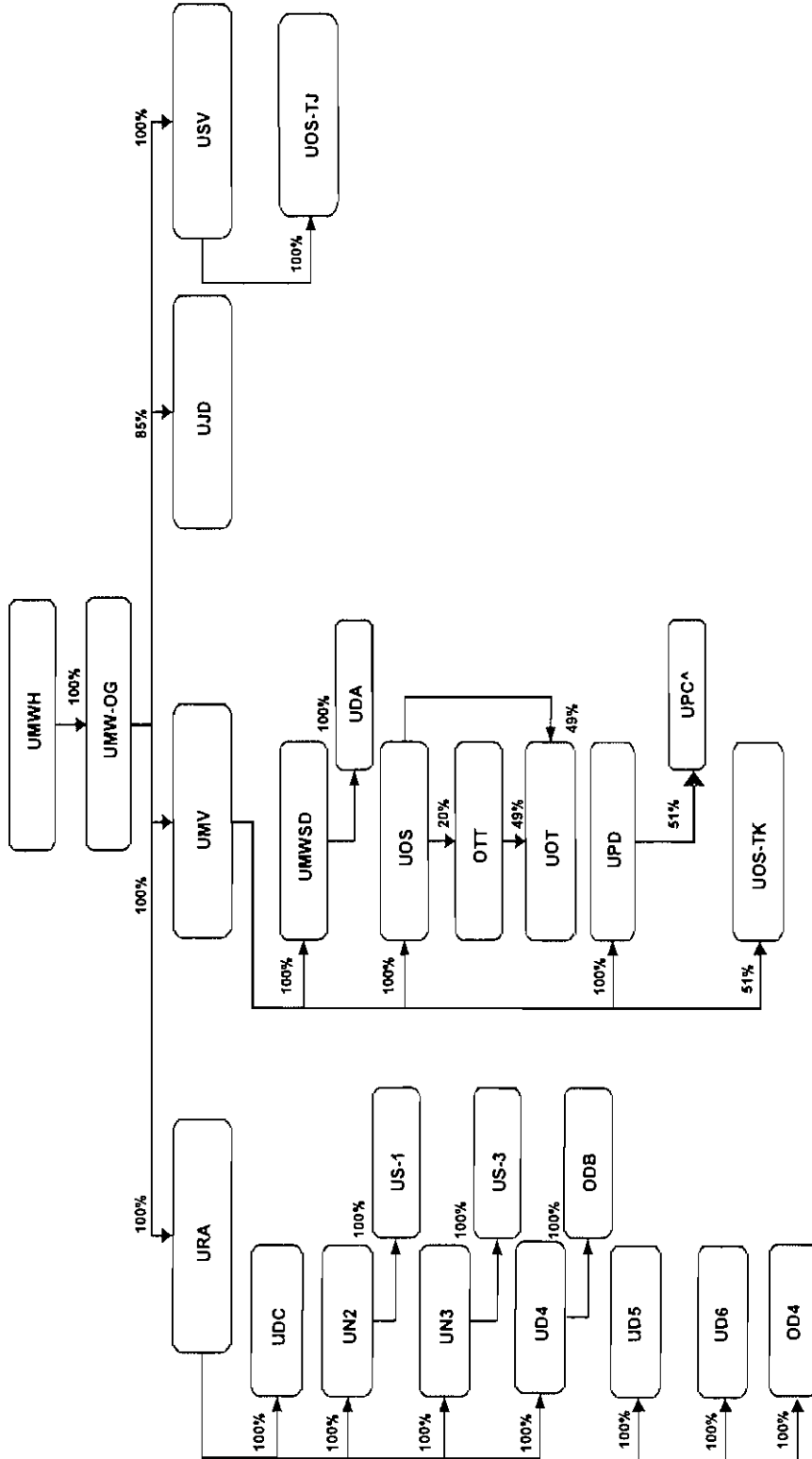


13. ACCOUNTANTS' REPORT (Cont'd)

3.0 GENERAL INFORMATION (CONTD.)

3.2 Details of the relevant proposals ("Relevant Proposals") (Contd.)

UMW-OG's group structure upon listing is set out below:



Notes:

^ Company has commenced liquidation.



**13. ACCOUNTANTS' REPORT (Cont'd)****3.0 GENERAL INFORMATION (CONTD.)****3.3 Share capital**

At the date of this report, the authorised and issued and paid-up share capital of UMW-OG since its incorporation are as follows:

**(a) Authorised**

<b>Date of incorporation/date of subdivision/date of creation</b>	<b>Par value RM</b>	<b>Number of ordinary shares</b>	<b>Cumulative authorised share capital RM</b>
12 November 2009	1	10,000,000	10,000,000
13 May 2013 (subdivision)	0.50	20,000,000	10,000,000
13 May 2013	0.50	5,000,000,000	2,500,000,000

**(b) Issued and paid-up**

<b>Date of allotment/ subdivision</b>	<b>Par value RM</b>	<b>Number of ordinary shares</b>	<b>Consideration RM</b>	<b>Total issued and paid-up share capital cumulative RM</b>
12 November 2009	1.00	2	2	2
13 May 2013 (subdivision)	0.50	4	-	2
6 August 2013	0.50	90,000,000	45,000,000	45,000,002
30 August 2013	0.50	1,460,199,996	730,099,998	775,100,000

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 3.0 GENERAL INFORMATION (CONTD.)

## 3.4 PROPOSED SUBSIDIARIES AND ASSOCIATE

(a) The proposed subsidiaries of UMW-OG as at 30 June 2013 are as follows:

Name of the company	Issued Date and and paid-up share capital (RM unless otherwise stated)	country of incorporation	Principal activities	Effective interest (%)
OD4	USD38,502	8 April 2011 Cayman Islands	Investment holding and provision of management services	100
ODB	USD42,000	15 December 2010 Cayman Islands	Ownership and leasing of rig	100
UDA		2 11 April 2013 Malaysia	Providing training services and any other related services to any person, firm, association, government body or agency, company corporation, organisation and institution	100
UD4	USD1	7 June 2012 Federal Territory of Labuan, Malaysia	Ownership and leasing of rig	100
UD5	USD1	12 June 2013 Federal Territory of Labuan, Malaysia	Ownership and leasing of rig	100
UD6	USD1	12 June 2013 Federal Territory of Labuan, Malaysia	Ownership and leasing of rig	100
UDC	USD6,000,000	7 March 2005 Federal Territory of Labuan, Malaysia	Ownership and leasing of rig	100
UJD	350,000	12 June 1987 Malaysia	Provision of drilling operations for the oil and gas industry	85

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 3.0 GENERAL INFORMATION (CONTD.)

## 3.4 PROPOSED SUBSIDIARIES AND ASSOCIATE (CONTD.)

(a) The proposed subsidiaries of UMW-OG as at 30 June 2013 are as follows (Contd.):

Name of the company	Issued Date and and paid-up share capital (RM unless otherwise stated)	country of incorporation	Principal activities	Effective interest (%)
UMWSD	14,725,000 (Comprise of 14,625,000 ordinary shares of RM1.00 each and 10,000,000 redeemable preference shares of RM0.01 each)	29 July 2003 Malaysia	Contract offshore drilling business and operations and other engineering services for oil and gas exploration, development and production in Malaysia and overseas	100
UMV	20,000,000	26 September 2008 Malaysia	Investment holding	100
UN2	USD1,000,000	8 January 2007 Federal Territory of Labuan, Malaysia	Ownership and leasing of rig	100
UN3	USD1	8 January 2007 Federal Territory of Labuan, Malaysia	Ownership and leasing of rig	100
UOS	4,250,000	14 August 1984 Malaysia	Provision of threading, inspection, repair and maintenance services for OCTG	100
UOS-TK	USD625,000	4 August 2006 Federal Territory of Labuan, Malaysia	Provision of threading, inspection, repair and maintenance services for OCTG	51
UOT	THB25,000,000 (Registered capital)	9 January 1997 Thailand	Provision of threading, inspection, repair and maintenance services for OCTG	58.8

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 3.0 GENERAL INFORMATION (CONTD.)

## 3.4 PROPOSED SUBSIDIARIES AND ASSOCIATE (CONTD.)

(a) The proposed subsidiaries of UMW-OG as at 30 June 2013 are as follows (Contd.):

Name of the company	Issued and paid-up share capital (RM unless otherwise stated)	Date and country of incorporation	Principal activities	Effective interest (%)
UOS-TJ	USD2,800,000 (Registered capital)	1 November 2002 People's Republic of China	Provision of threading, inspection, repair and maintenance services for OCTG	100
UPC*	600,000	18 March 2009 Malaysia	Supply specialty snubbing, hot tapping and wellhead freezing equipment and services to the oil and gas industry and manufacturing of oil and gas related products	51
UPD	10,000,000	29 December 1983 Malaysia	Provision of workover operations for the oil and gas industry	100
UPD-S	THB2,000,000 (Registered capital)	10 September 2010 Thailand	Liquidated on 30 August 2013	100
US-1	USD76,500,000	29 November 2006 Republic of Singapore	Ownership and leasing of rig	100
US-3	USD74,000,000	29 November 2006 Republic of Singapore	Ownership and leasing of rig	100
USV	SGD9,500,000	25 March 2009 Republic of Singapore	Investment holding	100

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 3.0 GENERAL INFORMATION (CONTD.)

## 3.4 PROPOSED SUBSIDIARIES AND ASSOCIATE (CONTD.)

(a) The proposed subsidiaries of UMW-OG as at 30 June 2013 are as follows (Contd.):

Name of the company	Issued Date and and paid-up share capital (RM unless otherwise stated)	country of incorporation	Principal activities	Effective interest (%)
URA	USD1	5 April 2013 Federal Territory of Labuan, Malaysia	Investment holding	100

**Note:**

- \* Company has commenced liquidation

(b) The proposed associate of UMW-OG as at 30 June 2013 is as follows:

Name of the company	Issued Date and and paid-up share capital (RM unless otherwise stated)	country of incorporation	Principal activities	Effective interest (%)
OTT	THB7,000,000 (Registered capital)	1 July 1983 Thailand	Provision of logistic services for the oil and gas industry	20

## 13. ACCOUNTANTS' REPORT (Cont'd)



#### 4.0 FINANCIAL STATEMENTS AND AUDITORS

The financial year end of UMW-OG and its proposed subsidiaries falls on 31 December, except for its associate, OTT, which has a financial year end of 30 June.

The financial statements of all companies in the Group were audited by EY and member firms of EY in respect of FYE 31 December 2012, 31 December 2011 and 31 December 2010 except for the following:

Name of the Company	FYE	Auditors
<b>Proposed subsidiaries of UMW-OG:</b>		
UOS-TJ	31 December 2010	Wu Zhou Songde Certified Public Accountants
	31 December 2011, and 31 December 2012	Huayin Wuzhou Certified Public Accountants
UOT	31 December 2010	Smart Audit, Certified Public Accountants
USV	31 December 2010, and 31 December 2011	Tan, Teo & Partners PAC
	31 December 2012	CPA Trust PAC
<b>Proposed subsidiary of UMW-OG which has since been liquidated:</b>		
UPD-S (Liquidated on 30 August 2013)	31 December 2010, and 31 December 2011	Miss Uraiwan Klinhaohan, Certified Public Accountant
	31 December 2012	A.N Audit Co. Ltd.
<b>Proposed associate of UMW-OG:</b>		
OTT	30 June 2010, 30 June 2011, 30 June 2012, and 30 June 2013	PricewaterhouseCoopers ABAS Limited

The auditors' reports of the financial statements for the respective financial years under review were not subject to any qualification.

The combined financial statements of UMW-OG's Group and Company's financial statements FPE 30 June 2013 have been audited by EY. The financial statements of the Proposed Subsidiaries FPE 30 June 2013 were not separately prepared.

**13. ACCOUNTANTS' REPORT (Cont'd)**

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**5.0 BASIS OF PREPARATION OF FINANCIAL INFORMATION**

This report has been prepared based on the combined financial statements of the Group, which were drawn up so as to give a true and fair view of the financial position of the Group and of its financial performance and cash flows for the FPE 30 June 2013, FYE 31 December 2012, 31 December 2011 and 31 December 2010 and reported by us without qualification.

The combined financial statements for FYE 31 December 2012, 31 December 2011 and 31 December 2010 have been carved out from the consolidated financial statements of UMWH, which have been prepared in accordance with MFRS and IFRS for FYE 31 December 2012, 31 December 2011, and FRS for the FYE 31 December 2010.

The interim combined financial statements for the FPE 30 June 2013 and 30 June 2012 have been prepared using the financial information obtained from the financial records of the entities within the Group for FPE 30 June 2013, and from the condensed consolidated financial statements of UMWH which have been prepared in accordance with MFRS 134 and IFRS 134 for FPE 30 June 2013 and 30 June 2012.

The combined financial statements of UMW-OG Group have been prepared as if the Group has operated as a single economic entity throughout FPE 30 June 2013, FYE 31 December 2012, 31 December 2011 and 31 December 2010 and have been prepared from the financial records maintained by each entity.

The financial information as presented in the combined financial statements may not correspond to the consolidated financial statements of the Group after incorporating the Relevant Proposals and Transactions. Furthermore, such financial information from the combined financial statements does not purport to predict the Group's financial position, results and cash flows.

Combined financial statements have not been prepared in respect of any period subsequent to 30 June 2013.

**6.0 DIVIDEND**

The Company has not paid or declared any dividend since its date of incorporation on 12 November 2009.

Dividends paid by proposed subsidiaries in respect of the combined financial statements for the relevant FPE/FYE are as set out in Note 37.

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 7.0 COMBINED STATEMENTS OF FINANCIAL POSITION

The combined statements of financial position of the Group for FPE 30 June 2013, FYE 31 December 2012, 31 December 2011 and 31 December 2010 are as follows:

Note	FRS Framework <-----MFRS Framework----->				
	<-----Audited----->				
	2010 RM'000	2011 RM'000	2012 RM'000	30.6.2013 RM'000	
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	13	1,172,392	1,220,482	1,466,612	2,193,599
Investment property	14	17,620	17,313	-	-
Land use rights	15	-	2,178	2,080	2,160
Intangible assets	16	11,291	11,291	11,291	11,291
Investment in associate	17	2,214	2,073	1,907	2,207
Deferred tax assets	18	2,401	2,460	4,297	4,465
		<u>1,205,918</u>	<u>1,255,797</u>	<u>1,486,187</u>	<u>2,213,722</u>
<b>Current assets</b>					
Inventories	20	20,399	35,687	44,892	58,279
Receivables	21	99,851	164,901	242,127	245,732
Tax recoverable		1,432	1,400	4,578	4,042
Due from related companies of holding company	22	31,081	64,635	32,927	45,825
Deposits, cash and bank balances	23	86,370	106,317	119,311	147,351
		<u>239,133</u>	<u>372,940</u>	<u>443,835</u>	<u>501,229</u>
Non-current assets held for sale	24	-	-	20,075	-
		<u>239,133</u>	<u>372,940</u>	<u>463,910</u>	<u>501,229</u>
<b>Total assets</b>		<u>1,445,051</u>	<u>1,628,737</u>	<u>1,950,097</u>	<u>2,714,951</u>
<b>Equity and liabilities</b>					
<b>Non-current liabilities</b>					
Deferred tax liabilities	18	3,313	2,991	4,165	4,502
Due to holding company	22	-	-	248,012	-
Long term borrowings	25	715,050	678,149	579,383	557,959
		<u>718,363</u>	<u>681,140</u>	<u>831,560</u>	<u>562,461</u>



## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 7.0 COMBINED STATEMENTS OF FINANCIAL POSITION (CONTD.)

Note	FRS	<-----MFRS Framework----->		
	Framework	<-----Audited----->		
	2010	2011	2012	30.6.2013
	RM'000	RM'000	RM'000	RM'000
<b>Current liabilities</b>				
Taxation	2,682	5,296	2,086	667
Short term borrowings	27 42,432	90,718	167,666	425,697
Payables	28 91,232	136,116	202,755	175,137
Due to holding company and its related companies	22 538,958	579,100	528,652	1,238,080
Derivative liabilities	19 -	167	527	381
	<u>675,304</u>	<u>811,397</u>	<u>901,686</u>	<u>1,839,962</u>
<b>Total liabilities</b>	<u>1,393,667</u>	<u>1,492,537</u>	<u>1,733,246</u>	<u>2,402,423</u>
<b>Equity</b>				
Invested equity	46,681	131,005	212,575	307,226
Non-controlling interests	4,703	5,195	4,276	5,302
<b>Total equity</b>	<u>51,384</u>	<u>136,200</u>	<u>216,851</u>	<u>312,528</u>
<b>Total equity and liabilities</b>	<u>1,445,051</u>	<u>1,628,737</u>	<u>1,950,097</u>	<u>2,714,951</u>

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 8.0 COMBINED STATEMENTS OF COMPREHENSIVE INCOME

The combined statements of comprehensive income of the Group based on its audited combined financial statements for FPE 30 June 2013, FYE 31 December 2012, 31 December 2011 and 31 December 2010, and unaudited combined statement of comprehensive income for FPE 30 June 2012 are as follows:

	Note	FRS Framework		<-----MFRS Framework----->		
		<-----Audited----->		Unaudited	Audited	
		2010	2011	2012	6 months ended	6 months ended
		RM'000	RM'000	RM'000	30.6.2012	30.6.2013
					RM'000	RM'000
Revenue	29	348,811	550,271	724,336	383,353	325,280
Other operating income	30	6,885	1,433	4,731	3,838	37,079
Changes in inventories		18	(19)	62	1	18
Finished goods purchased		(81,385)	(2,127)	(3,958)	(2,005)	(990)
Raw materials and consumables used		(25,761)	(37,707)	(51,798)	(29,626)	(35,412)
Employee benefits	31	(56,789)	(71,395)	(97,705)	(48,518)	(57,041)
Depreciation, impairment and amortisation		(51,182)	(50,394)	(63,584)	(33,547)	(37,924)
Other operating expenses	32	(159,944)	(257,987)	(390,552)	(198,986)	(118,271)
(Loss)/profit from operations		(19,347)	132,075	121,532	74,510	112,739
Finance costs	33	(23,912)	(31,455)	(40,152)	(18,419)	(17,145)
Investment income	34	1,803	1,140	1,728	852	491
Share of results of associate		169	369	458	160	318
(Loss)/profit before taxation		(41,287)	102,129	83,566	57,103	96,403
Income tax expense	35	(6,363)	(22,969)	(11,708)	(9,131)	(7,551)
<b>(Loss)/profit for the year/period</b>		<b>(47,650)</b>	<b>79,160</b>	<b>71,858</b>	<b>47,972</b>	<b>88,852</b>

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 8.0 COMBINED STATEMENTS OF COMPREHENSIVE INCOME (CONTD.)

	FRS Framework		MFRS Framework	
	2010 RM'000	2011 RM'000	2012 RM'000	Audited 6 months ended 30.6.2013 RM'000
<b>Other comprehensive (loss) /income</b>				
Foreign currency translation, representing other comprehensive (loss)/income for the year/period, net of tax	(10,891)	6,663	(2,415)	6,689
<b>Total comprehensive (loss) /income for the year/period</b>	<b>(58,541)</b>	<b>85,823</b>	<b>69,443</b>	<b>49,331</b>
<b>(Loss)/profit for the year/period attributable to:</b>				
Equity holders of the Company	(48,501)	78,314	72,048	87,956
Non-controlling interests	851	846	(190)	896
	<b>(47,650)</b>	<b>79,160</b>	<b>71,858</b>	<b>88,852</b>
<b>Total comprehensive (loss) /income attributable to:</b>				
Equity holders of the Company	(59,099)	84,946	69,741	94,515
Non-controlling interests	558	877	(298)	1,026
	<b>(58,541)</b>	<b>85,823</b>	<b>69,443</b>	<b>95,541</b>

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 9.0 COMBINED STATEMENTS OF CHANGES IN EQUITY

	Invested equity RM'000	Non- controlling interests RM'000	Total equity RM'000
<b>FRS Framework</b>			
<b>At 1 January 2010</b>	97,022	4,558	101,580
Total comprehensive (loss)/income for the year	(59,099)	558	(58,541)
Issuance of ordinary shares by:			
UMWSD	22,000	-	22,000
USV	9,204	-	9,204
UOS-TJ	2,519	-	2,519
Dividends paid (Note 37)	(3,020)	(413)	(3,433)
Distribution*	(21,945)	-	(21,945)
<b>At 31 December 2010</b>	<b>46,681</b>	<b>4,703</b>	<b>51,384</b>
<b>MFRS Framework</b>			
<b>At 1 January 2011</b>	46,681	4,703	51,384
Total comprehensive income for the year	84,946	877	85,823
Dividends paid (Note 37)	(1,318)	(385)	(1,703)
Contribution*	696	-	696
<b>At 31 December 2011</b>	<b>131,005</b>	<b>5,195</b>	<b>136,200</b>
<b>MFRS Framework</b>			
<b>At 1 January 2012</b>	131,005	5,195	136,200
Total comprehensive income for the year	69,741	(298)	69,443
Acquisition of additional non-controlling interest	439	(439)	-
Dividends paid (Note 37)	(1,027)	(182)	(1,209)
Contribution*	12,417	-	12,417
<b>At 31 December 2012</b>	<b>212,575</b>	<b>4,276</b>	<b>216,851</b>
<b>MFRS Framework</b>			
<b>At 1 January 2012</b>	131,005	5,195	136,200
Total comprehensive income for the period	47,700	1,631	49,331
Acquisition of additional non-controlling interest	439	(439)	-
Dividends paid (Note 37)	(189)	(182)	(371)
Distribution*	(1,092)	-	(1,092)
<b>At 30 June 2012 (Unaudited)</b>	<b>177,863</b>	<b>6,205</b>	<b>184,068</b>
<b>MFRS Framework</b>			
<b>At 1 January 2013</b>	212,575	4,276	216,851
Total comprehensive income for the period	94,515	1,026	95,541
Contribution*	136	-	136
<b>At 30 June 2013</b>	<b>307,226</b>	<b>5,302</b>	<b>312,528</b>

\* Distribution and contribution were mainly relating to adjustments made in preparing the combined financial statements as disclosed in Note 11.1.

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 10.0 COMBINED STATEMENTS OF CASH FLOWS

The combined statements of cash flows of the Group based on audited financial statements for FPE 30 June 2013, FYE 31 December 2012, 31 December 2011 and 31 December 2010, and unaudited statement of cash flows for FPE 30 June 2012 are as follows:

	FRS Framework		MFRS Framework		
	Audited		Unaudited	Audited	
	2010	2011	2012	6 months ended	6 months ended
	RM'000	RM'000	RM'000	30.6.2012 RM'000	30.6.2013 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
(Loss)/profit before taxation	(41,287)	102,129	83,566	57,103	96,403
Adjustments for:					
Depreciation, impairment and amortisation	51,182	50,394	63,584	33,547	37,924
Interest expense	23,912	31,455	40,152	18,419	17,145
Interest income	(1,803)	(1,140)	(1,728)	(852)	(491)
Gain on disposal of non-current assets held for sale	-	-	-	-	(30,079)
Net loss on disposal of property, plant and equipment	1,818	1,312	2,884	196	-
Property, plant and equipment written off	605	487	5,160	5,662	9
Net (reversal of impairment)/ impairment loss on receivables	(37)	48	505	595	907
Share of results of associate	(169)	(369)	(458)	(160)	(318)
Net fair value (gains)/losses on derivatives	(7)	161	369	(143)	(159)
Net unrealised foreign exchange (gains)/losses	(4,647)	984	1,398	(623)	4,327
Operating profit before working capital changes	29,567	185,461	195,432	113,744	125,668
Increase in receivables	(13,193)	(66,587)	(79,085)	(97,808)	(8,840)
Increase in inventories	(13,314)	(15,288)	(9,205)	(5,100)	(13,387)
(Decrease)/increase in amount due to holding company and its related companies	(67,643)	6,588	(18,740)	44,479	(13,708)
Increase/(decrease) in payables	90,117	36,499	96,835	75,739	(34,003)
Net cash generated from operations	25,534	146,673	185,237	131,054	55,730
Interest paid	(25,366)	(31,455)	(40,152)	(18,419)	(19,645)
Taxes paid	(6,911)	(20,699)	(18,781)	(8,177)	(8,201)
Net cash (used in)/generated from operating activities	(6,743)	94,519	126,304	104,458	27,884

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 10.0 COMBINED STATEMENTS OF CASH FLOWS (CONTD.)

	FRS Framework		MFRS Framework		
	2010 RM'000	2011 RM'000	2012 RM'000	Unaudited 6 months ended 30.6.2012 RM'000	Audited 6 months ended 30.6.2013 RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	1,803	1,140	1,728	852	491
Dividends received from associate	863	561	562	-	-
Purchase of property, plant and equipment, investment property and land use rights	(183,498)	(65,123)	(140,186)	(44,139)	(504,976)
Proceeds from disposal of property, plant and equipment	644	951	-	-	-
Proceeds from disposal of non-current assets held for sale	-	-	-	-	50,154
Net cash outflow on acquisition of a subsidiary (Note 45)	-	-	(220,570)	-	(216,875)
Net cash used in investing activities	(180,188)	(62,471)	(358,466)	(43,287)	(671,206)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Issuance of ordinary shares	33,723	-	-	-	-
Drawdown of borrowings	169,919	71,539	67,257	41,120	273,802
Repayment of borrowings	(6,725)	(74,421)	(65,785)	(32,406)	(67,781)
Advances from UMWH	-	-	248,012	-	462,226
Dividends paid to equity holders of the Company	(3,020)	(1,318)	(1,027)	(189)	-
Dividends paid to non-controlling interests	(413)	(385)	(182)	(182)	-
Net cash generated from/(used in) financing activities	193,484	(4,585)	248,275	8,343	668,247

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 10.0 COMBINED STATEMENTS OF CASH FLOWS (CONTD.)

	FRS Framework		MFRS Framework		
	Audited		Unaudited	Audited	
	2010	2011	2012	30.6.2012	30.6.2013
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	6,553	27,463	16,113	69,514	24,925
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD</b>	77,633	76,447	106,317	106,317	119,311
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	(7,739)	2,407	(3,119)	475	3,115
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD</b>	<u>76,447</u>	<u>106,317</u>	<u>119,311</u>	<u>176,306</u>	<u>147,351</u>

Cash and cash equivalents comprise:

Cash and bank balances (Note 23)	56,171	81,949	100,748	172,029	133,587
Deposits with licensed banks (Note 23)	30,199	24,368	18,563	5,122	13,764
Bank overdrafts (Note 27)	(9,923)	-	-	(845)	-
	<u>76,447</u>	<u>106,317</u>	<u>119,311</u>	<u>176,306</u>	<u>147,351</u>

**13. ACCOUNTANTS' REPORT (Cont'd)**

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**11.0 SIGNIFICANT ACCOUNTING POLICIES****11.1 Basis of Preparation of Combined Financial Statements**

The combined financial statements for FYE 31 December 2012, 31 December 2011 and 31 December 2010 have been carved out from the consolidated financial statements of UMWH, which have been prepared in accordance with MFRS and IFRS for FYE 31 December 2012, 31 December 2011, and FRS for the FYE 31 December 2010.

The interim combined financial statements for the FPE 30 June 2013 and 30 June 2012 have been prepared using the financial information obtained from the financial records of the entities within the Group for FPE 30 June 2013, and from the condensed consolidated financial statements of UMWH which have been prepared in accordance with MFRS 134 and IFRS 134 for FPE 30 June 2013 and 30 June 2012.

The combined financial statements of UMW-OG Group have been prepared as if the Group has operated as a single economic entity throughout FYE 31 December 2012, 31 December 2011 and 31 December 2010 and FPE 30 June 2013 and have been prepared from the books and records maintained by each entity.

Acquisition of UMV, a subsidiary under the Internal Reorganisation, will not include USG, USG-E, USG-P (collectively referred to as "USG Group") as UMV had disposed of USG Group on 20 August 2013 as disclosed in Note 47. Accordingly, the combined financial statements do not include the results of USG Group.

Acquisition of USV, a subsidiary under the Internal Reorganisation, will not include SHPS. Accordingly, the combined financial statements do not include the results of SHPS. Summarised financial information of SHPS is disclosed in Note 46.

The acquisitions of OD4 in June 2013 and ODB in June 2012 as disclosed in Note 45(a) and 45(c) respectively have been accounted for in the combined financial statement as acquisitions of assets.

The financial information as presented in the combined financial statements may not correspond to the consolidated financial statements of the Group after incorporating the Relevant Proposals and Transactions. Such financial information from the combined financial statements does not purport to predict the Group's financial position, results and cash flows.

In accordance with the convention of carved-out financial statements, allocation of expenses between the Group and related companies of UMWH are recognised in the combined financial statements. Management believes the assumptions and allocation have been determined on a basis that is a reasonable reflection of the utilisation of services provided to, or the benefits received by, the Group during the periods presented.



**13. ACCOUNTANTS' REPORT (Cont'd)**

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**11.0 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)****11.1 Basis of Preparation of Combined Financial Statements (Contd.)****Employee Benefits**

With consideration of the internal reorganisation, employees that worked for entities outside the UMW-OG Group has been transferred out from UMW-OG to UMWH Group during FPE 30 June 2013. Accordingly, employee benefits of UMW-OG prior to financial period 2013 that are attributable to related companies of UMWH have been excluded from the combined statements of comprehensive income of UMW-OG and allocated to these companies based on the time spent by employees on these companies.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

**11.2 First-time Adoption of MFRS**

The combined financial statements FYE 31 December 2012 are the Group's first financial statements prepared in accordance with MFRS and IFRS, and MFRS 1: First-time Adoption of MFRS has been applied. The Group's date of transition to MFRS is 1 January 2011. Accordingly, the Group has prepared the combined financial statements which comply with MFRS applicable for period ending on or after 31 December 2012, together with the comparative period as at and for the year ended 31 December 2011.

In preparing these combined financial statements according to MFRS, the Group applied mandatory exceptions and certain voluntary exemptions to the full retrospective application of MFRS under MFRS 1: First Time Adoption of Malaysian Financial Reporting Standards. The exemptions discussed below were used as a basis for converting the financial statements of the Group entities prepared in accordance with FRS to the Group's opening statement of financial position prepared in accordance with MFRS.

**11.2.1 Exemptions from full retrospective application - elected by the Group**

The Group has elected to apply the following exemptions from retrospective application:

**(i) Business combinations**

MFRS 1 provides the option to apply MFRS 3: Business Combinations, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

**Acquisitions before date of transition**

The Group has elected to apply MFRS 3 prospectively from the date of transition.

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 11.0 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

## 11.2 First-time Adoption of MFRS (Contd.)

## 11.2.1 Exemptions from full retrospective application - elected by the Group (Contd.)

## (i) Business combinations (Contd.)

In respect of acquisitions prior to 1 January 2011 (date of transition):

- (i) The classification of business combinations under FRS is maintained;
- (ii) There is no re-measurement of original fair values determined at the time of business combination or at date of acquisition; and
- (iii) The carrying amount of goodwill recognised under FRS is not adjusted.

## (ii) Estimates

The estimates at 1 January 2011 and at 31 December 2011 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Company to present these amounts in accordance with MFRS reflect conditions at 1 January 2011, the date of transition to MFRS and as of 31 December 2011.

## (iii) Effects of the transition to MFRS

The transition to MFRS did not have any effect on the financial performance or position of the Group.

## 11.3 Summary of Significant Accounting Policies

## (a) Basis of Combination, Subsidiaries and Associate

## (i) Basis of combination

The combined financial statements comprise the financial statements of the Company and its proposed subsidiaries as at the reporting date. The financial statements of the Company and its proposed subsidiaries used in the preparation of the combined financial statements shall be prepared as of the same reporting date.

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 11.0 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

## 11.3 Summary of Significant Accounting Policies (Contd.)

## (a) Basis of Combination, Subsidiaries and Associate (Contd.)

## (i) Basis of combination (Contd.)

Subsidiaries are combined from the effective date of acquisition, being a date on which UMWH obtains control, and continue to be combined until the date that such control ceases, being the effective date of disposal.

Intragroup transactions, balances and resulting unrealised gains are eliminated in full on combination. The combined financial statements reflect external transactions only. Unrealised losses are eliminated on combination unless costs cannot be recovered. Uniform accounting policies are adopted in the combined financial statements for like transactions and events in similar circumstances.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

**Loss of control**

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of an investment in an associate or a joint venture.

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 11.0 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

## 11.3 Summary of Significant Accounting Policies (Contd.)

## (a) Basis of Combination, Subsidiaries and Associate (Contd.)

## (i) Basis of combination (Contd.)

**Business combination**

Business combination is accounted for using the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of acquiree's identifiable net assets. For business combination after 1 January 2011, acquisition-related costs are expensed as incurred. As part of its transition to MFRS, the Group elected not to restate those business combinations that occurred before 1 January 2011, where acquisition-related costs are included in the cost of acquisition.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 139 either in profit or loss or as a change in other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 11.0 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

## 11.3 Summary of Significant Accounting Policies (Contd.)

## (a) Basis of Combination, Subsidiaries and Associate (Contd.)

## (i) Basis of combination (Contd.)

**Business combination (Contd.)**

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 11.3(i).

**Non-controlling interests**

Non-controlling interests in combined statements of comprehensive income and combined statements of financial position represent the portion of profit or loss or net assets in subsidiaries not held by the Group, respectively. Non-controlling interests in the combined statements of financial position consist of the non-controlling interests' share of the fair value of the identifiable assets and liabilities of the acquiree as at acquisition date and the non-controlling interests' share of movements in the acquiree's equity since then. Acquisitions of non-controlling interests are accounted for using the entity concept method, whereby the difference between the consideration and the book value of the share of the net assets acquired is recognised directly in equity.

## (ii) Subsidiaries

A subsidiary is an entity over which the Group has all the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its investment with the investee; and
- The ability to use its power over the investee to affect its returns.

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 11.0 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

## 11.3 Summary of Significant Accounting Policies (Contd.)

## (a) Basis of Combination, Subsidiaries and Associate (Contd.)

## (ii) Subsidiaries (Contd.)

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

## (iii) Associate

An associate is a company in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

The Group's share of profits less losses of associate during the financial year/period is included in the combined statements of comprehensive income, using the equity method of accounting, based upon the audited or management financial statements of the associate as at the respective financial year/period.

Associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 11.0 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

## 11.3 Summary of Significant Accounting Policies (Contd.)

## (a) Basis of Combination, Subsidiaries and Associate (Contd.)

## (iii) Associate (Contd.)

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

The Group's interest in associate is carried in the combined statements of financial position at cost plus the Group's share of post acquisition reserves. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate.

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of identifiable net assets and contingent liabilities of the associate as at the acquisition date and is included within the carrying amount of investment in associate. Goodwill is not amortised. Where an indication of impairment exists, the carrying value of goodwill is written down immediately to its recoverable value.

Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is included as income in the determination of the Group's share of associate's profit or loss in the combined statement of comprehensive income in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

On disposal of investment in an associate, the difference between net disposal proceeds and their carrying amount is included in the combined statement of comprehensive income.

Details of associate is disclosed in Note 3.4 (b).

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 11.0 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

## 11.3 Summary of Significant Accounting Policies (Contd.)

## (b) Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment (including spare parts and standby-equipment) is recognised as an asset if, and only if, it is probable that future economic benefit associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively.

Periodic survey and drydocking costs are incurred in connection with obtaining regulatory certification to operate the rigs on an ongoing basis. Costs associated with the certification are deferred and amortised on a straight-line basis over the period between surveys. All other repair and maintenance costs are recognised in profit or loss as incurred.

Assets-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use. Depreciation of other property, plant and equipment is provided for on a straight-line basis over the estimated useful lives of the assets as follows:

Rigs and HWUs	10 - 30 years
Drilling related equipments	2 - 30 years
Buildings	Over period of 50 years or period of the land lease, whichever is shorter
Plant and machinery	10% - 20%
Office equipment, furniture and fittings	8% - 33%
Motor vehicles	20%
Renovation and improvements	10% - 16%

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The policy for the recognition and measurement of impairment losses is in accordance with Note 11.3(q).



## 13. ACCOUNTANTS' REPORT (Cont'd)



## 11.0 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

## 11.3 Summary of Significant Accounting Policies (Contd.)

**(c) Land Use Rights**

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised over their lease terms.

Upon the disposal of land use rights, the difference between the net disposal proceeds and the net carrying amount is recognised in profit or loss.

When an indication of impairment exists, the carrying amount of the land use rights is written down immediately to its recoverable value. The policy for the recognition and measurement of impairment losses is in accordance with Note 11.3(q).

**(d) Investment Property**

Investment property is building held by the Group or held under finance leases, to earn rental income or for capital appreciation or both. Investment property are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of investment property is provided for on a straight-line basis to write off the cost to its residual value over its estimated useful life at the following periods:

Building	Over a period of 50 years or period of the lease whichever is shorter
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Upon the disposal of an item of investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

When an indication of impairment exists, the carrying amount of the asset is written down immediately to its recoverable value. The policy for the recognition and measurement of impairment losses is in accordance with Note 11.3(q).

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 11.0 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

## 11.3 Summary of Significant Accounting Policies (Contd.)

**(e) Financial Assets**

Financial assets are recognised in the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group determines the classification of its financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss and loans and receivables.

**(i) Financial assets at fair value through profit or loss**

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other expenses or other income.

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

**13. ACCOUNTANTS' REPORT (Cont'd)****11.0 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)****11.3 Summary of Significant Accounting Policies (Contd.)****(e) Financial Assets (Contd.)****(ii) Loans and receivables**

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those with maturity dates later than 12 months from the reporting date are classified as non-current.

Loans and receivables of the Group comprise of trade and other receivables (other than deferred expenses, accrued income and prepayments), due from related companies and cash and cash equivalents.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset.

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 11.0 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

## 11.3 Summary of Significant Accounting Policies (Contd.)

## (f) Impairment of Financial Assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

**Trade and other receivables and other financial assets carried at amortised cost**

To determine whether there is objective evidence that an impairment loss on financial assets has occurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio that passed the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

**13. ACCOUNTANTS' REPORT (Cont'd)**

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**11.0 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)****11.3 Summary of Significant Accounting Policies (Contd.)****(g) Cash and Cash Equivalents**

For the purposes of the statements of cash flows, cash and cash equivalents include cash and bank balances and deposits at call with licensed banks with a maturity of three months or less, net of outstanding bank overdrafts.

**(h) Inventories**

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. In arriving at net realisable value, due allowance has been made for obsolete and slow-moving items.

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

Finished goods, raw materials, spares and consumables	- Weighted average
--	--------------------

Cost of finished goods, raw materials, spares and consumables represent cost of purchase.

**13. ACCOUNTANTS' REPORT (Cont'd)****11.0 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)****11.3 Summary of Significant Accounting Policies (Contd.)****(i) Intangible Assets - Goodwill**

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired. On disposal of an entity, the carrying amount of goodwill is taken into account in determining the gains and losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's CGU that are expected to benefit from the synergies of the combination.

The CGU to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the allocated goodwill, with the recoverable amount of the CGU. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a CGU and part of the operation within that CGU is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair value of the operation disposed of and the portion of the CGU retained.

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 11.0 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

## 11.3 Summary of Significant Accounting Policies (Contd.)

## (j) Foreign Currencies

## (i) Functional and presentation currency

The financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The combined financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

## (ii) Foreign currency transactions

Transactions in currencies other than the Company's functional currency ("foreign currencies") are initially converted into functional currency at rates of exchange ruling at the transaction dates.

**Non-monetary items**

At each financial reporting date, foreign currency non-monetary items which are carried at historical cost are translated using the historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate when the fair values were determined.

**Monetary items**

At each reporting date, monetary items denominated in foreign currencies are translated into functional currency at exchange rates ruling at that date.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period.

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation are taken directly to the foreign currency translation reserve within other comprehensive income until the disposal of the foreign operations, at which time they are recognised in profit or loss.

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 11.0 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

## 11.3 Summary of Significant Accounting Policies (Contd.)

## (j) Foreign Currencies (Contd.)

## (iii) Foreign operations

Financial statements of foreign subsidiaries combined are translated at year-end exchange rates with respect to the assets and liabilities, and at average exchange rates for the year, which approximate the exchange rates at the dates of the transactions with respect to profit or loss. All resulting translation differences are included in the foreign currency translation reserve within other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operation and are recorded in the functional currency of the foreign operation and translated at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign operation before 1 January 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the exchange rate ruling at the date of the transaction.

## (k) Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

## (i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.



## 13. ACCOUNTANTS' REPORT (Cont'd)



## 11.0 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

## 11.3 Summary of Significant Accounting Policies (Contd.)

## (k) Financial Liabilities (Contd.)

## (ii) Other financial liabilities

The Group's other financial liabilities include trade payables, other payables, loans and borrowings and amounts due to holding company and its related companies.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

## (l) Borrowing Costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 11.0 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

## 11.3 Summary of Significant Accounting Policies (Contd.)

**(m) Income Tax**

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and 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 profit will be available against which these can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative 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 is 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 tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in other comprehensive income, in which case the deferred tax is also recognised directly in other comprehensive income, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition.

**(n) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

**(i) Sale of goods**

Revenue from sale of goods is recognised net of sales discounts when transfer of significant risks and rewards of ownership has been completed. Revenue is recognised net of sales tax and services tax and includes excise duties.

**(ii) Rendering of services**

Revenue from services rendered is recognised net of service tax on accrual basis as and when services are performed.

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 11.0 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

## 11.3 Summary of Significant Accounting Policies (Contd.)

## (n) Revenue Recognition (Contd.)

## (iii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms.

## (iv) Dividend income

Dividend income is recognised when the shareholders' rights to receive payment is established.

## (v) Interest income

Interest income is recognised using the effective interest method.

## (vi) Lump sum mobilisation fees received

Lump sum mobilisation fees received on drilling contracts are deferred and recognised on a straight-line basis over the period that the related drilling services are performed.

## (vii) Demobilisation fees received

Demobilisation fees on drilling contracts are recognised as and when services are rendered, or at the point when it becomes known and certain that demobilisation fee can be charged to the customer.

## (viii) Revenue from provision of drilling and workover services and related expenses

Revenue from the provision of drilling or workover services include minimum lease payments from customers under day-rate based contracts and other services. Revenue generated from day-rate based contracts, which are classified as operating leases by the Group, are recognised over the period the service is rendered.

Day-rate based contracts may include lump-sum fee for mobilisation and other services which are recognised based on the policies stated in Note 11.3(n)(vi).

**13. ACCOUNTANTS' REPORT (Cont'd)****11.0 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)****11.3 Summary of Significant Accounting Policies (Contd.)****(n) Revenue Recognition (Contd.)****(viii) Revenue from provision of drilling and workover services and related expenses (Contd.)**

Fees received from customers under contracts for upgrades to the rigs are deferred and recognised over the contract term.

Mobilisation costs incurred as part of a contract are deferred and recognised as expense over the contract period. The costs of relocating drilling rigs that are not under a contract are expensed as incurred. Demobilisation costs are costs related to the transfer of a drilling rig to a safe harbour or different geographic area and are expensed as incurred.

Additional payments for meeting or exceeding certain performance targets are recognised when it is probable that the economic benefits associated with the transaction will flow to the entity.

**(o) Leases****(i) As lessee**

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. All other leases are classified as operating leases. Finance lease assets are capitalised at the lower of the fair value of the leased asset or the present value of the minimum lease payments, at the inception of the lease. The corresponding lease obligations, net of finance charges are included in borrowings. The interest rate implicit in the lease is used as the discount factor in calculating the present value of the minimum lease payments. Initial direct costs incurred are included as part of the asset.

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 11.0 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

## 11.3 Summary of Significant Accounting Policies (Contd.)

## (o) Leases (Contd.)

## (i) As lessee (Contd.)

The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the outstanding balance of the liability for each period.

The depreciation policy for assets held under finance leases is consistent with that for depreciable property, plant and equipment as described in Note 11.3(b).

Lease rental payments on operating leases are recognised in profit or loss on a straight-line basis over the period of the lease.

## (ii) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 11.3(n)(iii).

## (p) Employee Benefits

## (i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

## 13. ACCOUNTANTS' REPORT (Cont'd)



### 11.0 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

#### 11.3 Summary of Significant Accounting Policies (Contd.)

##### (p) Employee Benefits (Contd.)

##### (ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund. Some of the Group's foreign subsidiaries also make contribution to their respective countries' statutory pension schemes. The contributions are recognised as an expense in profit or loss as incurred.

##### (q) Impairment of Non-Financial Assets

The carrying amounts of assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value 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 the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

**13. ACCOUNTANTS' REPORT (Cont'd)****11.0 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)****11.3 Summary of Significant Accounting Policies (Contd.)****(q) Impairment of Non-Financial Assets (Contd.)**

An impairment loss is recognised in profit or loss in the period in which it arises except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

**(r) Segment Reporting**

For management purposes, the Group is organised into operating segments based on nature of services which are managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the President who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 40, including the factors used to identify the reportable segments and the measurement basis of segment information.

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 11.0 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

## 11.3 Summary of Significant Accounting Policies (Contd.)

## (s) Non-Current Assets Held for Sale

Non-current assets are deemed to be held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Upon classification as held for sale, non-current assets are not depreciated and are measured at the lower of carrying amount and fair value less cost to sell. Any differences are recognised in profit or loss.

## 11.4 Changes in accounting policies and effects arising from adoption of new and revised MFRS

## (i) MFRSs adopted by the Group

On 1 January 2013, the Group adopted the following new and amended MFRSs and Issues Committee ("IC") Interpretation as follows:

		<b>Effective annual periods beginning on or after</b>
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits (IAS 19 as amended by IASB in June 2011)	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 101	Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance	1 January 2013



## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 11.0 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

## 11.4 Changes in accounting policies and effects arising from adoption of new and revised MFRS (Contd.)

## (i) MFRS adopted by the Group (Contd.)

		<b>Effective annual periods beginning on or after</b>
Amendments to MFRS 11	Joint Arrangements: Transition Guidance	1 January 2013
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Amendments to MFRS 116	Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 132	Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 134	Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 7	Disclosures: Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards - (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards - Government Loans	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendment to IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments (Annual Improvements 2009-2011 Cycle)	1 January 2013

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 11.0 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

## 11.4 Changes in accounting policies and effects arising from adoption of new and revised MFRS (Contd.)

## (i) MFRS adopted by the Group (Contd.)

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group except for those discussed below:

MFRS 12 Disclosures of Interests in Other Entities

MFRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

Based on transition guidance, the Group is only required to present prior period comparative disclosures.

## (ii) Standards and interpretations issued but not yet effective and have not been early adopted by the Group

		<b>Effective annual periods beginning on or after</b>
Amendments to MFRS 10, MFRS 12 and MFRS 127	Investment Entities	1 January 2014
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
MFRS 9	Financial Instruments	1 January 2015

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application.

## 13. ACCOUNTANTS' REPORT (Cont'd)



### 11.0 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

#### 11.5 Changes in accounting policies - FRS Financial Statements

##### Revised FRS 3 Business Combinations and Amendments to FRS 127 Consolidated and Separate Financial Statements

The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in accounting for business combinations occurring after 1 July 2010. These changes impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

The revised FRS 3 continues to apply the acquisition method to business combinations but with some significant changes. All payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interests ("NCI") in the acquiree either at fair value or at the NCI's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.

The amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

Changes in significant accounting policies resulting from the revised FRS 127 include:

- A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss.
- Losses incurred by a subsidiary are allocated to the NCI even if the losses exceed the NCI in the subsidiary's equity, and
- When control over a subsidiary is lost, any interest retained is measured at fair value with the corresponding gain or loss recognised in profit or loss.

**13. ACCOUNTANTS' REPORT (Cont'd)**

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**11.0 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)****11.5 Changes in accounting policies - FRS Financial Statements (Contd.)****Revised FRS 3 Business Combinations and Amendments to FRS 127 Consolidated and Separate Financial Statements (Contd.)**

According to its transitional provisions, the revised FRS 127 has been applied prospectively, and does not impact the Group's combined financial statements in respect of transactions with NCI, attribution of losses to NCI, and disposal of subsidiaries before 1 January 2010. The changes will affect future transactions with NCI. Total comprehensive income within a subsidiary is attributed to the NCI even if that results in a deficit balance.

**12.0 SIGNIFICANT ACCOUNTING ESTIMATES****12.1 Change in Estimates**

The residual value and estimated useful lives of certain assets under property, plant and equipment were revised to reflect the expected pattern of consumption of the future economic benefits embodied in the assets to comply with MFRS 116: Property, Plant and Equipment. The revision was accounted for as a change in accounting estimates and has the effect of increasing depreciation for the FPE 30 June 2012 by approximately RM700,000 (31.12.2012: RM1,400,000; 31.12.2011: decrease of RM11,200,000; 31.12.2010: Nil). There is no revision for FPE 30 June 2013.

**13. ACCOUNTANTS' REPORT (Cont'd)****12.0 SIGNIFICANT ACCOUNTING ESTIMATES (CONTD.)****12.2 Significant Accounting Estimates****Key sources of estimation uncertainty**

The key assumptions 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 are discussed below:

**(i) Impairment of goodwill**

The Group determines whether goodwill is impaired at least on an annual basis or at other times when such indicators exist. This requires an estimation of the value-in-use of the CGU to which goodwill are allocated.

Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amounts of goodwill as at 30 June 2013, 31 December 2012, 31 December 2011 and 31 December 2010 are as follows:

- (a) Goodwill on combination of RM11,291,000 for the respective financial period/year; and
- (b) Goodwill on acquisition of associate subsumed within the costs of investment in associate of RM163,000 for the respective financial periods/years.

Further details are disclosed in Notes 16 and 17.

**(ii) Deferred tax assets**

Deferred tax assets are recognised for all unabsorbed tax losses, unutilised capital allowances and unutilised reinvestment allowances to the extent that it is probable that taxable profit will be available against which the losses, capital allowances and reinvestment allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised and unrecognised tax losses, capital allowances and reinvestment allowances of the Group are as disclosed in Note 18.

**13. ACCOUNTANTS' REPORT (Cont'd)**

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**12.0 SIGNIFICANT ACCOUNTING ESTIMATES (CONTD.)****12.2 Significant Accounting Estimates (Contd.)****Key Sources of Estimation Uncertainty (Contd.)****(iii) Useful lives of plant and machinery**

The cost of plant and machinery is depreciated on a straight-line basis over the plant and machinery's estimated useful lives. Management estimates the useful lives of these plant and machinery to be within 2 to 30 years based on the common life expectancies applied in the respective industries. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group's plant and machinery at the reporting date is disclosed in Note 13.

**(iv) Allowance for doubtful debts**

The allowance for doubtful debts is based on the evaluation of the receivables on an individual basis and the amount of outstanding allowances. The customer's credit worthiness is evaluated by reviewing, among other matters, the Group's historical collection experience.

The information on allowance for doubtful debts is as disclosed in Note 21.

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 13.0 PROPERTY, PLANT AND EQUIPMENT

	Building RM'000	Rigs, HWUs and Drilling Equipments RM'000	Plant and Machinery RM'000	Assets-In- Progress RM'000	*Other Assets RM'000	Total RM'000
<b>FRS Framework 2010 (Audited)</b>						
<b>Cost</b>						
At 1 January 2010	9,987	993,990	40,339	194,826	13,406	1,252,548
Exchange differences	(2)	(107,143)	(724)	(18,596)	(250)	(126,715)
Additions	1,148	165,300	357	14,458	1,816	183,079
Write-offs	-	(1,450)	(1)	-	(145)	(1,596)
Disposals	-	(2,603)	(2)	-	(243)	(2,848)
Reclassification	-	158,552	-	(158,552)	-	-
At 31 December 2010	11,133	1,206,646	39,969	32,136	14,584	1,304,468
<b>Accumulated Depreciation and Impairment Losses</b>						
At 1 January 2010	3,406	47,386	19,069	-	4,273	74,134
Exchange differences	-	9,081	(216)	-	(73)	8,792
Charge for the year	516	45,143	3,094	-	1,774	50,527
Write-offs	-	(856)	-	-	(135)	(991)
Disposals	-	(225)	(2)	-	(159)	(386)
At 31 December 2010	3,922	100,529	21,945	-	5,680	132,076
<b>Net Carrying Amount</b>						
At 31 December 2010	7,211	1,106,117	18,024	32,136	8,904	1,172,392

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 13.0 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	Building RM'000	Rigs, HWUs and Drilling Equipments RM'000	Plant and Machinery RM'000	Assets-In- Progress RM'000	*Other Assets RM'000	Total RM'000
<b>MFRS Framework</b>						
<b>2011 (Audited)</b>						
<b>Cost</b>						
At 1 January 2011	11,133	1,206,646	39,969	32,136	14,584	1,304,468
Exchange differences	(6)	29,524	560	771	223	31,072
Additions	76	17,723	285	42,178	2,653	62,915
Write-offs	-	(975)	(114)	-	(59)	(1,148)
Disposals	-	(2,948)	-	-	(834)	(3,782)
At 31 December 2011	11,203	1,249,970	40,700	75,085	16,567	1,393,525
<b>Accumulated Depreciation and Impairment Losses</b>						
At 1 January 2011	3,922	100,529	21,945	-	5,680	132,076
Exchange differences	(6)	(6,794)	230	-	83	(6,487)
Charge for the year	524	43,823	3,089	-	2,198	49,634
Write-offs	-	(508)	(109)	-	(44)	(661)
Disposals	-	(1,300)	-	-	(219)	(1,519)
At 31 December 2011	4,440	135,750	25,155	-	7,698	173,043
<b>Net Carrying Amount</b>						
At 31 December 2011	6,763	1,114,220	15,545	75,085	8,869	1,220,482



## 13. ACCOUNTANTS' REPORT (Cont'd)



## 13.0 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	Building RM'000	Rigs, HWUs and Drilling Equipments RM'000	Plant and Machinery RM'000	Assets-In- Progress RM'000	*Other Assets RM'000	Total RM'000
<b>MFRS Framework</b>						
<b>2012 (Audited)</b>						
<b>Cost</b>						
At 1 January 2012	11,203	1,249,970	40,700	75,085	16,567	1,393,525
Exchange differences	(2)	(44,009)	(153)	(1,417)	(250)	(45,831)
Additions	167	5,790	5,146	127,409	1,674	140,186
Acquisition of a subsidiary (Note 45(c))	-	-	-	220,875	-	220,875
Write-offs	-	(9,244)	(52)	-	(27)	(9,323)
Disposals	-	(6,295)	(831)	-	(673)	(7,799)
Reclassified as non- current asset held for sale	-	-	-	-	(5,464)	(5,464)
Reclassification	-	29,893	-	(29,893)	-	-
At 31 December 2012	11,368	1,226,105	44,810	392,059	11,827	1,686,169
<b>Accumulated Depreciation and Impairment Losses</b>						
At 1 January 2012	4,440	135,750	25,155	-	7,698	173,043
Exchange differences	(2)	(4,413)	(72)	-	(183)	(4,670)
Charge for the year	530	50,986	2,888	-	2,691	57,095
Write-offs	-	(4,098)	(50)	-	(15)	(4,163)
Disposals	-	(4,946)	-	-	(121)	(5,067)
Impairment	-	5,730	-	-	-	5,730
Reclassified as non- current asset held for sale	-	-	-	-	(2,411)	(2,411)
At 31 December 2012	4,968	179,009	27,921	-	7,659	219,557
<b>Net Carrying Amount</b>						
At 31 December 2012	6,400	1,047,096	16,889	392,059	4,168	1,466,612

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 13.0 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	Building RM'000	Rigs, HWUs and Drilling Equipments RM'000	Plant and Machinery RM'000	Assets-In- Progress RM'000	*Other Assets RM'000	Total RM'000
<b><u>MFRS Framework</u></b>						
<b>30 June 2013 (Audited)</b>						
<b>Cost</b>						
At 1 January 2013	11,368	1,226,105	44,810	392,059	11,827	1,686,169
Exchange differences	8	38,041	515	9,898	141	48,603
Additions	129	16,473	68	486,284	2,022	504,976
Acquisition of a subsidiary (Note 45(a))	-	-	-	216,875	-	216,875
Write-offs	-	-	-	-	(55)	(55)
Reclassification	15,283	863,543	-	(879,043)	217	-
At 30 June 2013	26,788	2,144,162	45,393	226,073	14,152	2,456,568
<b>Accumulated Depreciation and Impairment Losses</b>						
At 1 January 2013	4,968	179,009	27,921	-	7,659	219,557
Exchange differences	8	5,121	348	-	79	5,556
Charge for the year	264	35,415	1,386	-	837	37,902
Write-offs	-	-	-	-	(46)	(46)
At 30 June 2013	5,240	219,545	29,655	-	8,529	262,969
<b>Net Carrying Amount</b>						
At 30 June 2013	21,548	1,924,617	15,738	226,073	5,623	2,193,599

\* Included in the other assets are office equipment, furniture and fittings, motor vehicles, renovation and improvements.

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 13.0 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

- (a) The net book value of plant and equipment held under finance lease arrangements as at 30 June 2013, 31 December 2012, 31 December 2011 and 31 December 2010 are RM110,000, RM139,000, RM136,000 and RM Nil respectively.
- (b) Interest expense capitalised during the FPE 30 June 2013 and FYE 31 December 2012, 31 December 2011 and 31 December 2010 under assets-in-progress of the Group amounted to RM2,500,000, RM4,099,000, RM Nil and RM2,406,000 respectively, as disclosed in Note 33.

## 14.0 INVESTMENT PROPERTY

	<b>Building on long term leasehold land RM'000</b>
<b><u>FRS Framework</u></b>	
<b>2010 (Audited)</b>	
<b>Cost</b>	
At 1 January 2010	18,424
Exchange differences	(324)
Additions	419
At 31 December 2010	<u>18,519</u>
<b>Accumulated depreciation</b>	
At 1 January 2010	242
Exchange differences	2
Charge for the year	655
At 31 December 2010	<u>899</u>
<b>Net carrying amount</b>	
At 31 December 2010	<u>17,620</u>

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 14.0 INVESTMENT PROPERTY (CONTD.)

	<b>Building On Long Term Leasehold Land RM'000</b>
<b><u>MFRS Framework</u></b>	
<b><u>2011 (Audited)</u></b>	
<b>Cost</b>	
At 1 January 2011	18,519
Exchange differences	450
At 31 December 2011	<u>18,969</u>
<b>Accumulated depreciation</b>	
At 1 January 2011	899
Exchange differences	25
Charge for the year	732
At 31 December 2011	<u>1,656</u>
<b>Net carrying amount</b>	
At 31 December 2011	<u>17,313</u>

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 14.0 INVESTMENT PROPERTY (CONTD.)

**Building On  
Long Term  
Leasehold  
Land  
RM'000**

**MFRS Framework****2012 (Audited)****Cost**

At 1 January 2012	18,969
Exchange differences	477
Reclassified as non-current asset held for sale (Note 24)	(19,446)
At 31 December 2012/1 January 2013/30 June 2013	-

**Accumulated depreciation**

At 1 January 2012	1,656
Exchange differences	52
Charge for the year	716
Reclassified as non-current asset held for sale (Note 24)	(2,424)
At 31 December 2012/1 January 2013/30 June 2013	-

**Net carrying amount**

At 31 December 2012/1 January 2013/30 June 2013	-
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Fair value of investment property as at 30 June 2013 was approximately RM Nil (31 December 2012: RM Nil; 31 December 2011: RM39,094,000; 31 December 2010: RM21,470,000) based on independent valuations.

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 15.0 LAND USE RIGHTS

	FRS Framework		MFRS Framework	
	Audited			
	2010 RM'000	2011 RM'000	2012 RM'000	30.6.2013 RM'000
<b>Short term leasehold land</b>				
<b>Cost</b>				
At beginning of year/period	-	-	2,208	2,152
Exchange differences	-	-	(56)	106
Additions	-	2,208	-	-
At end of year/period	-	2,208	2,152	2,258
<b>Accumulated depreciation</b>				
At beginning of year/period	-	-	30	72
Exchange differences	-	2	(1)	4
Charge for the year	-	28	43	22
At end of year/period	-	30	72	98
<b>Net carrying amount</b>	-	2,178	2,080	2,160

## 16.0 INTANGIBLE ASSETS

	FRS Framework		MFRS Framework	
	Audited			
	2010 RM'000	2011 RM'000	2012 RM'000	30.6.2013 RM'000
<b>Goodwill on combination</b>				
At beginning/end of the year/period	11,291	11,291	11,291	11,291

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 16.0 INTANGIBLE ASSETS (CONTD.)

## (a) Impairment Tests For Goodwill

Goodwill has been allocated to the Group's CGU identified according to business segment as follows:

	FRS Framework <-----MFRS Framework----->			
	<-----Audited----->			
	2010	2011	2012	30.6.2013
	RM'000	RM'000	RM'000	RM'000
Drilling services	5,073	5,073	5,073	5,073
Oilfield services	6,218	6,218	6,218	6,218
	<u>11,291</u>	<u>11,291</u>	<u>11,291</u>	<u>11,291</u>

**Key assumptions used in value-in-use calculations**

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five-year period. The growth rate of nil is applied and the pre-tax discount rate applied to the cash flow projections used to extrapolate cash flows beyond the five-year period are as follows:

	FRS Framework <-----MFRS Framework----->			
	<-----Audited----->			
	2010	2011	2012	30.6.2013
	%	%	%	%
<b>Pre-tax discount rates:</b>				
Drilling services	9 - 14	9 - 14	9 - 14	9 - 15
Oilfield services	10	10	10	10

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 16.0 INTANGIBLE ASSETS (CONTD.)

## (b) Sensitivity to Changes in Assumption

## (i) Drilling services segment

For the drilling services segment, its recoverable amount exceeds its carrying amount by RM7.3 million. The key assumptions used in determining its recoverable amount are sensitive to the utilisation rates of the rigs.

Typically, the utilisation rates for the rigs are affected by the level of exploration and development activity of oil and gas companies and by periodic surveys or inspections and major maintenance.

A reduction of 10% in utilisation rates of the rigs would give a recoverable amount equal to the carrying amount of the segment.

## (ii) Oilfield services segment

For the oilfield services segment, its recoverable amount exceeds its carrying amount by RM12.2 million. The key assumptions used in determining its recoverable amount are sensitive to the sales volume generated by the oilfield services segment.

Management has considered the possibility of a decrease in sales volume. This may occur as the customers within the oilfield services segment operate mainly in the oil and gas industry, demand for oilfield services is closely linked to the levels of offshore exploration, development and production activity of, and the corresponding capital spending by, oil and gas companies, which in turn are primarily affected by the trends in and outlook of oil and natural gas prices.

A reduction in 12% of the projected sales volume would result in recoverable amount that equals to the carrying amount of the segment.

## 17.0 INVESTMENT IN ASSOCIATE

	FRS Framework	<-----MFRS Framework-----> <-----Audited----->		
	2010 RM'000	2011 RM'000	2012 RM'000	30.6.2013 RM'000
Unquoted shares, at costs	1,090	1,090	1,090	1,090
Share of post-acquisition reserves	1,124	983	817	1,117
	<u>2,214</u>	<u>2,073</u>	<u>1,907</u>	<u>2,207</u>

The Group's share of results of associate is based on the management financial statements of the associate for the FPE 30 June 2013 and FYE 31 December 2012, 31 December 2011 and 31 December 2010.

Details of the associate are disclosed in Note 3.4(b).



## 13. ACCOUNTANTS' REPORT (Cont'd)



## 17.0 INVESTMENT IN ASSOCIATE (CONTD.)

The financial statements of the associate disclosed in Note 3.4(b) are not coterminous with those of the Group as its FYE is 30 June. For the purpose of applying the equity method of accounting, the management accounts for the 12-month period ended 31 December of this company have been used.

The summarised financial information of the associate, not adjusted for the proportion of ownership interest held by the Group is as follows:

	FRS Framework <-----MFRS Framework-----> <-----Audited----->			
	2010 RM'000	2011 RM'000	2012 RM'000	30.6.2013 RM'000
<b>Assets and liabilities</b>				
Total assets	6,273	8,612	11,681	12,010
Total liabilities	1,688	2,182	2,961	1,790
<b>Results</b>				
Revenue	13,257	15,034	16,890	18,643
Profit for the year, representing total comprehensive income	845	1,845	2,290	1,500

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associates is as follow:

	<--MFRS Framework--> <-----Audited----->	
	2012 RM'000	30.6.2013 RM'000
Net assets at beginning of year/period	6,430	8,720
Total comprehensive income	2,290	1,500
Net assets at end of year/period	8,720	10,220
Share of net assets	1,744	2,044
Goodwill	163	163
Carrying value of Group's interest in associates	1,907	2,207

## 13. ACCOUNTANTS' REPORT (Cont'd)

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## 18.0 DEFERRED TAXATION

	FRS Framework <-----MFRS Framework-----> <-----Audited----->			
	2010 RM'000	2011 RM'000	2012 RM'000	30.6.2013 RM'000
At beginning of year/period	1,671	912	531	(132)
Recognised in profit or loss (Note 35)	(765)	(376)	(685)	233
Exchange differences	6	(5)	22	(64)
At end of year/period	<u>912</u>	<u>531</u>	<u>(132)</u>	<u>37</u>
Presented after appropriate offsetting as follows:				
Deferred tax assets	(2,401)	(2,460)	(4,297)	(4,465)
Deferred tax liabilities	3,313	2,991	4,165	4,502
	<u>912</u>	<u>531</u>	<u>(132)</u>	<u>37</u>

The components and movements of deferred tax liabilities and assets during the financial years are as follows:

**Deferred Tax Liabilities of the Group:**

	Accelerated capital allowances RM'000	Others RM'000	Total RM'000
<b>FRS Framework</b>			
At 1 January 2010	4,091	11	4,102
Recognised in profit or loss	626	90	716
Exchange differences	1	(1)	-
At 31 December 2010	<u>4,718</u>	<u>100</u>	<u>4,818</u>
<b>MFRS Framework</b>			
At 1 January 2011	4,718	100	4,818
Recognised in profit or loss	136	(88)	48
Exchange differences	(6)	3	(3)
At 31 December 2011	<u>4,848</u>	<u>15</u>	<u>4,863</u>
<b>MFRS Framework</b>			
At 1 January 2012	4,848	15	4,863
Recognised in profit or loss	(74)	838	764
Exchange differences	-	14	14
At 31 December 2012	<u>4,774</u>	<u>867</u>	<u>5,641</u>
<b>MFRS Framework</b>			
At 1 January 2013	4,774	867	5,641
Recognised in profit or loss	292	145	437
Exchange differences	(4)	10	6
At 30 June 2013	<u>5,062</u>	<u>1,022</u>	<u>6,084</u>

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 18.0 DEFERRED TAXATION (CONTD.)

## Deferred Tax Assets of the Group:

	Unabsorbed capital allowances RM'000	Unutilised investment allowances RM'000	Unabsorbed losses RM'000	Others RM'000	Total RM'000
<b>FRS Framework</b>					
At 1 January 2010	(671)	(1,590)	-	(170)	(2,431)
Recognised in profit or loss	(593)	(664)	(239)	15	(1,481)
Exchange differences	-	-	-	6	6
At 31 December 2010	<u>(1,264)</u>	<u>(2,254)</u>	<u>(239)</u>	<u>(149)</u>	<u>(3,906)</u>
<b>MFRS Framework</b>					
At 1 January 2011	(1,264)	(2,254)	(239)	(149)	(3,906)
Recognised in profit or loss	188	-	28	(640)	(424)
Exchange differences	-	-	-	(2)	(2)
At 31 December 2011	<u>(1,076)</u>	<u>(2,254)</u>	<u>(211)</u>	<u>(791)</u>	<u>(4,332)</u>
<b>MFRS Framework</b>					
At 1 January 2012	(1,076)	(2,254)	(211)	(791)	(4,332)
Recognised in profit or loss	(174)	-	(1,413)	138	(1,449)
Exchange differences	-	-	-	8	8
At 31 December 2012	<u>(1,250)</u>	<u>(2,254)</u>	<u>(1,624)</u>	<u>(645)</u>	<u>(5,773)</u>
<b>MFRS Framework</b>					
At 1 January 2013	(1,250)	(2,254)	(1,624)	(645)	(5,773)
Recognised in profit or loss	199	-	(212)	(191)	(204)
Exchange differences	-	-	(55)	(15)	(70)
At 30 June 2013	<u>(1,051)</u>	<u>(2,254)</u>	<u>(1,891)</u>	<u>(851)</u>	<u>(6,047)</u>

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 18.0 DEFERRED TAXATION (CONTD.)

Deferred tax assets have not been recognised in respect of these items as there is no probable expectation that future taxable income will be sufficient to allow the benefit to be realised:

	FRS Framework <-----MFRS Framework-----> <-----Audited----->			
	2010 RM'000	2011 RM'000	2012 RM'000	30.6.2013 RM'000
Unabsorbed tax losses	22,318	21,715	47,261	59,457
Unutilised capital and reinvestment allowances	71	350	1,198	1,143
	<u>22,389</u>	<u>22,065</u>	<u>48,459</u>	<u>60,600</u>

## 19.0 DERIVATIVE LIABILITIES

	FRS Framework <-----MFRS Framework-----> <-----Audited----->			
	2010 RM'000	2011 RM'000	2012 RM'000	30.6.2013 RM'000
<b>Forward Currency Contracts</b>				
<b>Current</b>				
Notional value	-	16,215	42,838	10,084
Liabilities	-	167	527	381

The Group uses forward currency contracts to manage the foreign currency exposures arising from the Group's receivables and payables denominated in currencies other than the functional currencies. These forward currency contracts have maturities of less than one year from the reporting date.

As hedge accounting is not applied for these forward currency contracts, any changes in fair values of these derivatives are recognised in profit or loss.

## 20.0 INVENTORIES

	FRS Framework <-----MFRS Framework-----> <-----Audited----->			
	2010 RM'000	2011 RM'000	2012 RM'000	30.6.2013 RM'000
At cost:				
Finished goods	51	50	50	49
Raw materials and consumables	20,348	35,637	44,842	58,230
	<u>20,399</u>	<u>35,687</u>	<u>44,892</u>	<u>58,279</u>

The cost of inventories recognised as an expense during the FPE 30 June 2013 amounted to RM36,384,000 (31 December 2012: RM55,694,000; 31 December 2011: RM39,853,000; 31 December 2010: RM107,128,000).

## 13. ACCOUNTANTS' REPORT (Cont'd)

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## 21.0 RECEIVABLES

	FRS			
	Framework	<-----MFRS Framework----->		
	<-----Audited----->			
	2010	2011	2012	30.6.2013
	RM'000	RM'000	RM'000	RM'000
Trade receivables (Note (a))	89,294	145,117	199,023	225,841
Other receivables (Note (b))	10,557	19,784	43,104	19,891
<b>Total trade and other receivables</b>	<b>99,851</b>	<b>164,901</b>	<b>242,127</b>	<b>245,732</b>
Total trade and other receivables	99,851	164,901	242,127	245,732
Less: Included within trade and other receivables:				
Deferred expenses (Note (a))	(5,930)	(3,476)	(1,022)	(5,492)
Accrued income (Note (a))	(42,192)	(17,099)	(38,498)	(74,432)
Prepayments (Note (b))	(5,882)	(6,338)	(15,604)	(13,106)
	45,847	137,988	187,003	152,702
Add:				
Due from related companies of holding company (Note 22)	31,081	64,635	32,927	45,825
Deposits, cash and bank balances (Note 23)	86,370	106,317	119,311	147,351
<b>Total loans and receivables</b>	<b>163,298</b>	<b>308,940</b>	<b>339,241</b>	<b>345,878</b>

## (a) Trade Receivables

	FRS			
	Framework	<-----MFRS Framework----->		
	<-----Audited----->			
	2010	2011	2012	30.6.2013
	RM'000	RM'000	RM'000	RM'000
Trade receivables (Note (i))	41,548	124,966	160,432	147,753
Allowance for impairment (Note (ii))	(376)	(424)	(929)	(1,836)
	41,172	124,542	159,503	145,917
Deferred expenses	5,930	3,476	1,022	5,492
Accrued income	42,192	17,099	38,498	74,432
	89,294	145,117	199,023	225,841

The Group's normal trade credit terms for FPE 30 June 2013 range from 30 days to 60 days (31 December 2012: 30 to 60 days; 31 December 2011: 30 days to 60 days; 31 December 2010: 30 days to 60 days). Other credit terms are assessed and approved on a case-by-case basis. Trade receivables are non-interest bearing and are recognised at their original invoice amounts which represent their fair values on initial recognition.

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 21.0 RECEIVABLES (CONTD.)

## (a) Trade Receivables (Contd.)

As at 30 June 2013 the Group has significant concentration of credit risk in the form of outstanding balances due from 3 (31 December 2012: 2; 31 December 2011: 2; 31 December 2010: 1) debtors representing 81% (31 December 2012: 86%; 31 December 2011: 89%; 31 December 2010: 68%) of the total net trade receivables.

	FRS Framework		MFRS Framework	
	2010 RM'000	2011 RM'000	2012 RM'000	30.6.2013 RM'000
(i) Age analysis of trade receivables				
Not past due nor impaired	27,142	88,826	49,264	85,195
Past due but not impaired				
1 - 60 days past due but not impaired	12,764	28,952	105,237	36,238
61 - 120 days past due but not impaired	259	4,299	2,429	19,678
121 - 180 days past due but not impaired	510	2,465	2,546	4,759
More than 180 days past due but not impaired	497	-	27	47
	14,030	35,716	110,239	60,722
Impaired	376	424	929	1,836
Total trade receivables	41,548	124,966	160,432	147,753

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

## 13. ACCOUNTANTS' REPORT (Cont'd)

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## 21.0 RECEIVABLES (CONTD.)

## (a) Trade Receivables (Contd.)

(ii) Receivables that are impaired:

	FRS Framework		<-----MFRS Framework-----> <-----Audited----->	
	2010 RM'000	2011 RM'000	2012 RM'000	30.6.2013 RM'000
<b>Individually impaired</b>				
Trade receivables	376	424	929	1,836
Less: Allowance for impairment	(376)	(424)	(929)	(1,836)
	-	-	-	-
<b>Movement in allowance for impairment</b>				
At beginning of year/period	413	376	424	929
Charge for the year/ period	-	57	542	1,449
Reversal of impairment loss	(37)	(9)	(37)	(542)
At end of the year/period	376	424	929	1,836

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or bank guarantee.

## (b) Other Receivables

	FRS Framework		<-----MFRS Framework-----> <-----Audited----->	
	2010 RM'000	2011 RM'000	2012 RM'000	30.6.2013 RM'000
Deposits	2,308	2,470	2,433	2,485
Prepayments	5,882	6,338	15,604	13,106
Sundry receivables	2,367	10,976	25,067	4,300
	10,557	19,784	43,104	19,891

Prepayments mainly comprise of prepaid rig insurance premium and prepayments to vendors in respect of purchases relating to rigs and drilling equipments.

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 22.0 DUE FROM/(TO) HOLDING COMPANY AND ITS RELATED COMPANIES

	FRS Framework <-----MFRS Framework----->			
	<-----Audited----->			
	2010	2011	2012	30.6.2013
	RM'000	RM'000	RM'000	RM'000
<b>Current:</b>				
Amounts due from related companies of holding company	31,081	64,635	32,927	45,825
Amounts due to:				
Holding company	-	-	(896)	(711,339)
Related companies of holding company	(538,958)	(579,100)	(527,756)	(526,741)
	<u>(538,958)</u>	<u>(579,100)</u>	<u>(528,652)</u>	<u>(1,238,080)</u>
<b>Non current:</b>				
Amounts due to holding company	-	-	(248,012)	-

The amounts due from/(to) holding company and its related companies as at 30 June 2013 are unsecured, repayable on demand (current portion) and bear interest from 0.96% to 7.60% per annum (31 December 2012: from 1.15% to 7.60% per annum; 31 December 2011: from 1.03% to 7.45% per annum; 31 December 2010: from 0.96% to 7.30% per annum).

Included in the amounts due to holding company and its related companies as at 30 June 2013 of RM1,238,080,000, are amounts due to holding company and related companies of the holding company of RM711,339,000 and RM526,066,000 respectively, whose terms of borrowings had been restructured following the Internal Reorganisation as follows:

- These amounts shall be settled in accordance with the Settlement of Intercompany Liabilities by UMW-OG as disclosed in Note 3.2(a)(iv). Consequent to the restructuring, amounts due to holding company of RM248,012,000, previously classified as "non-current" as at 31 December 2012, have been reclassified as "current" as at 30 June 2013.
- Effective 1 April 2013, these amounts are non-interest bearing. Prior to the restructuring of terms, the abovementioned amounts bear interests from 0.96% to 7.60% per annum.

## 23.0 DEPOSITS, CASH AND BANK BALANCES

	FRS Framework <-----MFRS Framework----->			
	<-----Audited----->			
	2010	2011	2012	30.6.2013
	RM'000	RM'000	RM'000	RM'000
Deposits with licensed banks	30,199	24,368	18,563	13,764
Cash and bank balances	56,171	81,949	100,748	133,587
	<u>86,370</u>	<u>106,317</u>	<u>119,311</u>	<u>147,351</u>



## 13. ACCOUNTANTS' REPORT (Cont'd)



## 23.0 DEPOSITS, CASH AND BANK BALANCES (CONTD.)

The range of interest rates per annum of deposits at the reporting date are as follows:

	FRS Framework <-----MFRS Framework-----> <-----Audited----->			
	2010 %	2011 %	2012 %	30.6.2013 %
Deposits with licensed banks	0.05 - 2.50	0.30 - 2.80	0.30 - 2.80	0.30 - 3.00

The range of maturities of deposits at the reporting date are as follows:

	Average Maturity			
	FRS Framework <-----MFRS Framework-----> <-----Audited----->			
	2010 Days	2011 Days	2012 Days	30.6.2013 Days
Deposits with licensed banks	30 - 365	30 - 90	30 - 90	30 - 31

## 24.0 NON-CURRENT ASSETS HELD FOR SALE

The non-current assets classified as held for sale is as follows:

	FRS Framework <-----MFRS Framework-----> <-----Audited----->			
	2010 RM'000	2011 RM'000	2012 RM'000	30.6.2013 RM'000
Other assets (Note 13)	-	-	3,053	-
Investment property (Note 14)	-	-	17,022	-
	-	-	20,075	-

On 20 June 2012, the Board of Directors of USV, a subsidiary of the Group approved the disposal of its investment property, together with its accompanying other assets, located at 4 Pandan Avenue, Singapore 609383 comprised in Lot 7841K Mukim 5 (the "Property") to a third party. Accordingly, the Property has been classified as held for sale as at 31 December 2012.

The disposal was completed in April 2013 and resulted in a gain on disposal of RM30,079,000 as disclosed in Note 30.

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 25.0 LONG TERM BORROWINGS

	FRS Framework <-----MFRS Framework-----> <-----Audited----->			
	2010 RM'000	2011 RM'000	2012 RM'000	30.6.2013 RM'000
<b>Secured</b>				
Finance lease liabilities (Note 26)	-	32	88	85
<b>Unsecured</b>				
Term loan	722,022	738,886	717,068	724,292
Less: Amount payable within one year (Note 27)	(6,972)	(60,769)	(137,773)	(166,418)
	715,050	678,117	579,295	557,874
<b>Total long term borrowings</b>	<b>715,050</b>	<b>678,149</b>	<b>579,383</b>	<b>557,959</b>

The maturity of the Group's total long term and short term borrowings as at the respective reporting dates are as follows:

	Within 1 year RM'000 (Note 27)	1-2 years RM'000	2-5 years RM'000	More than 5 years RM'000	Total RM'000
<b>FRS Framework</b>					
<b>31 December 2010</b>					
<b>Unsecured</b>					
- Floating Rate	42,432	128,622	493,385	93,043	757,482
<b>MFRS Framework</b>					
<b>31 December 2011</b>					
<b>Secured</b>					
- Fixed rate	113	20	12	-	145
<b>Unsecured</b>					
- Floating rate	90,605	133,135	490,002	54,980	768,722
	90,718	133,155	490,014	54,980	768,867

## 13. ACCOUNTANTS' REPORT (Cont'd)

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## 25.0 LONG TERM BORROWINGS (CONTD.)

	Within 1 year RM'000 (Note 27)	1-2 years RM'000	2-5 years RM'000	More than 5 years RM'000	Total RM'000
<b>MFRS Framework</b>					
<b>31 December 2012</b>					
<b>Secured</b>					
- Fixed rate	57	55	33	-	145
<b>Unsecured</b>					
- Floating Rate	167,609	136,551	403,695	39,049	746,904
	167,666	136,606	403,728	39,049	747,049
<b>MFRS Framework</b>					
<b>30 June 2013</b>					
<b>Secured</b>					
- Fixed rate	72	61	24	-	157
<b>Unsecured</b>					
- Floating Rate	425,625	163,257	381,173	13,444	983,499
	425,697	163,318	381,197	13,444	983,656

The secured long term borrowings of the Group for the FPE 30 June 2013 and FYE 31 December 2010, 31 December 2011 and 31 December 2012 were secured by a charge over leased assets of certain proposed subsidiaries as disclosed in Note 13(a).

## 26.0 FINANCE LEASE LIABILITIES

	FRS Framework	MFRS Framework		
		Audited		
	2010 RM'000	2011 RM'000	2012 RM'000	30.6.2013 RM'000
<b>Minimum lease payments:</b>				
Not later than 1 year	-	122	74	88
Later than 1 year and not later than 2 years	-	24	64	67
Later than 2 years and not later than 5 years	-	12	34	25
	-	158	172	180
Less: Future finance charges	-	(13)	(27)	(23)
Present value of finance lease liabilities	-	145	145	157

## 13. ACCOUNTANTS' REPORT (Cont'd)

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## 26.0 FINANCE LEASE LIABILITIES (CONTD.)

	FRS Framework <-----MFRS Framework-----> <-----Audited----->			
	2010 RM'000	2011 RM'000	2012 RM'000	30.6.2013 RM'000
<b>Present value of finance lease liabilities:</b>				
Not later than 1 year	-	113	57	72
Later than 1 year and not later than 2 years	-	20	55	61
Later than 2 years and not later than 5 years	-	12	33	24
	-	145	145	157
<b>Analysed as:</b>				
Due within 12 months (Note 27)	-	113	57	72
Due after 12 months (Note 25)	-	32	88	85
	-	145	145	157

The interest rate as at 30 June 2013 for the finance lease liabilities is 14.22% (31 December 2012: 13.26% to 14.73%, 31 December 2011: 6.18% to 14.73%, 31 December 2010: Nil) per annum.

## 27.0 SHORT TERM BORROWINGS

	FRS Framework <-----MFRS Framework-----> <-----Audited----->			
	2010 RM'000	2011 RM'000	2012 RM'000	30.6.2013 RM'000
<b>Secured</b>				
Finance lease liabilities (Note 26)	-	113	57	72
<b>Unsecured</b>				
Bank overdrafts	9,923	-	-	-
Revolving credits	25,537	29,836	29,836	46,122
Murabahah term financing	-	-	-	213,085
Term loans payable within one year (Note 25)	6,972	60,769	137,773	166,418
	42,432	90,605	167,609	425,625
<b>Total short term borrowings</b>	42,432	90,718	167,666	425,697

The secured short term borrowings of the Group FPE 30 June 2013 and FYE 31 December 2010, 31 December 2011 and 31 December 2012 were secured by a charge over leased assets of certain subsidiaries as disclosed in Note 13(a).

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 27.0 SHORT TERM BORROWINGS (CONTD.)

The range of weighted average effective interest rates per annum at the reporting date for borrowings are as follows:

	FRS Framework <-----MFRS Framework-----> <-----Audited----->			
	2010 %	2011 %	2012 %	30.6.2013 %
Bank overdrafts	5.74	-	-	-
Finance lease liabilities	-	6.18 - 14.73	13.26 - 14.73	14.22
Revolving credits	2.56 - 3.63	3.88 - 4.04	3.97 - 4.34	1.80 - 4.21
Murabahah term financing	-	-	-	1.87
Term loans	0.56 - 3.41	0.82 - 4.01	2.10 - 4.15	2.05 - 2.88

## 28.0 PAYABLES

	FRS Framework <-----MFRS Framework-----> <-----Audited----->			
	2010 RM'000	2011 RM'000	2012 RM'000	30.6.2013 RM'000
Trade payables:				
Trade payables	36,461	61,090	79,976	82,128
Deferred income	11,435	6,704	1,972	14,132
Related parties	6,693	30,578	76,157	29,825
	<u>54,589</u>	<u>98,372</u>	<u>158,105</u>	<u>126,085</u>
Other payables:				
Accruals	14,678	19,121	21,681	28,975
Provision for unutilised leave	169	353	468	485
Deposits received	-	511	247	199
Sundry payables	21,796	17,759	22,254	19,393
	<u>36,643</u>	<u>37,744</u>	<u>44,650</u>	<u>49,052</u>
	<u>91,232</u>	<u>136,116</u>	<u>202,755</u>	<u>175,137</u>

## 13. ACCOUNTANTS' REPORT (Cont'd)

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## 28.0 PAYABLES (CONTD.)

	FRS Framework		MFRS Framework	
	Audited		Unaudited	Audited
	2010	2011	2012	30.6.2013
	RM'000	RM'000	RM'000	RM'000
Total trade and other payables	91,232	136,116	202,755	175,137
Less:				
Deferred income	(11,435)	(6,704)	(1,972)	(14,132)
Provision for unutilised leave	(169)	(353)	(468)	(485)
Add:				
Due to holding company and its related companies (Note 22)	538,958	579,100	776,664	1,238,080
Long term borrowings (Note 25)	715,050	678,149	579,383	557,959
Short term borrowings (Note 27)	42,432	90,718	167,666	425,697
<b>Total financial liabilities carried at amortised costs</b>	<b>1,376,068</b>	<b>1,477,026</b>	<b>1,724,028</b>	<b>2,382,256</b>

The related parties balances comprise of amounts due to a corporate shareholder of a subsidiary.

Trade payables are non-interest bearing and are normally settled between 30 days to 60 days (31 December 2012: 30 days to 60 days; 31 December 2011: 30 days to 60 days; 31 December 2010: 30 days to 60 days) terms.

Other payables are non-interest bearing and are normally settled between 30 days to 365 days (31 December 2012: 30 days to 365 days; 31 December 2011: 30 days to 365 days; 31 December 2010: 30 days to 365 days) terms.

Deferred income relates to mobilisation fees received on drilling and workover contracts that are deferred and recognised on a straight-line basis over the term of the contracts.

## 29.0 REVENUE

	FRS Framework		MFRS Framework	
	Audited		Unaudited	Audited
	2010	2011	2012	30.6.2013
	RM'000	RM'000	RM'000	RM'000
Drilling and workover services	220,359	498,718	659,614	296,604
Sale of goods and services	126,601	48,727	61,709	28,175
Others	1,851	2,826	3,013	501
	<b>348,811</b>	<b>550,271</b>	<b>724,336</b>	<b>325,280</b>

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 30.0 OTHER OPERATING INCOME

Included in other operating income are:

	FRS Framework		MFRS Framework		
	Audited		Unaudited	Audited	
	2010	2011	2012	6 months	6 months
	RM'000	RM'000	RM'000	ended	ended
				30.6.2012	30.6.2013
				RM'000	RM'000
Net fair value gains on derivatives	7	-	-	143	159
Gain on disposal of property, plant and equipment	8	51	-	-	-
Gain on disposal of non current asset held for sale	-	-	-	-	30,079
Net foreign exchange gains:					
- realised	1,206	-	993	711	1,773
- unrealised	4,647	-	-	623	-
Rental income	194	355	376	259	49

## 31.0 EMPLOYEE BENEFITS

	FRS Framework		MFRS Framework		
	Audited		Unaudited	Audited	
	2010	2011	2012	6 months	6 months
	RM'000	RM'000	RM'000	ended	ended
				30.6.2012	30.6.2013
				RM'000	RM'000
<b>Staff costs</b>					
Wages and salaries	50,081	61,105	83,585	42,270	47,714
Social security costs	344	429	668	271	218
Provision for unutilised leave leave	(44)	183	215	20	1
Pension costs - defined contribution plan	2,674	4,117	4,755	2,031	3,232
Other staff related expenses	3,734	5,561	8,482	3,926	5,876
	56,789	71,395	97,705	48,518	57,041

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 32.0 OTHER OPERATING EXPENSES

Included in other operating expenses are:

	FRS Framework		MFRS Framework		
	2010 RM'000	2011 RM'000	2012 RM'000	Unaudited 6 months ended 30.6.2012 RM'000	Audited 6 months ended 30.6.2013 RM'000
Rental of premises	4,306	6,650	8,421	3,899	4,014
Rental of equipment and rigs	56,518	93,592	187,188	93,972	30,079
Repair and maintenance of equipment and rigs	10,460	20,204	40,684	22,240	8,315
Property, plant and equipment written off	605	487	5,160	5,662	9
Net (reversal of impairment)/ impairment losses of receivables	(37)	48	505	595	907
Loss on disposal of property, plant and equipment	1,826	1,363	2,884	196	-
Impairment loss on property, plant and equipment	-	-	5,730	-	-
Net unrealised foreign exchange losses	-	984	1,398	-	4,327
Net realised foreign exchange losses	-	29	-	-	-
Net fair value loss on derivatives	-	161	369	-	-



## 13. ACCOUNTANTS' REPORT (Cont'd)

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## 33.0 FINANCE COSTS

	FRS Framework		MFRS Framework		
	Audited		Unaudited	Audited	
	2010	2011	2012	30.6.2012	30.6.2013
	RM'000	RM'000	RM'000	RM'000	RM'000
Interest expense					
- Bank borrowings	9,244	13,346	19,608	8,872	9,728
- Holding company and its related companies	16,430	16,337	22,983	8,984	9,014
- Others	644	1,772	1,660	563	903
	<u>26,318</u>	<u>31,455</u>	<u>44,251</u>	<u>18,419</u>	<u>19,645</u>
Less: Interest expense capitalised					
- Assets-in-progress (Note 13(b))	(2,406)	-	(4,099)	-	(2,500)
Net interest expense	<u>23,912</u>	<u>31,455</u>	<u>40,152</u>	<u>18,419</u>	<u>17,145</u>

## 34.0 INVESTMENT INCOME

	FRS Framework		MFRS Framework		
	Audited		Unaudited	Audited	
	2010	2011	2012	30.6.2012	30.6.2013
	RM'000	RM'000	RM'000	RM'000	RM'000
Interest income from:					
- Loans and receivables	84	28	398	63	72
- Related companies of holding company	1,719	1,112	1,330	789	419
	<u>1,803</u>	<u>1,140</u>	<u>1,728</u>	<u>852</u>	<u>491</u>

## 13. ACCOUNTANTS' REPORT (Cont'd)

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## 35.0 INCOME TAX EXPENSE

	FRS Framework		MFRS Framework		Audited 6 months ended 30.6.2013 RM'000
	2010 RM'000	2011 RM'000	2012 RM'000	Unaudited 6 months ended 30.6.2012 RM'000	
Income tax:					
Malaysian income taxes	4,175	5,143	3,396	3,509	2,443
Overseas income taxes	4,969	17,045	9,582	4,824	4,877
	<u>9,144</u>	<u>22,188</u>	<u>12,978</u>	<u>8,333</u>	<u>7,320</u>
(Over)/under provision in prior years:					
Malaysian income taxes	(1,934)	77	(584)	(572)	-
Overseas income taxes	(82)	1,080	(1)	(1)	(2)
	<u>(2,016)</u>	<u>1,157</u>	<u>(585)</u>	<u>(573)</u>	<u>(2)</u>
	<u>7,128</u>	<u>23,345</u>	<u>12,393</u>	<u>7,760</u>	<u>7,318</u>
Deferred taxation (Note 18):					
Relating to origination and reversal of temporary differences	(135)	(345)	151	2,266	477
Over provision in prior years	(630)	(31)	(836)	(895)	(244)
	<u>(765)</u>	<u>(376)</u>	<u>(685)</u>	<u>1,371</u>	<u>233</u>
Total income tax expense	<u>6,363</u>	<u>22,969</u>	<u>11,708</u>	<u>9,131</u>	<u>7,551</u>

Domestic current income tax is calculated at the statutory tax rate of 25% (31.12.2012: 25%, 31.12.2011: 25%, 31.12.2010: 25%) of the estimated assessable profit for the period/year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 35.0 INCOME TAX EXPENSE (CONTD.)

Reconciliations of income tax expense applicable to (loss)/profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group are as follows:

	FRS Framework		MFRS Framework		
	2010 RM'000	2011 RM'000	2012 RM'000	Unaudited 6 months ended 30.6.2012 RM'000	Audited 6 months ended 30.6.2013 RM'000
(Loss)/profit before taxation	(41,287)	102,129	83,566	57,103	96,403
Taxation at Malaysian statutory tax rate of 25%	(10,322)	25,532	20,892	14,276	24,101
Effect of different tax rates in other countries	4,314	(3,350)	(3,599)	(2,931)	(7,394)
Tax incentives	(665)	-	-	-	-
Income not subject to tax	(3,759)	(6,568)	(14,881)	(4,685)	(12,273)
Expenses not deductible for tax purposes	16,657	6,402	4,233	3,952	408
Utilisation of previously unrecognised tax losses	-	(2,318)	-	-	-
Deferred tax assets not recognised	2,826	2,237	6,599	27	3,035
Over provision of deferred tax in prior years	(630)	(31)	(836)	(895)	(244)
(Over)/under provision of income tax expense in prior years	(2,016)	1,157	(585)	(573)	(2)
Effect of share of results of associate	(42)	(92)	(115)	(40)	(80)
<b>Tax expense for the year</b>	<b>6,363</b>	<b>22,969</b>	<b>11,708</b>	<b>9,131</b>	<b>7,551</b>

## 36.0 EARNINGS PER SHARE

Earnings per share disclosure are not presented as share capital is not presented in the combined financial statements.

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 37.0 DIVIDENDS

	Amount RM'000	Net Dividend Per Share Sen
Recognised during the financial year/period:		
<b>FRS Framework</b>		
<b>31 December 2010</b>		
In respect of the FYE		
31 December 2010		
- First interim single-tier dividend of 15.00% on 10,000,000 ordinary shares paid by UPD	1,500	15.00
- Second interim single-tier dividend of 15.50% on 10,000,000 ordinary shares paid by UPD	1,550	15.50
- Interim single-tier dividend of 153.05% on 250,000 ordinary shares paid by UOT	383	371.48
	3,433	401.98
<b>MFRS Framework</b>		
<b>31 December 2011</b>		
In respect of the FYE 31 December 2011		
- Final single-tier dividend of 13.31% on 10,000,000 ordinary shares paid by UPD	1,331	13.31
- Interim single-tier dividend of 148.40% on 250,000 ordinary shares paid by UOT	372	360.78
	1,703	374.09
<b>MFRS Framework</b>		
<b>31 December 2012</b>		
In respect of the FYE 31 December 2012		
- First interim single-tier dividend of 8.38% on 10,000,000 ordinary shares paid by UPD	838	8.38
- Final tax-exempt dividend of 59.52% on 625,000 ordinary shares paid by UOS-TK	371	59.52
	1,209	67.90

## 13. ACCOUNTANTS' REPORT (Cont'd)

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## 37.0 DIVIDENDS (CONTD.)

Amount RM'000	Net Dividend Per Share Sen
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Recognised during the financial period:

**MFRS Framework**  
**30 June 2012 (Unaudited)**

In respect of financial year ended 31 December  
 - Final tax-exempt dividend of 59.52% on 625,000  
 ordinary shares paid by UOS-TK

371	59.52
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## 38.0 COMMITMENTS

## (a) Capital Commitments

	FRS Framework	<-----MFRS Framework----->		
	<-----Audited----->			
	2010 RM'000	2011 RM'000	2012 RM'000	30.6.2013 RM'000
Approved and contracted for:				
- equipment, plant and machinery	3,425	165,456	504,460	493,108
- others	-	-	-	14
	3,425	165,456	504,460	493,122
Approved but not contracted for:				
- land and buildings	-	-	-	390
- equipment, plant and machinery	17,099	15,713	206,105	1,340,796
- others	-	485	7,279	7,005
	17,099	16,198	213,384	1,348,191
<b>Total capital commitments</b>	20,524	181,654	717,844	1,841,313

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 38.0 COMMITMENTS (CONTD.)

	FRS Framework <-----MFRS Framework-----> <-----Audited----->			
	2010 RM'000	2011 RM'000	2012 RM'000	30.6.2013 RM'000
<b>(b) Commitments Under Non-Cancellable Operating Leases</b>				
Amount payable within 1 year	671	687	704	-
Amount payable later than 1 year but not more than 2 years	671	687	704	-
Amount payable later than 2 years but not more than 5 years	2,012	2,060	2,112	-
Amount payable after 5 years	18,776	18,534	18,308	-

The Group had entered into a non-cancellable operating lease on a piece of land in Singapore. During the year, the Group was discharged from the commitment of the non-cancellable operating lease upon the disposal of its non-current assets held for sale, as disclosed in Note 24.

## 39.0 CONTINGENT LIABILITIES

As at the reporting date, the Group has the following contingent liabilities for which no liability is expected to arise:

	FRS Framework <-----MFRS Framework-----> <-----Audited----->			
	2010 RM'000	2011 RM'000	2012 RM'000	30.6.2013 RM'000
<b>Unsecured</b>				
Performance guarantee under contracts	71,691	80,553	134,144	171,585

**13. ACCOUNTANTS' REPORT (Cont'd)**

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**40.0 SEGMENT REPORTING**

For management purposes, the Group is organised into business segments based on nature of services, and has three reportable operating segments as follows:

- (i) The drilling services segment is principally involved in the provision of drilling services and workover rig services to the upstream oil and gas sector. This segment owns and operates several drilling rigs and HWUs, and act as an agent for two providers of specialised equipment and service. The rigs are chartered out to oil majors for their exploration and development activities. The HWUs service offshore wells that involve the use of HWUs and its ancillary equipment to complete the removal and replacement of well equipment to restore the operation of suspended or under-performing wells;
- (ii) The oilfield services segment principally provide premium OCTG threading, repair and inspection services; and
- (iii) The others segment is involved in investment holding, provision of support services, management and corporate services.

Transfer prices between operating segments are at terms agreed between the parties.

## 13. ACCOUNTANTS' REPORT (Cont'd)

## 40.0 SEGMENT REPORTING (CONTD.)

## (a) Business Segments (Contd.)

## FRS Framework

31 December 2010 (Audited)

	Drilling services RM'000	Oilfield services RM'000	Others RM'000	Adjustments and eliminations RM'000	Note	Per combined financial statements RM'000
<b>Revenue:</b>						
External customers	236,493	110,467	1,851	-		348,811
Inter-segment	-	-	1,280	(1,280)	I	-
Total revenue	236,493	110,467	3,131	(1,280)		348,811
<b>Results:</b>						
Depreciation and amortisation	(45,752)	(3,777)	(1,653)	-		(51,182)
Finance costs	(19,402)	(164)	(4,346)	-		(23,912)
Interest income	6	77	1,720	-		1,803
Share of results of associate	-	169	-	-		169
Other material non-cash items	(1,470)	(103)	3,841	-	II	2,268
Segment (loss)/profit before taxation	(37,854)	5,333	(8,766)	-		(41,287)
Income tax (expense)/benefit	(6,794)	424	7	-		(6,363)
Segment (loss)/profit after taxation	(44,648)	5,757	(8,759)	-		(47,650)





## 13. ACCOUNTANTS' REPORT (Cont'd)

## 40.0 SEGMENT REPORTING (CONTD.)

## (a) Business Segments (Contd.)

FRS Framework  
31 December 2010 (Audited) (Contd.)

	Drilling services RM'000	Oilfield services RM'000	Others RM'000	Note	Per combined financial statements RM'000
<b>Assets:</b>					
Investment in associate	-	2,214	-		2,214
Additions to non-current assets	171,548	10,713	1,237	III	183,498
Segment assets	1,318,384	71,789	54,878		1,445,051
<b>Liabilities:</b>					
Segment liabilities	1,266,430	10,467	116,770		1,393,667



## 13. ACCOUNTANTS' REPORT (Cont'd)

## 40.0 SEGMENT REPORTING (CONTD.)

## (a) Business Segments (Contd.)

MFRS Framework

31 December 2011 (Audited)

	Drilling services RM'000	Oilfield services RM'000	Others RM'000	Adjustments and eliminations RM'000	Note	Per combined financial statements RM'000
<b>Revenue:</b>						
External customers	512,472	34,973	2,826	-		550,271
Inter-segment	-	-	1,460	(1,460)	I	-
Total revenue	512,472	34,973	4,286	(1,460)		550,271
<b>Results:</b>						
Depreciation and amortisation	(44,545)	(3,793)	(2,056)	-		(50,394)
Finance costs	(26,128)	(265)	(5,062)	-		(31,455)
Interest income	4	24	1,112	-		1,140
Share of results of associate	-	369	-	-		369
Other material non-cash items	(2,543)	(18)	(431)	-	II	(2,992)
Segment profit/(loss) before taxation	111,068	6,342	(15,281)	-		102,129
Income tax expense	(21,343)	(1,622)	(4)	-		(22,969)
Segment profit/(loss) after taxation	89,725	4,720	(15,285)	-		79,160



Per  
combined  
financial  
statements  
RM'000

13. ACCOUNTANTS' REPORT (Cont'd)

40.0 SEGMENT REPORTING (CONTD.)

(a) Business Segments (Contd.)

MFRS Framework  
31 December 2011 (Audited) (Contd.)

	Drilling services RM'000	Oilfield services RM'000	Others RM'000	Note	Per combined financial statements RM'000
<b>Assets:</b>					
Investment in associate	-	2,073	-		2,073
Additions to non-current assets	55,152	8,045	1,926	III	65,123
Segment assets	1,498,185	77,734	52,818		1,628,737
<b>Liabilities:</b>					
Segment liabilities	1,353,080	10,240	129,217		1,492,537



## 13. ACCOUNTANTS' REPORT (Cont'd)

## 40.0 SEGMENT REPORTING (CONTD.)

## (a) Business Segments (Contd.)

## MFRS Framework

31 December 2012 (Audited)

	Drilling services RM'000	Oilfield services RM'000	Others RM'000	Adjustments and eliminations RM'000	Note	Per combined financial statements RM'000
<b>Revenue:</b>						
External customers	678,108	43,215	3,013	-		724,336
Inter-segment	-	-	1,527	(1,527)	I	-
Total revenue	678,108	43,215	4,540	(1,527)		724,336
<b>Results:</b>						
Depreciation, impairment and amortisation	(57,411)	(4,177)	(1,996)	-		(63,584)
Finance costs	(33,622)	(129)	(6,401)	-		(40,152)
Interest income	786	52	890	-		1,728
Share of results of associate	-	458	-	-		458
Other material non-cash items	(8,607)	(96)	(1,613)	-	II	(10,316)
Segment profit/(loss) before taxation	98,526	6,372	(21,332)	-		83,566
Income tax expense	(10,030)	(1,677)	(1)	-		(11,708)
Segment profit/(loss) after taxation	88,496	4,695	(21,333)	-		71,858



## 13. ACCOUNTANTS' REPORT (Cont'd)

## 40.0 SEGMENT REPORTING (CONTD.)

## (a) Business Segments (Contd.)

MFRS Framework

31 December 2012 (Audited) (Contd.)

	Drilling services RM'000	Oilfield services RM'000	Others RM'000	Note	Per combined financial statements RM'000
<b>Assets:</b>					
Investment in associate	-	1,907	-		1,907
Additions to non-current assets	358,503	930	1,628	III	361,061
Segment assets	1,804,260	78,674	67,163		1,950,097
<b>Liabilities:</b>					
Segment liabilities	1,577,389	7,971	147,886		1,733,246

## 13. ACCOUNTANTS' REPORT (Cont'd)

## 40.0 SEGMENT REPORTING (CONTD.)

## (a) Business Segments (Contd.)

MFRS Framework

30 June 2012 (Unaudited)

	Drilling services RM'000	Oilfield services RM'000	Others RM'000	Adjustments and eliminations RM'000	Note	Per combined financial statements RM'000
<b>Revenue:</b>						
External customers	360,233	21,658	1,462	-		383,353
Inter-segment	-	-	653	(653)	I	-
Total revenue	360,233	21,658	2,115	(653)		383,353
<b>Results:</b>						
Depreciation, impairment and amortisation	(30,537)	(2,113)	(897)	-		(33,547)
Finance costs	(15,384)	(77)	(2,958)	-		(18,419)
Interest income	501	2	349	-		852
Share of results of associate	-	160	-	-		160
Other material non-cash items	(6,531)	(206)	1,050	-	II	(5,687)
Segment profit/(loss) before taxation	60,640	4,690	(8,227)	-		57,103
Income tax expense	(8,002)	(1,128)	(1)	-		(9,131)
Segment profit/(loss) after taxation	52,638	3,562	(8,228)	-		47,972



## 13. ACCOUNTANTS' REPORT (Cont'd)

## 40.0 SEGMENT REPORTING (CONTD.)

## (a) Business Segments (Contd.)

MFRS Framework  
30.6.2012 (Unaudited) (Contd.)

	Drilling services RM'000	Oilfield services RM'000	Others RM'000	Note	Per combined financial statements RM'000
<b>Assets:</b>					
Investment in associate	-	2,186	-		2,186
Additions to non-current assets	43,337	478	324	III	44,139
Segment assets	1,666,664	80,382	31,366		1,778,412
<b>Liabilities:</b>					
Segment liabilities	1,468,102	10,080	116,163		1,594,345



## 13. ACCOUNTANTS' REPORT (Cont'd)

## 40.0 SEGMENT REPORTING (CONTD.)

## (a) Business Segments (Contd.)

MFRS Framework  
30 June 2013 (Audited)

	Drilling services RM'000	Oilfield services RM'000	Others RM'000	Adjustments and eliminations RM'000	Note	Per combined financial statements RM'000
<b>Revenue:</b>						
External customers	303,019	21,760	501	-		325,280
Inter-segment	-	-	653	(653)	I	-
Total revenue	303,019	21,760	1,154	(653)		325,280
<b>Results:</b>						
Depreciation, impairment and amortisation	(35,858)	(1,743)	(323)	-		(37,924)
Finance costs	(14,798)	(17)	(2,330)	-		(17,145)
Interest income	64	8	419	-		491
Share of results of associate	-	318	-	-		318
Other material non-cash items	(4,869)	239	29,625	-	II	24,995
Segment profit before taxation	69,376	5,060	21,967	-		96,403
Income tax expense	(6,366)	(1,185)	-	-		(7,551)
Segment profit after taxation	63,010	3,875	21,967	-		88,852

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## 13. ACCOUNTANTS' REPORT (Cont'd)

## 40.0 SEGMENT REPORTING (CONTD.)

## (a) Business Segments (Contd.)

MFRS Framework  
30 June 2013 (Audited) (Contd.)

	Drilling services RM'000	Oilfield services RM'000	Others RM'000	Note	Per combined financial statements RM'000
<b>Assets:</b>					
Investment in associate	-	2,207	-		2,207
Additions to non-current assets	720,884	715	252	III	721,851
Segment assets	2,610,658	81,876	22,417		2,714,951
<b>Liabilities:</b>					
Segment liabilities	2,069,896	5,843	326,684		2,402,423

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 40.0 SEGMENT REPORTING (CONTD.)

## (a) Business Segments (Contd.)

The following are nature of adjustments and eliminations to arrive at amounts reported in the combined financial statements:

- I. Inter-segment revenues are eliminated on combination.
- II. Other material non-cash income/(expenses) consist of the following items as presented in the respective notes to the combined financial statements:

	Note	FRS Framework <-----MFRS Framework----->				
		<-----Audited----->			Unaudited	Audited
		2010 RM'000	2011 RM'000	2012 RM'000	6 months ended 30.6.2012 RM'000	6 months ended 30.6.2013 RM'000
Net fair value gain/(loss) on derivatives	30, 32	7	(161)	(369)	143	159
Net loss on disposal of property, plant and equipment	30, 32	(1,818)	(1,312)	(2,884)	(196)	-
Gain on disposal of non-current asset held for sale	30	-	-	-	-	30,079
Net unrealised foreign exchange gains/(losses)	30, 32	4,647	(984)	(1,398)	623	(4,327)
Property, plant and equipment written off	32	(605)	(487)	(5,160)	(5,662)	(9)
Net reversal of impairment/ (impairment losses) of receivables	32	37	(48)	(505)	(595)	(907)
		<u>2,268</u>	<u>(2,992)</u>	<u>(10,316)</u>	<u>(5,687)</u>	<u>24,995</u>

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 40.0 SEGMENT REPORTING (CONTD.)

## (a) Business Segments (Contd.)

III. Additions to non-current assets consist of:

	FRS Framework <-----Audited----->		MFRS Framework----->		
	2010 RM'000	2011 RM'000	2012 RM'000	Unaudited 6 months ended 30.6.2012 RM'000	Audited 6 months ended 30.6.2013 RM'000
Property, plant and equipment	183,079	62,915	361,061	44,139	721,851
Investment property	419	-	-	-	-
Land use rights	-	2,208	-	-	-
	<b>183,498</b>	<b>65,123</b>	<b>361,061</b>	<b>44,139</b>	<b>721,851</b>

## 13. ACCOUNTANTS' REPORT (Cont'd)

## 40.0 SEGMENT REPORTING (CONTD.)

## (b) Geographical Segments

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Malaysia RM'000	Indonesia RM'000	Singapore RM'000	Turkmenistan RM'000	Vietnam RM'000	Others RM'000	Combined RM'000
<b>FRS Framework</b>							
<b>31.12.2010 (Audited)</b>							
Revenue from external customers	211,624	36,400	1,091	84,750	-	14,946	348,811
Non-current assets	139,833	1,022,767	21,935	1,668	-	15,100	1,201,303
<b>MFRS Framework</b>							
<b>31.12.2011 (Audited)</b>							
Revenue from external customers	384,994	144,685	2,228	3,080	-	15,284	550,271
Non-current assets	738,582	467,349	20,972	1,482	-	22,879	1,251,264
<b>MFRS Framework</b>							
<b>31.12.2012 (Audited)</b>							
Revenue from external customers	538,556	161,383	2,326	3,911	-	18,160	724,336
Non-current assets	799,037	436,308	241,453	1,203	-	22,057	1,500,058
<b>MFRS Framework</b>							
<b>30.6.2012 (Unaudited)</b>							
Revenue from external customers	293,227	78,194	1,305	1,607	-	9,020	383,353
Non-current assets	751,822	462,194	20,849	1,382	-	22,114	1,258,361
<b>MFRS Framework</b>							
<b>Audited</b>							
<b>30.6.2013 (Audited)</b>							
Revenue from external customers	218,602	82,335	403	1,573	10,759	11,608	325,280
Non-current assets	1,490,087	317	218,305	1,145	450,997	46,199	2,207,050

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## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 40.0 SEGMENT REPORTING (CONTD.)

## (b) Geographical Segments (contd.)

Non-current assets information presented above consist of the following items as presented in the combined statements of financial position:

	FRS Framework		MFRS Framework		
	Audited		Unaudited	Audited	
	2010	2011	2012	6 months ended	6 months ended
	RM'000	RM'000	RM'000	30.6.2012 RM'000	30.6.2013 RM'000
Property, plant and equipment	1,172,392	1,220,482	1,466,612	1,224,080	2,193,599
Investment property	17,620	17,313	-	-	-
Land use rights	-	2,178	2,080	2,141	2,160
Intangible assets	11,291	11,291	11,291	11,291	11,291
Non-current asset held for sale	-	-	20,075	20,849	-
	<u>1,201,303</u>	<u>1,251,264</u>	<u>1,500,058</u>	<u>1,258,361</u>	<u>2,207,050</u>



## 13. ACCOUNTANTS' REPORT (Cont'd)

## 41.0 SIGNIFICANT RELATED PARTY DISCLOSURES

In addition to the related party transaction information disclosed elsewhere, transactions by the Group with its related parties are as follows:

Companies	Transacting Parties	Nature of Transactions	FRS Framework			
			2010	2011	2012	30.6.2013
			←-----Audited----->		-----MFRS Framework----->	
			RM'000	RM'000	RM'000	RM'000
USV	UMW Equipment & Engineering Pte. Ltd., a related company of the Group.	Rental income	-	482	415	246
USV	UMW Helmsion Engineering Pte. Ltd., a related company of the Group.	Rental income	524	571	467	308
UMWSD	UMW Pennzoil Distributors Sdn. Bhd., a related company of the Group.	Purchase of goods	-	-	-	271

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## 13. ACCOUNTANTS' REPORT (Cont'd)

## 41.0 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)

In addition to the related party transaction information disclosed elsewhere, transactions by the Group with its related parties are as follows: (Contd.)

Companies	Transacting Parties	Nature of Transactions	FRS Framework		MFRS Framework		Audited 6 months ended RM'000
			2010 RM'000	2011 RM'000	2012 RM'000	30.6.2013 RM'000	
UMV	)	Interest expense	1,917	2,051	2,211	1,092	425
	)	Service fee	2,408	-	-	-	-
UPD	)	Interest expense	461	-	-	-	-
UMW-OG	)	Interest expense	341	596	993	479	126
	)	Rental expense	1,122	2,152	2,104	1,050	849
	)	Management fees expense	-	1,500	2,056	1,053	1,373

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### 13. ACCOUNTANTS' REPORT (Cont'd)

#### 41.0 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)

In addition to the related party transaction information disclosed elsewhere, transactions by the Group with its related parties are as follows: (Contd.)

Companies	Transacting Parties	Nature of Transactions	FRS Framework				Audited 6 months ended RM'000
			2010	2011	2012	30.6.2012	
			←-----Audited-----→		-----MFRS Framework-----→		
UJD	) ) UMW Corporation ) Sdn. Bhd., a related ) company of the Group. )	Service fee	1,247	-	-	-	-
UMWSD	)	Service fee	2,134	16	290	3	11
UMV	UMV Offshore Investment (L) Ltd., a related company of the Group.	Interest income	1,388	852	743	279	225
UMV	U E-Technologies Sdn. Bhd.	Provision of IT services	303	-	-	-	-

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## 13. ACCOUNTANTS' REPORT (Cont'd)

## 41.0 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)

In addition to the related party transaction information disclosed elsewhere, transactions by the Group with its related parties are as follows: (Contd.)

Companies	Transacting Parties	Nature of Transactions	FRS Framework				MFRS Framework	
			2010	2011	2012	30.6.2012	30.6.2013	Audited 6 months ended
			RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
UMWSD	)	Interest income	-	112	440	440	-	-
UN2	)	Interest expense	8,401	8,033	9,189	4,437	1,992	
UN3	)	Interest expense	3,343	3,130	3,242	1,653	820	
UMV	)	Interest expense	572	703	668	352	175	
USV	)	Interest expense	1,158	1,213	1,171	592	422	
UMW-OG	)	Services rendered	-	-	206	-	-	
UMW-OG	)	Interest expense	-	-	623	-	807	
UD4	)	Interest expense	-	-	4,656	-	4,187	

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### 13. ACCOUNTANTS' REPORT (Cont'd)

#### 41.0 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)

In addition to the related party transaction information disclosed elsewhere, transactions by the Group with its related parties are as follows: (Contd.)

Companies	Transacting Parties	Nature of Transactions	FRS Framework				MFRS Framework	
			2010	2011	2012	30.6.2012	30.6.2013	Audited 6 months ended
			RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
UOS-TK	) UMW Oilfield International (L) Ltd., a related company of the Group.	Purchase of goods.	78,259	-	-	-	-	-
US-3	)	Purchase of goods	4,122	-	-	-	-	-
UJD	) Japan Drilling Co. Ltd., a corporate shareholder of UJD and its subsidiaries.	Purchase of goods and services	15,783	20,589	35,444	22,916	14,091	
	)	Bareboat charter	25,176	66,407	152,067	80,419	28,926	
	)							

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## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 41.0 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)

## Compensation of Key Management Personnel

	FRS Framework		MFRS Framework		
	<-----Audited----->		Unaudited	Audited	
	2010	2011	2012	6 months ended	6 months ended
	RM'000	RM'000	RM'000	30.6.2012 RM'000	30.6.2013 RM'000
Salaries and wages	4,357	5,019	4,164	1,242	2,149
Social security cost	5	5	5	2	3
Provision for unutilised leave	39	-	12	-	-
Pension costs - defined contribution plan	533	554	630	164	298
Retirement gratuity	-	297	80	-	-
Other staff related costs	329	350	372	170	230
	<u>5,263</u>	<u>6,225</u>	<u>5,263</u>	<u>1,578</u>	<u>2,680</u>

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 42.0 FAIR VALUE OF FINANCIAL INSTRUMENTS

## Determination of Fair Values

**Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.**

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
<b>Receivables</b>	
- Trade receivables (current)	21
- Other receivables (current)	21
- Due from related companies of holding company (current)	22
<b>Borrowings</b>	
- Fixed rate borrowings (non-current)	25
- Fixed rate borrowings (current)	27
- Floating rate borrowings (non-current)	25
- Floating rate borrowings (current)	27
<b>Payables</b>	
- Trade and other payables (current)	28
- Due to holding company and its related companies (current and non-current)	22

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instrument that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of loans and borrowings are reasonable approximation of fair value due to the insignificant impact of discounting.

The fair value of current loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 42.0 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTD.)

**Determination of Fair Values (Contd.)**Finance lease liabilities

The fair value of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Derivatives

Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing. The models incorporate various inputs including the foreign exchange spot and forward rates.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- (a) Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2 Input other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (c) Level 3 Input for the asset or liability that are not based on observable market data (unobservable input).

FRS Framework	-----MFRS Framework----->		
<----- Audited ----->			
2010	2011	2012	30.6.2013
RM'000	RM'000	RM'000	RM'000
<-----Level 2 ----->			

**Liabilities**

Financial liabilities at fair value through  
profit or loss:

- Derivative liabilities (Note 19)	-	167	527	381

The Group does not have any financial instruments classified as Level 1 and 3 as at the reporting date. There were no material transfers between Level 1, Level 2 and Level 3 during the financial year/period.

**13. ACCOUNTANTS' REPORT (Cont'd)**

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**43.0 CAPITAL MANAGEMENT**

Capital management of UMW-OG Group is monitored at the UMWH Group and at the subsidiaries of UMW-OG Group.

Capital management is not applicable to UMW-OG Group as UMW-OG Group would only be formed upon completion of the Internal Reorganisation.

**44.0 FINANCIAL RISK MANAGEMENT**

The Group's activities expose it to a variety of financial risks. The financial risk management practices of the Group seek to ensure that adequate financial resources are available for the development of the Group's business while managing credit, liquidity, interest rate and foreign currency risks. The principal aim of the Group's financial risk management practices is to identify, evaluate and manage financial risks with an objective to minimize potential adverse effects on the financial performance of the Group. Currently, the financial risk management practices are part of the UMW Group's Enterprise Risk Management Framework.

The Board of Directors intends to replicate and modify where appropriate to suit the industries the Group is in, the UMW Group Enterprise Risk Management Framework for use by the Company and its proposed subsidiaries. The Group's risk governance structure is expected to comprise the following:

- (i) an investment and risk management committee of the Board of Directors;
- (ii) a risk management committee at corporate management level;
- (iii) a risk management unit at each respective operating unit; and
- (iv) a "whistleblower" committee at the Board of Directors level.

**13. ACCOUNTANTS' REPORT (Cont'd)****44.0 FINANCIAL RISK MANAGEMENT (CONTD.)**

Responsibilities of the Investment and Risk Management Committee are expected to include:

- (i) to monitor the role, effectiveness and efficiency of the Risk Management Committee and Risk Management Units at operating units;
- (ii) to review the risk profile of the Group and risk mitigation action plans; and
- (iii) to review the risk management policies, procedures and measurement methodologies of the Group and to effect changes thereto, if deemed necessary.

The Risk Management Committee will be made up of members of the Group's senior management. This committee will be responsible to identify and assess risks and make recommendations on risk management to the Investment and Risk Management Committee of the Board of Directors.

Financial risk management objectives of the Group are as follows:

- (i) to minimise exposure to all financial risks including foreign currency exchange, interest, credit and liquidity risks;
- (ii) to accept certain level of financial risks including price risk and credit risk that are commensurate with the expected returns on the underlying operations and activities; and
- (iii) to minimise liquidity risk by proper cash flow planning, management and control.

The Group's financial risk management strategies include using:

- (i) derivatives to hedge its exposure to currency, interest and cash flow risks. However, use of derivatives for speculation is specifically prohibited;
- (ii) credit controls that include evaluation, acceptance, monitoring and feedback to ensure that only reasonably credit-worthy customers are accepted; and
- (iii) money market instruments, short term deposits and bank borrowings to manage liquidity risks.

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 44.0 FINANCIAL RISK MANAGEMENT (CONTD.)

The Group's strategies and practices in dealing with its major financial risks are set out below:

## (a) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. These foreign exchange risk exposures are mainly in USD.

As at 30 June 2013, approximately 24% (31 December 2012: 11%; 31 December 2011: 7%; 31 December 2010: 9%) of the Group's trade receivables are denominated in foreign currencies whilst approximately 34% (31 December 2012: 12%; 31 December 2011: 29%; 31 December 2010: 22%) of trade payables are denominated in foreign currencies.

The Group also holds cash and cash equivalents denominated in currencies other than RM for working capital purposes. As at 30 June 2013, such foreign currency balances (mainly in USD) amount to RM139,222,000 (31 December 2012: RM79,379,000; 31 December 2011: RM94,015,000; 31 December 2010: RM75,456,000) for the Group.

Material foreign currency exposures are hedged via forward exchange contracts by using foreign exchange facilities maintained with leading banks. The forward exchange contracts must be in the same currency as the hedged item. It is the Group's policy not to enter into forward contracts until a firm commitment is in place.

The table below demonstrates the sensitivity of the Group's profit after taxation as at year/period end to a reasonable possible change in the USD exchange rates against the respective functional currencies of the Group's entities with all other variables held constant:

		FRS Framework		MFRS Framework	
		Audited			
		2010	2011	2012	30.6.2013
		RM'000	RM'000	RM'000	RM'000
		Effect on profit after taxation			
USD	+ 5%	303	(269)	510	771
	- 5%	(303)	269	(510)	(771)



## 13. ACCOUNTANTS' REPORT (Cont'd)



## 44.0 FINANCIAL RISK MANAGEMENT (CONTD.)

## (b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group is exposed to interest rate risk in respect of their placements with financial institutions, bank borrowings at floating rates and loans at floating rates given to related parties. Its policy is to:

- (i) have an optimal mixture of short term deposits or placements; and
- (ii) manage its interest cost using a combination of fixed and floating rate debts.

**Sensitivity analysis for interest rate risk**

The table below demonstrates the sensitivity of the Group's profit after taxation, to possible reasonable changes in interest rates with all other variables held constant, through impact on interest income from placement of surplus funds and interest expense on floating rate borrowings:

		FRS Framework <-----MFRS Framework-----> <-----Audited----->			
		2010	2011	2012	30.6.2013
		RM'000	RM'000	RM'000	RM'000
		Effect on profit after taxation			
KLIBOR	+ 50	(128)	(149)	(149)	(63)
	- 50	128	149	149	63
LIBOR	+ 50	(3,791)	(3,568)	(3,621)	(2,021)
	- 50	3,791	3,568	3,621	2,021

**13. ACCOUNTANTS' REPORT (Cont'd)****44.0 FINANCIAL RISK MANAGEMENT (CONTD.)****(c) Credit Risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterpart default on its obligation. The Group's exposure to credit risk arises primarily from trade and other receivables and amounts due from related companies of holding company.

Credit risk is managed through the application of the UMWH Group Credit Granting Guidelines. These Guidelines outline the credit granting criteria and approval procedures as endorsed by the Board of Directors. A credit committee performs on-going monitoring on compliance and ensures that these authorisation policies and procedures are consistent with business requirements.

As at 30 June 2013, the Group has significant concentration of credit risk in the form of outstanding balances due from 3 (31 December 2012: 2; 31 December 2011: 2; 31 December 2010: 2) debtors representing 81% (31 December 2012: 86%; 31 December 2011: 89%; 31 December 2010: 68%) of the total net trade receivables.

**(d) Liquidity Risk**

Liquidity risk is the risk that the Group is unable to meet financial obligations when due, as a result of shortage of funds arising from mismatch of maturities of financial assets and liabilities.

To ensure a healthy liquidity position, it is the Group's policy to:

- (i) have the right mixture of liquid assets in its portfolio;
- (ii) maintain a healthy gearing ratio;
- (iii) finance long term assets with long term loans; and
- (iv) maintain a balance between flexible and structured financing options to finance its operations and investments.

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 44.0 FINANCIAL RISK MANAGEMENT (CONTD.)

## (d) Liquidity Risk (Contd.)

The table below summarises the maturity profile of the Group's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	----- 2010 -----				Total RM'000
	On demand or within one year RM'000	Between one and two years RM'000	Between two and five years RM'000	Over five years RM'000	
<b>FRS Framework</b>					
<b>Financial liabilities:</b>					
Trade and other payables (exclude provisions and deferred income)	79,628	-	-	-	79,628
Due to related companies of holding company	538,958	-	-	-	538,958
Loans and borrowings	42,776	130,364	500,439	94,116	767,695
<b>Total undiscounted financial liabilities</b>	<b>661,362</b>	<b>130,364</b>	<b>500,439</b>	<b>94,116</b>	<b>1,386,281</b>
	----- 2011 -----				Total RM'000
	On demand or within one year RM'000	Between one and two years RM'000	Between two and five years RM'000	Over five years RM'000	
<b>MFRS Framework</b>					
<b>Financial liabilities:</b>					
Trade and other payables (exclude provisions and deferred income)	129,059	-	-	-	129,059
Due to related companies of holding company	579,100	-	-	-	579,100
Derivatives:					
- Forward contracts	167	-	-	-	167
Loans and borrowings	91,508	135,374	497,473	56,124	780,479
<b>Total undiscounted financial liabilities</b>	<b>799,834</b>	<b>135,374</b>	<b>497,473</b>	<b>56,124</b>	<b>1,488,805</b>

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 44.0 FINANCIAL RISK MANAGEMENT (CONTD.)

## (d) Liquidity Risk (Contd.)

	2012				Total RM'000
	On demand or within one year RM'000	Between one and two years RM'000	Between two and five years RM'000	Over five years RM'000	
<b>MFRS Framework</b>					
<b>Financial liabilities:</b>					
Trade and other payables (exclude provisions and deferred income)	200,315	-	-	-	200,315
Due to holding company and its related companies	544,016	11,464	281,612	-	837,092
Derivatives:					
- Forward contracts	527	-	-	-	527
Loans and borrowings	169,970	138,861	410,334	39,448	758,613
Total undiscounted financial liabilities	914,828	150,325	691,946	39,448	1,796,547
	30.6.2013				
	On demand or within one year RM'000	Between one and two years RM'000	Between two and five years RM'000	Over five years RM'000	Total RM'000
<b>MFRS Framework</b>					
<b>Financial liabilities:</b>					
Trade and other payables (exclude provisions and deferred income)	160,520	-	-	-	160,520
Due to holding company and its related companies	1,238,080	-	-	-	1,238,080
Derivatives:					
- Forward contracts	381	-	-	-	381
Loans and borrowings	429,942	167,507	390,581	13,581	1,001,611
Total undiscounted financial liabilities	1,828,923	167,507	390,581	13,581	2,400,592

There have been no material changes to the Group's exposure to the above financial risks or the manner in which it manages and measures the risks for the FPE 30 June 2013, FYE 31 December 2012, 31 December 2011 and 31 December 2010.

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 45.0 PROPOSED SUBSIDIARIES AND PROPOSED ASSOCIATE

(a) Acquisition of OD4

On 23 May 2013, URA, a proposed subsidiary of the Group, entered into a Share Purchase Agreement with S.D. Standard Drilling Plc for the acquisition of 38,502 ordinary shares of USD1.00 each, representing 100% of the total issued and paid-up share capital of OD4, for a cash consideration of USD69.4 million (equivalent to approximately RM216.9 million).

The costs of the identifiable assets acquired and liabilities assumed from the acquisition of the subsidiary as at the effective acquisition date were as follows:

	<b>Costs recognised on acquisition RM'000</b>
Property, plant and equipment, representing cost of acquisition	<u>216,875</u>
The cash outflows on acquisition is as follows:	
Cost of acquisition satisfied by cash, representing net cash outflow of the Group	<u>216,875</u>

The acquisition was completed on 10 June 2013.

(b) Acquisition of additional interest in UPD

UMWC had, on 8 June 2012, acquired the remaining 100,000 shares of RM1.00 each in UPD, a proposed subsidiary of the Group, representing the remaining 1% of the total issued and paid-up share capital of UPD from Mr. Chuah Chong Tiam for a cash consideration of RM1,071,000.

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 45.0 PROPOSED SUBSIDIARIES AND PROPOSED ASSOCIATE (CONTD.)

(c) Acquisition of ODB

On 26 June 2012, UD4, a wholly-owned subsidiary of the Group, entered into a Share Purchase Agreement with S.D. Standard Drilling Plc for the acquisition of 42,000,000 ordinary shares of USD0.001 each, representing 100% of the total issued and paid-up share capital of ODB, for a cash consideration of USD70.0 million (equivalent to approximately RM220.6 million).

The costs of the identifiable assets acquired and liabilities assumed from the acquisition of the subsidiary as at the effective acquisition date were as follows:

	<b>Costs recognised on acquisition RM'000</b>
Property, plant and equipment	220,875
Payables	(305)
Cost of acquisition	<u>220,570</u>

The cash outflows on acquisition is as follows:

Cost of acquisition satisfied by cash, representing net cash outflow of the Group	<u>220,570</u>
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The acquisition was completed on 12 July 2012.

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 45.0 PROPOSED SUBSIDIARIES AND PROPOSED ASSOCIATE (CONTD.)

(d) Details and summarised financial information of proposed subsidiaries which have non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination.

(i) Details of subsidiaries

Name of company	Proportion of ownership interest held by non-controlling interests	
	30.06.2013 %	31.12.2012 %
UJD	15	15
UOS-TK	49	49
UOT	41.2	41.2

(ii) Summarised statement of financial position

	Current assets RM'000	Non-current assets RM'000	Current liabilities RM'000	Non-current liabilities RM'000
31 December 2012				
UJD	110,627	2,021	107,974	-
UOS-TK	2,374	1,203	467	-
UOT	4,354	1,346	533	246
30 June 2013				
UJD	68,890	1,930	64,826	-
UOS-TK	2,880	1,145	338	-
UOT	5,549	1,624	671	251

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 45.0 PROPOSED SUBSIDIARIES AND PROPOSED ASSOCIATE (CONTD.)

(iii) Summarised statements of comprehensive income

	Revenue RM'000	(Loss)/profit for the year/ period RM'000	Other comprehensive (loss)/income RM'000	Total comprehensive income RM'000
31 December 2012				
UJD	282,004	(6,344)	(329)	(6,673)
UOS-TK	3,911	675	(102)	573
UOT	5,096	896	(32)	864
30 June 2013				
UJD	92,263	1,132	188	1,320
UOS-TK	1,573	461	117	578
UOT	3,363	1,221	102	1,323

Dividends paid to non-controlling interests

	30.6.2013 RM'000	31.12.2012 RM'000
UOS-TK	-	182

(iv) Summarised cash flows

	Net cash generated from/(used in)			Net increase/ (decrease) in cash and cash equivalents RM'000	Cash and cash equivalents at end of year/period RM'000
	Operating activities RM'000	Investing activities RM'000	Financing activities RM'000		
As at 31 December 2012					
UJD	(20,906)	7	-	(20,899)	4,417
UOS-TK	599	(27)	(367)	205	1,669
UOT	448	(780)	-	(332)	2,011
As at 30 June 2013					
UJD	21,127	(11)	-	21,116	25,681
UOS-TK	173	(34)	-	139	1,864
UOT	(797)	165	-	(632)	1,379



## 13. ACCOUNTANTS' REPORT (Cont'd)



## 46.0 SICHUAN HAIHUA PETROLEUM STEEL PIPE CO. LTD.

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest
			30.6.2013/2012/2011/2010 %
Sichuan Haihua Petroleum Steel Pipe Co. Ltd.*	People's Republic of China	Manufacturing of oil, gas, water and other liquid from transmission pipes, and provision of antiseptis coating services for steel pipes.	40

\* Audited by a firm other than Ernst & Young.

The summarised financial information of SHPS, not adjusted for the proportion of ownership interest held by the UMWH Group is as follows:

	FRS Framework <-----MFRS Framework-----> <-----Audited----->			
	2010 RM'000	2011 RM'000	2012 RM'000	30.6.2013 RM'000
<b>Assets and liabilities</b>				
Current assets	14,747	20,166	32,604	31,067
Non-current assets	4,581	10,409	34,822	45,781
<b>Total assets</b>	<b>19,328</b>	<b>30,575</b>	<b>67,426</b>	<b>76,848</b>
Current liabilities	3,413	6,064	14,118	16,981
Non-current liabilities	-	5,175	33,701	40,404
<b>Total liabilities</b>	<b>3,413</b>	<b>11,239</b>	<b>47,819</b>	<b>57,385</b>
<b>Results</b>				
Revenue	9,451	11,056	14,693	6,110
<b>Profit/(loss) for the year</b>	<b>2,056</b>	<b>2,871</b>	<b>757</b>	<b>(1,064)</b>

The financial statements of SHPS are coterminous with those of the Group.

## 13. ACCOUNTANTS' REPORT (Cont'd)



## 47.0 SIGNIFICANT AND SUBSEQUENT EVENTS

In addition to the significant and subsequent events disclosed elsewhere in this report, other significant and subsequent events are as follows:

1. On 29 September 2010, UMWSD had entered into a Contract Agreement with HESS (Indonesia-Pangkah) Limited ("HESS") for the Provision of "NAGA 2" Jack-Up Drilling Services for the Pangkah WHP-B Development Drilling Programme ("Drilling Contract") executed between HESS and PT Isis Megah ("PTIM"), the joint operator and local Indonesian agent of UMWH. The total contract value of the Drilling Contract was approximately USD183,120,000 (approximately RM589,463,000) and for an estimated period of 3.7 years.
2. On 4 October 2010, UJD, a subsidiary of the Group received a Letter of Amendment and Contract Extension from PETRONAS Carigali Sdn. Bhd. ("PCSB") for a 5-year extension of the provision of a Semi-Submersible Drilling Rig "NAGA 1" contract dated 21 June 2006.
3. On 21 January 2011, UMWSD was awarded by PCSB contract for the provision of Jack-Up Drilling Rig "NAGA 3" for PCSB's domestic operations within Malaysian water. The contract is for a duration of one (1) year with two (2) one-year extension options for renewal with a contract value of approximately USD41,500,000 (approximately RM127,400,000).
4. On 31 October 2011, UJD, a subsidiary of the Group, had entered into a contract with PCSB for the provision of the Semi-Submersible Drilling Rig "HAKURYU-5" for the PETRONAS Carigali Drilling Programme. The contract value is approximately USD72,000,000.
5. UMWSD, had on 20 March 2012, received a Letter of Contract Amendment and Extension from PCSB for a 2-year extension of the Provision of a Jack-Up Drilling Rig "NAGA 3" contract dated 21 January 2011 ("the Contract Extension"). The commencement date for the Contract Extension was on 22 March 2012 and shall be valid until 21 March 2014, both dates inclusive. The value of the Contract Extension is approximately USD105,000,000 (approximately RM321,000,000).
6. On 22 April 2012, UPD entered into a bareboat charter contract with PT Saptawell Technicatama, a company incorporated in Jakarta, Indonesia, to lease its HWU UP GAIT I for a period of one year.
7. On 7 June 2012, UD4 was incorporated. The principal activity of UD4 is ownership and leasing of rig. The initial paid-up capital of UD4 is USD1.00 divided into 1 ordinary share of USD1.00.

## 13. ACCOUNTANTS' REPORT (Cont'd)



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## 47.0 SIGNIFICANT AND SUBSEQUENT EVENTS (CONTD.)

8. On 26 June 2012, UD4, a wholly-owned subsidiary of the Group, entered into a Share Purchase Agreement with S.D. Standard Drilling Plc for the acquisition of 42,000,000 ordinary shares of USD0.001 each, representing 100% of the total issued and paid-up share capital of ODB, for a total cash consideration of USD70,000,000 (equivalent to RM220,570,000) and further for the assignment of all rights and interests under the Construction and Sale Agreement ("CSA") entered into between ODB and Keppel Fels Limited ("Keppel") on 17 December 2010, for the construction of a 400 feet B Class mobile offshore self-elevating drilling unit with hull no. B324 (the "Rig"), inclusive of all equipment and spares belonging to the Rig whether on board, ashore or on order as may be delivered by Keppel under the CSA, for a consideration of USD144,000,000 (equivalent to RM440,500,000) (the "Acquisition"). The total consideration arising from the Acquisition was USD214,000,000 (equivalent to RM654,600,000), and completed on 12 July 2012.
9. On 1 February 2013, PCSB approved the request by UJD to novate the contract dated 31 October 2011 for the Provision of Semi-Submersible Drilling Rig "HAKURYU-5" for PETRONAS Carigali Drilling Programme ("the Contract") to Petronnic Sdn. Bhd. ("Petronnic") and to absolve all rights and liabilities of UJD under the Contract. Petronnic is an exclusive local marketing agent appointed by Japan Drilling Co. Ltd. ("JDC"), to represent or market HAKURYU-5, which is owned by Hakuryu 5 Inc., JDC's 100% owned subsidiary.

Subsequently, PCSB, Petronnic and UJD had entered into a Deed of Novation relating to the Contract for UJD to novate and for Petronnic to accept all of UJD's interest, rights, liabilities, obligations and responsibilities in and under the Contract.

Consequently, the bareboat charter contract entered into between UJD and Hakuryu 5, Inc. has been terminated accordingly.

10. On 3 April 2013, UJD received a Contract Extension Letter from PCSB informing of the extension of the contract for the provision of the Semi-Submersible Drilling Rig "NAGA 1" for PETRONAS Carigali Drilling Programme. The current duration is for five (5) years which commenced on 13 November 2010 and ends on 12 November 2015. The contract extension commences for a further period of two (2) years commencing 20 August 2016.
11. On 5 April 2013, URA was incorporated. The principal activity of URA is investment holding. The initial paid-up capital of URA is USD1.00 divided into 1 ordinary share of USD1.00.

**13. ACCOUNTANTS' REPORT (Cont'd)****47.0 SIGNIFICANT AND SUBSEQUENT EVENTS (CONTD.)**

12. On 10 April 2013, UMWSD received a Letter of Award ("LOA") from PCSB for the provision of UMW's Jack-Up Drilling Rig "NAGA 4" for PCSB's domestic operations within the Malaysian waters at a contract value of approximately USD157,700,000 (equivalent to RM482,400,000).

The contract is for a duration of three (3) years, commencing from the date of the Contract when NAGA 4, complete with all equipment, materials and personnel required for drilling operations, arrives at the Mobilisation Site, and is positioned, anchored, rig up and successfully function-tested and pressure-tested and accepted by PCSB, with an additional two-year option for renewal.

13. On 11 April 2013, UDA was incorporated. The principal activity of UDA is to provide training services and any other related services to any person, firm, association, government body or agency, company, corporation, organisation and institution. The initial paid-up capital of UDA is RM2.00 divided into 2 ordinary shares of RM1.00 each.
14. On 12 June 2013, UD5 was incorporated. The principal activity of UD5 is ownership and leasing of rig. The initial paid-up capital of UD5 is USD1.00 divided into 1 ordinary share of USD1.00.
15. On 12 June 2013, UD6 was incorporated. The principal activity of UD6 is ownership and leasing of rig. The initial paid-up capital of UD6 is USD1.00 divided into 1 ordinary share of USD1.00.
16. On 20 August 2013, UMW had disposed of its 60%-owned subsidiary, USG Group to UMWG for a cash consideration of RM10,000,000.

Ernst & Young  
AF: 0039  
Chartered Accountants

Ahmad Zahirudin bin Abdul Rahim  
No. 2607/12/14(J)  
Chartered Accountant

## 14. DIRECTORS' REPORT

## UMW OIL &amp; GAS CORPORATION BERHAD (878786-H)



## Registered Office:

3<sup>rd</sup> Floor, The Corporate  
No. 10, Jalan Utas (15/7)  
Batu Tiga Industrial Estate  
40200 Shah Alam  
Selangor Darul Ehsan  
Malaysia

Date: 20 SEP 2013

The Shareholders  
UMW Oil & Gas Corporation Berhad

Dear Sir/Madam

On behalf of the Directors of UMW Oil & Gas Corporation Berhad ("UMW-OG"), we wish to report after due inquiry that during the period from 30 June 2013 (being the date to which the last audited financial statements of UMW-OG and its subsidiaries ("UMW-OG Group") have been made up) to the date herein (being a date not earlier than 14 days before the issue of this Prospectus):

- (i) the business of the UMW-OG Group has, in the opinion of the Directors, been satisfactorily maintained;
- (ii) in the opinion of the Directors, no circumstances have arisen since the last audited financial statements of the UMW-OG Group which have adversely affected the trading or the values of the assets of the UMW-OG Group;
- (iii) the current assets of the UMW-OG Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (iv) save as disclosed in Section 12.2.8.8 of this Prospectus, there are no contingent liabilities by reason of any guarantees or indemnities given by the UMW-OG Group;
- (v) there has been no default or any known event that could give rise to a default situation, on payments of either interest and/or principal sums in relation to any borrowings since the last audited financial statements of the UMW-OG Group; and
- (vi) save as disclosed in Section 12.5 of this Prospectus, there has been no material change in the published reserves or any unusual factors affecting the profits of the UMW-OG Group.

Yours faithfully,  
For and on behalf of the Board of Directors of  
UMW OIL & GAS CORPORATION BERHAD



TAN SRI ASMAT BIN KAMALUDIN  
Chairman



RAZALEE BIN AMIN  
Independent Non-Executive Director

## 15. ADDITIONAL INFORMATION

### 15.1 SHARE CAPITAL

- (i) Save for the Issue Shares, no securities will be allotted or issued on the basis of this Prospectus later than 12 months after the date of the issue of this Prospectus.
- (ii) As at the LPD, we have only one class of shares in our Company, namely ordinary shares of RM0.50 each, all of which rank equally with one another. There are no special rights attached to our Shares.
- (iii) Save as disclosed in Sections 4.3 and 6 of this Prospectus, our Company has not issued or proposed to issue any shares, stocks or debentures as fully or partly paid-up in cash or otherwise, within the two preceding years from the LPD.
- (iv) Save for the Offer Shares reserved for subscription by the eligible directors and employees of our Group as disclosed in Section 4.3.2(i) of this Prospectus, and subject to our Listing, there is currently no other scheme involving our employees and Directors in the share capital of our Company or any of our subsidiaries.
- (v) As at the date of this Prospectus, neither we nor our subsidiaries have any outstanding convertible debt securities.
- (vi) Save as disclosed in Section 10.2 of this Prospectus, and save as provided for under our Articles as reproduced in Section 15.2 below and the Act, there are no other restrictions upon the holding or voting or transfer of our Shares or the interests in any of our Company or our subsidiaries or upon the declaration or payment of any dividend or distribution thereon.

### 15.2 EXTRACTS OF OUR ARTICLES

The following provisions are reproduced from our Articles and are qualified in its entirety by the provisions of our Articles and by applicable law. The words, terms and expressions appearing in the following provisions shall bear the same meanings used in our Articles unless they are otherwise defined herein or the context otherwise requires.

<b>WORDS</b>	<b>MEANINGS</b>
Act	The Companies Act 1965 and any statutory modification, amendment or re-enactment thereof for the time being in force and all subsidiary legislation made thereunder.
Articles	These Articles of Association as originally framed or altered from time to time by special resolution.
Central Depositories Act	Securities Industry (Central Depositories) Act 1991 and any statutory modification, amendment or re-enactment thereof for the time being in force and includes all subsidiary legislation made thereunder.
Company	<b>UMW OIL &amp; GAS CORPORATION BERHAD</b> <b>(Company No.: 878786-H)</b>
Deposited Security	A security standing to the credit of a Securities Account and includes securities in a Securities Account that is in suspense.
Depository	Bursa Malaysia Depository Sdn Bhd (Company No.: 165570-W) and its successors-in-title.

**15. ADDITIONAL INFORMATION (Cont'd)**

<b>WORDS</b>	<b>MEANINGS</b>
Directors	The Directors for the time being of the Company and includes alternate Directors, unless otherwise stated.
Listing Requirements	The Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad, including any modification, or amendment that may be made to the Listing Requirements from time to time and such practice notes or circulars as may be issued by Bursa Malaysia Securities Berhad, from time to time.
Market Day	A day on which the Stock Exchange is open for trading in securities.
Member	Unless otherwise expressed to the contrary, includes any person/persons for the time being holding shares in the Company and whose name appears in the Register of Members (except the Depository or its nominee company), including a Depositor who shall be treated as if he were a member pursuant to Section 35 of the Central Depositories Act, but excludes the Depository in its capacity as bare trustee.
Non Deposited Security	A security of the Company which is not a Deposited Security.
Record of Depositors	A record provided by the Depository to the Company under Chapter 24.0 of the Rules.
Rules	The Rules of the Depository including any amendments that may be made from time to time.
Securities Account	An account established by the Depository for a Depositor for the recording of deposits of securities and for dealings in such securities by the Depositor as permitted under the Central Depositories Act and/or the Rules.
Share	A share in the share capital of the Company and includes a preferred or deferred as well as an ordinary share and also stock and any security which carries any power of voting with respect to the management of the Company.
Stock Exchange	Bursa Malaysia Securities Berhad (Company No.: 635998-W) or such other name as it may assume from time to time and such other stock exchange, if any, upon which the shares of the Company may be listed and quoted.

**15. ADDITIONAL INFORMATION (Cont'd)**(i) Transfer of Shares**39. Restriction on transfer**

Subject to the restrictions imposed by these Articles, the Listing Requirements and the provisions of any written law and all rules and regulations made thereunder including the Central Depositories Act and the Rules (with respect to the transfer of Deposited Security), Shares shall be transferable, but every transfer must be in writing and in such form prescribed and approved by the Stock Exchange, or such form as may from time to time be prescribed under the Act or approved by the Stock Exchange or such authorities of the stock exchange on which the Company's Shares are listed.

**40. Transferor's right**

Subject to the Central Depositories Act and the Rules, any member may transfer all or any of the shares by instrument in writing in the form prescribed and approved by the Stock Exchange. The instrument of transfer of any share shall be executed by or on behalf of the transferor, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Record of Depositors in respect thereof.

**41. Transfer of securities**

Subject to these Articles, there shall be no restriction on the transfer of fully-paid-up shares except where required by law. The transfer of any listed security or class of listed security of the Company shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 103 and 104 of the Act, respectively, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the listed securities.

**42. Refusal to register transfers**

- (1) Subject to the restrictions imposed by these Articles and the provisions of any other law, there shall be no restrictions on the transfer of fully paid securities. No shares shall be in any circumstances be knowingly transferred to any infant, bankrupt or person of unsound mind. In case of Deposited Securities, the Depository may refuse to register any transfer of deposited security that does not comply with the Central Depositories Act and the Rules.
- (2) The Directors may decline to register the transfer of a share (not being fully paid share) to a person of whom they shall not approve, and they may also decline to register the transfer of a share on which the Company has a lien or any transfer of shares, whether fully paid up or not, made to an infant or person of unsound mind.
- (3) If the Directors decline to register any transfer they shall within one month after the date on which the transfer was lodged with the Company send to the transferor and the transferee notice of the refusal.



**15. ADDITIONAL INFORMATION (Cont'd)****43. Suspension of registers**

The registration of transfers may be suspended at such times and for such period as the Directors may from time to time determine not exceeding in the whole 30 days in any year. Subject always to the Listing Requirements of the Stock Exchange, at least ten Market Days' notice of intention to close the said register shall be given to the Stock Exchange. The said notice shall state the purpose or purposes for which the register is being closed. At least three Market Days prior notice shall be given to the Depository to prepare the appropriate Record of Depositors provided that where the Record of Depositors is required in respect of corporate actions, at least seven Market Days prior notice shall be given to the Depository.

**44. Renunciation**

Nothing in these Articles shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

**45. Non-liability for the Company's Directors and officer in respect of transfer**

- (1) Neither the Company nor its Directors nor any of its Officers shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other Officers, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument or transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. In every such case, the person registered as transferee, his executors, administrators and assigns, alone shall be entitled to be recognized as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.
- (2) Neither the Company nor its Directors nor any of its officers shall incur any liability for the act of the Depository in registering or acting upon a transfer of shares made by a Member or any persons entitled to the shares by reason of the death, bankruptcy or insanity of the Members although the same may by reason of any fraud or other cause not known to the Company or its Directors or the Depository or other officers be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument or transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee, of the particulars of the shares transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assignees alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto."

**15. ADDITIONAL INFORMATION (Cont'd)****(ii) Remuneration of Directors****"100. Directors' remuneration**

The remuneration of the Directors for a calendar year, and every subsequent calendar year thereafter shall be such amount as may be determined by a fixed sum, and not by a commission on or percentage of profits or turnover, by an ordinary resolution of the Company in general meeting, and shall unless any resolution otherwise provides, be divisible among the Directors in such proportions and manner as the Directors may agree, or failing such agreement, be divisible equally except that any Director holding office for part of a year in respect of which such fees are payable, shall be entitled to a proportionate part of such fees related to the period during which he has held office. Unless such amount so determined as aforesaid is subsequently varied by an ordinary resolution, such amount shall be applicable for all calendar years subsequent to the passing of the ordinary resolution approving the determination of that amount. Where already determined, such fees shall not be increased except by an ordinary resolution of the Company in general meeting, where notice of the proposed increase has been given in the notice convening the meeting.

**101. Reimbursement of expenses**

- (1) The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending Board Meetings of the Company.
- (2) If any Director whether he holds an executive or non executive position in the Company, being willing shall be called upon to perform extra services or to make any special arrangements in going or residing away from his country of domicile or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing if he holds an executive position in the Company, either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) and if he holds a non-executive position in the Company, either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of profits or turnover) and such remuneration may be either in addition to or in substitution for his or their share in the remuneration from time to time provided for the Directors.

**104. Remuneration of Chief Executive Officer and executive Director**

The remuneration of a Chief Executive Officer or Chief Executive Officers or executive Directors pursuant to these Articles and subject to the terms of any agreement entered into in any particular case shall be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but shall not include a commission on or percentage of turnover."

**15. ADDITIONAL INFORMATION (Cont'd)****(iii) Voting and Borrowing Powers of Directors****“126. Borrowing powers of Directors**

Subject to Article 128, the Directors may from time to time at their discretion raise or borrow for the purpose of the Company such sums of money as they think proper and may also raise or secure the payment of such money in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of debentures or debenture stock of the Company, or other securities (whether at par or at a discount or premium or otherwise), charged upon all or any part of the property of the Company (both present and future) including uncalled capital, or by means of charges, mortgages, bonds and dispositions in security or bonds or cash deposit, with or without power of sale, and upon such other terms and conditions as the Directors shall think fit. The Directors may exercise all the powers of the Company to guarantee and give guarantees or indemnities for payment of money, the performance of contracts or obligations or for the benefit or interest of the Company or its subsidiaries.

**127. Borrowings for unrelated third parties prohibited**

The Directors shall not borrow any money or mortgage or charge any of the Company or its subsidiaries' undertaking, property or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of any unrelated third party unless it is permitted by the Listing Requirements.

**128. Debentures may be assignable**

Debentures, debenture stock or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

**140. (1) Declaration of Interest and restriction of voting**

A Director who is in any way, whether directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of his interest in accordance with the provisions of the Act. A Director shall not vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly, an interest, and if he does so vote, his vote shall not be counted.”

**15. ADDITIONAL INFORMATION (Cont'd)****(iv) Changes in Capital and Variation of Class Rights****"3. Issue of Shares**

- (1) Without prejudice to any special rights previously conferred on the holders of any existing Shares or class of Shares and subject always to the provisions of the Act and to these Articles, and to the provisions of any resolution of the Company, the shares of the Company shall be under the control of the Directors who may allot and issue or otherwise dispose of the same to such persons, and on such terms and conditions with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting or return of share capital, and either at par or at a premium or otherwise and at such time or times as the Directors may think fit, but the Directors in making any issue of Shares shall comply with the following conditions:
- (a) no Director shall participate in an issue of shares or options to employees of the Company and its subsidiary companies unless the shareholders in general meeting have approved of the specific allotment to be made to such Director;
  - (b) no Shares shall be issued at a discount, except in compliance with the provisions of Section 59 of the Act;
  - (c) the rights attaching to Shares of a class other than ordinary shares shall be expressed in the resolutions passed for creating the same;
  - (d) in the case of shares offered to the public for subscription the amount payable on application on each share shall not be less than 5% of the nominal amount of the shares;
  - (e) no issue of Shares shall be made which will have the effect of transferring a controlling interest in the Company to any person or corporation without the prior approval of the Members in general meeting;
  - (f) subject to any direction to the contrary that may be given by the Company in general meeting, and Article 3(1)(g) below any original shares for the time being unissued and not allotted and any new shares from time to time to be created shall before they are issued be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under these Articles;

**15. ADDITIONAL INFORMATION (Cont'd)**

- (g) notwithstanding Article 3(1)(f) above, the Company may in the following circumstances only apply to the Committees of the Stock Exchange to waive the requirement of convening extraordinary general meetings to obtain shareholders' approval for further issues of shares (other than bonus or rights issues):
- (i) in the case of an issue of shares for a consideration other than cash where the aggregate issues of shares in any one financial year of the Company do not exceed 10% of the issued capital of the Company; and
  - (ii) in the case of an issue of shares for cash where the aggregate issues of shares in any one financial year of the Company do not exceed 5% of the issued capital of the Company and at the preceding annual general meeting of the Company, general approval has been obtained by Ordinary Resolution to the issues of shares not exceeding 5% of the then issued capital of the Company for cash prior to the next annual general meeting.

**(2) Allotment and despatch of certificates for an issue**

Subject to the Act, the Central Depositories Act, the Rules and the rules and requirements of the Stock Exchange, the Company shall ensure that any new issue of securities for which listing is sought, is made by way of crediting the Securities Account of the allottee with such securities, save and except for Non Deposited Securities. The Company shall notify the Depository of the name of the allottee or entitled person and all such particulars required by the Depository to make the appropriate entries in the Securities Account of such allottee or entitled person and deliver to the Depository the appropriate scrip or jumbo certificate registered in the name of the Depository or its nominee:-

- (a) in respect of an issue to the public, within eight Market Days of the final application date;
- (b) in respect of a rights issue within eight Market Days of the final application date for the rights issue;
- (c) in respect of a bonus issue within ten Market Days of the books closing date for the bonus issue;
- (d) in respect of any issuance of shares pursuant to an employees' share option scheme within eight Market Days of the date of receipt of notice of exercise of the option duly accompanied by the requisite payment; or
- (e) in respect of an issuance of shares arising from the conversion or the exercise of the convertible securities within eight Market Days of the date of receipt of a subscription form duly accompanied by the requisite payment; or
- (f) such other period as may be prescribed under the Listing Requirements or by the relevant exchange from time to time.

**15. ADDITIONAL INFORMATION (Cont'd)****7. Modification of class rights**

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued Shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of that class. To every such separate general meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding or representing by proxy one-third of the issued shares of the class provided if any such separate general meeting shall be adjourned by reason of there being no quorum present, and at the adjourned meeting, a quorum shall not be present within half an hour from the time appointed for such adjourned meeting, those holders of the shares of the class in question who are present in person or by proxy shall be a quorum. Any holder of shares of the class present in person or by proxy may demand a poll. To every such Special Resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply."

**15.3 DEPOSITED SECURITIES AND RIGHTS OF DEPOSITORS**

As our Shares are proposed for quotation on the Official List of the Main Market of Bursa Securities, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of the Shares must deposit his Shares with Bursa Depository on or before the date fixed, failing which our Share Registrar will be required to transfer his Shares to the Minister of Finance, Inc. and such Shares may not be traded on Bursa Securities.

Dealing in Shares deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository ("**Depositor**") by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of the Shares shall be deemed to be a shareholder of our Company and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

**15.4 GENERAL INFORMATION**

- (i) During the last financial year up to the LPD, there were no:
  - (a) public take-over offers by third parties in respect of our Shares; and
  - (b) public take-over offers by our Company in respect of other companies' shares.
- (ii) As at the LPD, save for withholding tax, there are no governmental laws, decrees, regulations or other legislations that may affect the repatriation of capital and the remittance of profits of our foreign subsidiaries and associate to Malaysia.

**15.5 MATERIAL LITIGATION**

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Directors have no knowledge of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect our financial or business position.

## 15. ADDITIONAL INFORMATION *(Cont'd)*

### 15.6 MATERIAL CONTRACTS

Save as disclosed below, we have not entered into any material contracts that are not entered into in the ordinary course of business during the two years preceding the LPD:

#### 15.6.1 Share Sale Agreement dated 5 November 2012

Agreement dated 5 November 2012 between USV and Neo Teck Seng whereby USV agreed to divest to Neo Teck Seng, and Neo Teck Seng agreed to purchase from USV 300,000 ordinary shares of SGD1 each, representing 60% of the total issued and paid-up capital in OCS, for a total consideration of SGD7,050,000 upon the terms and subject to the conditions contained in this agreement. This transaction was completed on 7 December 2012.

#### 15.6.2 Shareholder's Loan Agreement dated 10 July 2012

Agreement dated 10 July 2012 between UMWH and UD4 whereby UMWH agreed to lend to UD4 and UD4 agreed to borrow from UMWH, a shareholder's loan of USD68,000,000 at an interest rate to be calculated and determined in accordance with the terms of this agreement, to fund the purchase of a jack-up drilling rig identified as Keppel Hull No. B324 from SDSD.

#### 15.6.3 Share Purchase Agreement dated 26 June 2012

Agreement dated 26 June 2012 between UD4 and SDSD whereby SDSD agreed to sell and transfer to UD4, and UD4 agreed to acquire from SDSD, 42,000,000 ordinary shares with a par value of USD0.001 each, representing the entire shareholding in ODB ("**ODB Shares**") for a total cash consideration of USD70,000,000 comprising first payment of USD2,000,000 being the non-refundable earnest money paid on 18 June 2012; second payment of USD40,000,000 paid on 12 July 2012 and final payment of USD28,000,000 paid to SDSD as seller-credit, on 1 October 2012 upon the terms and subject to the conditions contained in this agreement. The acquisition of the ODB Shares was completed on 12 July 2012.

#### 15.6.4 Sale and Purchase of Property via an Option to Purchase

Sale and purchase of the property known as No. 4, Pandan Avenue, Singapore 609383 comprised in Lot 7841K Mukim 5 ("**Pandan Avenue Property**") from USV to CWT Project Logistics Pte Ltd, exercised via the Option to Purchase dated 20 June 2012 ("**Option**") and concluded via the acceptance by CWT Project Logistics Pte Ltd of the Option on 30 October 2012, whereby USV agreed to sell to CWT Project Logistics Pte Ltd, and CWT Project Logistics Pte Ltd agreed to purchase the Pandan Avenue Property for a total cash consideration of SGD20,500,000 upon the terms and subject to the conditions contained in the Option. The sale and purchase of the Pandan Avenue Property was completed on 30 April 2013.

#### 15.6.5 The contracts relating to the Internal Reorganisation

The following are material contracts entered into pursuant to the Internal Reorganisation:

##### (a) Sale and Purchase Agreement dated 14 May 2013

Agreement dated 14 May 2013 between USV and UMW Petropipe whereby USV agreed to sell to UMW Petropipe and UMW Petropipe agreed to purchase from USV, one ordinary share of SGD1, representing 100% of the total issued and paid up capital of UMW Marine and Offshore Pte Ltd, for a total cash consideration of RM3 upon the terms and subject to the conditions contained in this Agreement. The transaction was completed on 12 April 2013.

## 15. ADDITIONAL INFORMATION (Cont'd)

**(b) Sale and Purchase Agreement dated 14 May 2013**

Agreement dated 14 May 2013 between USV and UMW Petropipe as supplemented by a supplemental agreement dated 20 August 2013 ("**Supplemental Agreement**") whereby USV agreed to sell to UMW Petropipe and UMW Petropipe agreed to purchase from USV, 12,000,000 ordinary shares of RMB1 each, representing 40% of the total paid up capital of Sichuan Haihua Petroleum Steelpipe Co, Ltd ("**Sale Shares**"), for a total cash consideration of RM19,150,630 upon the terms and subject to the conditions contained in this Agreement ("**Disposal of Sichuan Haihua Petroleum Steelpipe Co, Ltd**"). The transaction was completed on 30 August 2013.

**(c) Sale and Purchase Agreement dated 14 May 2013**

Agreement dated 14 May 2013 between UMWH and UMW-OG as supplemented by a supplemental agreement dated 20 August 2013 ("**Supplemental Agreement**") whereby UMWH agreed to sell to UMW-OG and UMW-OG agreed to purchase from UMWH, 20,000,000 ordinary shares of RM1 each, representing 100% of the total issued and paid up capital of UMW, for a total cash consideration of RM20,000,000 upon the terms and subject to the conditions contained in this Agreement. Vide the Supplemental Agreement, the parties have agreed that the transaction will not be conditional upon the completion of the Disposal of UOS-TJ (as defined below). The transaction was completed on 6 August 2013.

**(d) Sale and Purchase Agreement dated 14 May 2013**

Agreement dated 14 May 2013 between UMW Petropipe and UMW-OG as supplemented by a supplemental agreement dated 20 August 2013 ("**Supplemental Agreement**") whereby UMW Petropipe agreed to sell to UMW-OG and UMW-OG agreed to purchase from UMW Petropipe, 9,500,000 ordinary shares of SGD1 each, representing 100% of the total issued and paid up capital of USV, for a total cash consideration of RM22,901,580 upon the terms and subject to the conditions contained in this Agreement. Vide the Supplemental Agreement, the parties have agreed that the transaction will not be conditional upon (a) the completion of the Disposal of UOS-TJ (as defined below); and (b) the completion of the Disposal of Sichuan Haihua Petroleum Steelpipe Co, Ltd. The transaction was completed on 6 August 2013.

**(e) Sale and Purchase Agreement dated 14 May 2013**

Agreement dated 14 May 2013 between UMWC and USV as supplemented by a supplemental agreement dated 20 August 2013 ("**Supplemental Agreement**") whereby UMWC agreed to sell to USV and USV agreed to purchase from UMWC, the entire registered and paid up share capital of USD2,800,000 of UOS-TJ, for a total cash consideration of RM10,119,150 upon the terms and subject to the conditions contained in this Agreement ("**Disposal of UOS-TJ**"). The transaction was completed on 30 August 2013.

**(f) Sale and Purchase Agreement dated 14 May 2013**

Agreement dated 14 May 2013 between UMWC and UMW as supplemented by a supplemental agreement dated 20 August 2013 ("**Supplemental Agreement**") whereby UMWC agreed to sell to UMW and UMW agreed to purchase from UMWC, 10,000,000 ordinary shares of RM1 each, representing 100% of the total issued and paid up capital of UPD, for a total cash consideration of RM20,932,595 upon the terms and subject to the conditions contained in this Agreement. Vide the Supplemental Agreement, the parties have agreed that the transaction will not be conditional upon the completion of the Disposal of UOS-TJ. The transaction was completed on 30 August 2013.



**15. ADDITIONAL INFORMATION (Cont'd)****(g) Sale and Purchase Agreement dated 14 May 2013**

Agreement dated 14 May 2013 between UMWC and UMW-OG as supplemented by a supplemental agreement dated 20 August 2013 ("**Supplemental Agreement**") whereby UMWC agreed to sell to UMW-OG and UMW-OG agreed to purchase from UMWC, 297,500 ordinary shares of RM1 each, representing 85% of the total issued and paid up capital of UJD, for a total cash consideration of RM1,548,239 upon the terms and subject to the conditions contained in this Agreement. Vide the Supplemental Agreement, the parties have agreed that the transaction will not be conditional upon the completion of the Disposal of UOS-TJ. The transaction was completed on 6 August 2013.

**(h) Sale and Purchase Agreement dated 14 May 2013**

Agreement dated 14 May 2013 between UMWC and UMW as supplemented by a supplemental agreement dated 20 August 2013 ("**Supplemental Agreement**") whereby UMWC agreed to sell to UMW and UMW agreed to purchase from UMWC, 14,231,250 ordinary shares of RM1 each and 10,000,000 RPS of RM0.01 each, representing 97.3% of the total issued and paid up capital of UMWSD, for a total cash consideration of RM24,231,250 upon the terms and subject to the conditions contained in this Agreement. Vide the Supplemental Agreement, the parties have agreed that the transaction will not be conditional upon the completion of the Disposal of UOS-TJ. The transaction was completed on 30 August 2013.

**(i) Sale and Purchase Agreement dated 14 May 2013**

Agreement dated 14 May 2013 between UMWC and UMW as supplemented by a supplemental agreement dated 20 August 2013 ("**Supplemental Agreement**") whereby UMWC agreed to sell to UMW and UMW agreed to purchase from UMWC, 4,250,000 ordinary shares of RM1 each, representing 100% of the total issued and paid up capital of UOS, for a total cash consideration of RM22,931,246 upon the terms and subject to the conditions contained in this Agreement. Vide the Supplemental Agreement, the parties have agreed that the transaction will not be conditional upon the completion of the Disposal of UOS-TJ. The transaction was completed on 30 August 2013.

**(j) Sale and Purchase Agreement dated 14 May 2013**

Agreement dated 14 May 2013 between UMW Petropipe and URA as supplemented by a supplemental agreement dated 20 August 2013 ("**Supplemental Agreement**") whereby UMW Petropipe agreed to sell to URA and URA agreed to purchase from UMW Petropipe, one ordinary share of USD1, representing 100% of the total issued and paid up capital of UD4, for a total cash consideration of RM3 upon the terms and subject to the conditions contained in this Agreement. Vide the Supplemental Agreement, the parties have agreed that the transaction will not be conditional upon the completion of the Disposal of UOS-TJ. The transaction was completed on 30 August 2013.

**15. ADDITIONAL INFORMATION (Cont'd)****(k) Sale and Purchase Agreement dated 14 May 2013**

Agreement dated 14 May 2013 between UMW Petropipe and URA as supplemented by a supplemental agreement dated 20 August 2013 ("**Supplemental Agreement**") whereby UMW Petropipe agreed to sell to URA and URA agreed to purchase from UMW Petropipe, 1,000,000 ordinary shares of USD1 each, representing 100% of the total issued and paid up capital of UN2, for a total cash consideration of RM3,293,000 upon the terms and subject to the conditions contained in this Agreement. Vide the Supplemental Agreement, the parties have agreed that the transaction will not be conditional upon the completion of the Disposal of UOS-TJ. The transaction was completed on 30 August 2013.

**(l) Sale and Purchase Agreement dated 14 May 2013**

Agreement dated 14 May 2013 between UMW Petropipe and URA as supplemented by a supplemental agreement dated 20 August 2013 ("**Supplemental Agreement**") whereby UMW Petropipe agreed to sell to URA and URA agreed to purchase from UMW Petropipe, one ordinary share of USD1, representing 100% of the total issued and paid up capital of UN3, for a total cash consideration of RM3 upon the terms and subject to the conditions contained in this Agreement. Vide the Supplemental Agreement, the parties have agreed that the transaction will not be conditional upon (a) the completion of the Disposal of UOS-TJ; and (b) the completion of the Disposal of Sichuan Haihua Petroleum Steelpipe Co, Ltd. The transaction was completed on 30 August 2013.

**(m) Sale and Purchase Agreement dated 14 May 2013**

Agreement dated 14 May 2013 between UMWC and URA as supplemented by a supplemental agreement dated 20 August 2013 ("**Supplemental Agreement**") whereby UMWC agreed to sell to URA and URA agreed to purchase from UMWC, 6,000,000 ordinary shares of USD1 each, representing 100% of the total issued and paid up capital of UDC, for a total cash consideration of RM22,800,600 upon the terms and subject to the conditions contained in this Agreement. Vide the Supplemental Agreement, the parties have agreed that the transaction will not be conditional upon the completion of the Disposal of UOS-TJ. The transaction was completed on 30 August 2013.

**(n) Sale and Purchase Agreement dated 14 May 2013**

Agreement dated 14 May 2013 between UMW Petropipe and URA as supplemented by a supplemental agreement dated 20 August 2013 ("**Supplemental Agreement**") whereby UMW Petropipe agreed to sell to URA and URA agreed to purchase from UMW Petropipe, 318,750 ordinary shares of USD1 each, representing 51% of the total issued and paid up capital of UOS-TK, for a total cash consideration of RM1,171,247 upon the terms and subject to the conditions contained in this Agreement. Vide the Supplemental Agreement, the parties have agreed that the transaction will not be conditional upon the completion of the Disposal of UOS-TJ. The transaction was completed on 30 August 2013.

**15. ADDITIONAL INFORMATION (Cont'd)****(o) Sale and Purchase Agreement dated 14 May 2013**

Agreement dated 14 May 2013 between UN2 and UN3 as supplemented by a supplemental agreement dated 20 August 2013 ("**Supplemental Agreement**") whereby UN2 agreed to sell to UN3 and UN3 agreed to purchase from UN2, 37,256,916 ordinary shares, representing 51% of the total issued and paid up capital of US-3, for a total cash consideration of RM143,073,780 upon the terms and subject to the conditions contained in this Agreement. Vide the Supplemental Agreement, the parties have agreed that the transaction will not be conditional upon the completion of the Disposal of UOS-TJ. The transaction was completed on 30 August 2013.

**(p) Sale and Purchase Agreement dated 20 August 2013**

Agreement dated 20 August 2013 between UMW and UMWC whereby UMW agreed to sell to UMWC and UMWC agreed to purchase from UMW, 1,956,000 ordinary shares of RM1 each, representing 60.0% of the total issued and paid up capital of UMW Synergistic Generation Sdn Bhd, for a total cash consideration of RM10,030,001 upon the terms and subject to the conditions contained in this Agreement. The transaction was completed on 30 August 2013.

**15.6.6 Share Purchase Agreement dated 23 May 2013**

Agreement dated 23 May 2013 between URA and SDS D whereby SDS D agreed to sell to URA and URA agreed to purchase from SDS D, 38,502 ordinary shares of USD1 each, representing 100% of the total issued and paid-up capital of OD4 for a total cash consideration of USD69,400,000 upon the terms and subject to the conditions contained in this Agreement. The transaction was completed on 10 June 2013.

**15.6.7 Master Cornerstone Placing Agreement dated 18 September 2013**

Master Cornerstone Agreement dated 18 September 2013 entered into among our Company, the Selling Shareholder, CIMB, Maybank IB, Credit Suisse and the Cornerstone Investors, under which the Cornerstone Investors agree to purchase an aggregate of 399,000,000 Shares, representing approximately 18.45% of the enlarged issued and paid-up share capital of our Company, pursuant to the Institutional Offering at RM2.80 per Share or the Institutional Price.

**15.6.8 Retail Underwriting Agreement dated 19 September 2013**

Retail Underwriting Agreement dated 19 September 2013 entered into between our Company, the Selling Shareholder, the Joint Managing Underwriters and the Joint Underwriters to underwrite 194,580,000 IPO Shares under the Retail Offering at a managing underwriting commission of 0.5% and an underwriting commission of 1.0% of the Retail Price multiplied by the number of IPO Shares underwritten.

**15. ADDITIONAL INFORMATION (Cont'd)****15.7 CONSENTS**

The written consents of the Principal Bankers, the Transaction Manager, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters, the Joint Underwriters, the Legal Advisers, the Share Registrar and the Issuing House listed in the Corporate Directory of this Prospectus for the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and the Reporting Accountants for the inclusion of its name, the Accountants' Report, and the Reporting Accountants' letter on the Pro forma Consolidated Statements of Financial Position as at 30 June 2013 and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of Douglas-Westwood for the inclusion of its name, the IMR Report and all references thereto in the form and context in which they are contained on this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

**15.8 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be inspected at our registered office during office hours for a period of 12 months from the date of this Prospectus:

- (i) our Memorandum and Articles;
- (ii) contracts which our Group is dependent on as referred to in Section 7.20 of this Prospectus, our material contracts as referred to in Section 15.6 of this Prospectus and the service contracts of the key management and the key technical personnel, respectively, as referred to in Sections 9.2.3 and 9.3.3 of this Prospectus, respectively;
- (iii) our audited combined financial statements for the past three FYE 31 December 2010 to 31 December 2012 and for the FPE 30 June 2013;
- (iv) the audited financial statements of our subsidiaries for the past three FYE 31 December 2010 to 31 December 2012;
- (v) our audited interim financial statements for the FPE 30 June 2013;
- (vi) the Reporting Accountants' Letter on the Pro forma Consolidated Statements of Financial Position as at 30 June 2013 as included in Section 12.5 of this Prospectus;
- (vii) the Accountants' Report as included in Section 13 of this Prospectus;
- (viii) the IMR Report as included in Section 8 of this Prospectus;
- (ix) the Directors' Report as included in Section 14 of this Prospectus; and
- (x) the letters of consent referred to in Section 15.7 of this Prospectus.

**15. ADDITIONAL INFORMATION** *(Cont'd)*

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**15.9 RESPONSIBILITY STATEMENTS**

Our Directors, the Promoter and the Selling Shareholder have seen and approved this Prospectus and they collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm that, after making all reasonable enquiries and, to the best of their knowledge and belief, there is no false or misleading statement or other facts which, if omitted, would make any statement in this Prospectus false or misleading.

Maybank IB and CIMB as the Joint Principal Advisers acknowledge that, based on all available information and to the best of their knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

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## 16. PROCEDURES FOR APPLICATION

### 16.1 OPENING AND CLOSING OF APPLICATIONS

Applications for our IPO Shares will be accepted and closed at the time and date stated as below:

OPENING OF THE RETAIL OFFERING: 10:00 a.m., 3 October 2013

CLOSING OF THE RETAIL OFFERING: 5:00 p.m., 14 October 2013

Our Directors and the Joint Managing Underwriters may decide in their absolute discretion to extend the closing date and/or time for applications to any later date(s) and/or time(s). If they decide to extend the closing date and/or time for the applications, the Price Determination Date and dates for the balloting of applications for IPO Shares under the Retail Offering, allotment/transfer of the IPO Shares to successful applicants and our Listing may be extended accordingly. Any extension will be announced in a widely circulated Bahasa Malaysia and English daily newspaper within Malaysia.

**Late applications will not be accepted.**

### 16.2 METHODS OF APPLICATION AND CATEGORY OF INVESTORS

#### 16.2.1 Application for IPO Shares under the Retail Offering

Applications for the IPO Shares pursuant to the Retail Offering may be made using either of the following:

Type of application form	Category of investor
WHITE Application Form or Electronic Share Application <sup>(1)</sup> or Internet Share Application <sup>(2)</sup>	Malaysian Public (for individuals)
WHITE Application Form only	Malaysian Public (for non-individuals, e.g. corporations, institutions, etc.)
PINK Application Form only	Eligible directors and employees of our Group and the UMWH Group
PURPLE Application Form only	Entitled Shareholders of UMWH

**Notes:**

(1) The following surcharge per Electronic Share Application will be charged by the Participating Financial Institutions:

- (i) Affin Bank Berhad – No fee will be charged for application by their account holders;
- (ii) AmBank (M) Berhad – RM1.00;
- (iii) CIMB Bank Berhad – RM2.50;
- (iv) HSBC Bank Malaysia Berhad – RM2.50;
- (v) Malayan Banking Berhad – RM1.00;
- (vi) Public Bank Berhad – RM2.00;
- (vii) RHB Bank Berhad – RM2.50; and
- (viii) Standard Chartered Bank Malaysia Berhad (at selected branches only) – RM2.50.

## 16. PROCEDURES FOR APPLICATION (Cont'd)

- (2) *The following processing fee per Internet Share Application will be charged by the respective Internet Participating Financial Institutions:*
- (i) *Affin Bank Berhad (www.affinOnline.com) – No fee will be charged for application by their account holders;*
  - (ii) *CIMB (www.eipocimb.com) – RM2.00 for payment via CIMB Bank Berhad or Malayan Banking Berhad;*
  - (iii) *CIMB Bank Berhad (www.cimbclicks.com.my) – RM2.00 for applicants with CDS accounts held with CIMB and RM2.50 for applicants with CDS accounts with other ADAs;*
  - (iv) *Malayan Banking Berhad (www.maybank2u.com.my) – RM1.00;*
  - (v) *Public Bank Berhad (www.pbebank.com) – RM2.00; and*
  - (vi) *RHB Bank Berhad (www.rhb.com.my) – RM2.50.*

You must have a CDS account before you can submit your application either by way of Application Forms or Electronic Share Application as well as Internet Share Application.

Eligible directors and employees of our Group and the UMWH Group who have made applications using the PINK Application Forms and Entitled Shareholders of UMWH who have made applications using the PURPLE Application Forms may still apply for the Issue Shares offered to the Malaysian Public using the WHITE Application Form, the Electronic Share Application or the Internet Share Application.

However, applicants using the WHITE, the PINK and the PURPLE Application Forms are not allowed to submit multiple applications in the same category of application. Further, applicants who have submitted their applications using the WHITE Application Forms are not allowed to make additional applications using the Electronic Share Applications and the Internet Share Applications, and vice versa.

### 16.2.2 Application for IPO Shares under the Institutional Offering

Malaysian institutional and selected investors and foreign institutional and selected investors being allocated the IPO Shares under the Institutional Offering (other than the Bumiputera institutional and selected investors approved by the MITI) will be contacted directly by the respective Joint Global Coordinators and Joint Bookrunners and shall follow the instructions as communicated by the respective Joint Global Coordinators and Joint Bookrunners.

Bumiputera institutional and selected investors approved by the MITI who have been allocated the Issue Shares will be contacted directly by the MITI and should follow the instructions as communicated through the MITI.

## 16. PROCEDURES FOR APPLICATION *(Cont'd)*

### 16.3 PROCEDURES FOR APPLICATION AND ACCEPTANCE

Applications must be made in relation with and subject to the terms of this Prospectus and our Memorandum and Articles. You agree to be bound by our Memorandum and Articles.

#### 16.3.1 Applications by the Malaysian Public under the Retail Offering (WHITE Application Forms, Electronic Share Applications or Internet Share Applications)

##### Eligibility

You can only apply for the Issue Shares allocated to the Malaysian Public if you meet the following requirements:

- (i) you must have a CDS account. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs listed in Section 17 of this Prospectus;
- (ii) you must be one of the following:
  - (a) a Malaysian citizen who is at least 18 years old as at the closing date of the Retail Offering with a Malaysian address;
  - (b) a corporation/institution incorporated in Malaysia where there is a majority of Malaysian citizens on your board of directors/trustee and if you have a share capital, more than half of your issued share capital, excluding preference share capital, is held by Malaysian citizens; or
  - (c) a superannuation, co-operative, foundation, provident or pension fund established or operating in Malaysia.

We will not accept applications from trustees, persons under 18 years of age, sole proprietorships, partnerships or other incorporated bodies or associations, other than corporations/institutions referred to in item (ii) (b) or (c) above or the trustees thereof; and

- (iii) you are not a director or an employee of the Issuing House or their immediate family members.

Applications by the Malaysian Public must be made on the WHITE Application Forms provided or by way of Electronic Share Application or Internet Share Application. A corporation or institution cannot apply for shares by way of Electronic Share Application or Internet Share Application. The amount payable in full upon application is RM2.80 per Issue Share.

Applicants using the WHITE Application Forms are not allowed to submit multiple applications in the same category of application. Further, applicants who have submitted their applications using WHITE Application Forms are not allowed to make additional applications using the Electronic Share Applications and the Internet Share Applications, and vice versa.



## 16. PROCEDURES FOR APPLICATION *(Cont'd)*

### 16.3.2 Application by the eligible directors and employees of our Group and the UMWH Group (PINK Application Forms)

Eligible directors and employees of our Group and the UMWH Group will be provided separately with PINK Application Forms and letters from us detailing their respective allocations. The applicants must follow the notes and instructions in the said document and where relevant, in this Prospectus. The amount payable in full upon application is RM2.80 per Issue Share.

The Prospectus will be distributed to all eligible directors and employees of our Group and UMWH Group in CD-ROM format (contents of which will be in printable format).

However, the eligible directors and employees of our Group and UMWH Group may request for a copy of the printed Prospectus from our Company or UMWH at no cost and are given an option to have the printed Prospectuses delivered to them free of charge, or to obtain the printed Prospectuses from the designated locations as stated in the letter detailing their respective allocations as well as from the following locations as stated below:

- (i) Our Company;
- (ii) UMWH;
- (iii) Issuing House; and
- (iv) ADAs disclosed in Section 17 of this Prospectus.

Any delivery charges, if applicable, will be borne by our Company and/or UMWH.

Eligible directors and employees of our Group and the UMWH Group are not precluded from making additional applications under the Malaysian Public category using the WHITE Application Forms. If you are an Entitled Shareholder of UMWH, you are also entitled to apply under the Restricted Offering using the PURPLE Application Forms.

### 16.3.3 Application by the Entitled Shareholders of UMWH (PURPLE Application Forms)

Applications by the Entitled Shareholders of UMWH must be made on the PURPLE Application Forms and NOT by way of other Application Forms or by way of Electronic Share Application or Internet Share Application. The applications must follow the notes and instructions in the said document and where relevant, in this Prospectus. The amount payable in full upon application is RM2.80 per Issue Share.

The Entitled Shareholders of UMWH are not precluded from making additional applications using the WHITE Application Forms under the Malaysian Public category.

Applicants using the PURPLE Application Forms are not allowed to submit multiple applications in the same category of application.

108,100,000 Issue Shares are reserved for applications by the Entitled Shareholders of UMWH as follows:

- (a) each Entitled Shareholder of UMWH:
  - (i) who holds 999 UMWH shares (and below, and applies for 100 Issue Shares and above, will be guaranteed an allocation of 100 Issue Shares. Applications for Issue Shares above the 100 Issue Shares already allocated will be dealt with under Section 16.3.3(c) below;

**16. PROCEDURES FOR APPLICATION** *(Cont'd)*

- (ii) who holds 1,000 UMWH shares and above, will be guaranteed an allocation of the applied number of Issue Shares for application of 1,000 Issue Shares and below (subject to a minimum application for 100 Issue Shares). Any Entitled Shareholder of UMWH who applies for more than 1,000 Issue Shares will be guaranteed an allocation of 1,000 Issue Shares. Applications for Issue Shares above the 1,000 Issue Shares already allocated will be dealt with under Section 16.3.3(b) and (c) below;
- (b) the remaining Issue Shares under application after the allocation under Section 16.3.3(a) above, will be allocated to the Entitled Shareholders of UMWH who hold 1,000 UMWH shares and above, and applies for more than 1,000 Issue Shares. The allocation will be made on a pro-rata basis according to their respective shareholdings as at the Entitlement Date (to be rounded down to the nearest board lot). Fractional allocations will be disregarded; and
- (c) any remaining Issue Shares under application after the allocation under Section 16.3.3(a) and (b) above, will be allocated to the Entitled Shareholders of UMWH on a pro-rata basis according to the number of remaining Issue Shares under application (to be rounded down to the nearest board lot). Fractional allocations will be disregarded.

As our Shares are prescribed securities, the Shares will be credited into the respective CDS accounts of the Entitled Shareholders of UMWH. No physical share certificate will be issued but the notices of allotment shall be despatched.

The Restricted Offering is non-renounceable and non-tradable. Entitled Shareholders of UMWH are not allowed to submit multiple applications for the subscription of the Issue Shares under the Restricted Offering. However, the Entitled Shareholders of UMWH are not precluded from making additional applications for the subscription of the Issue Shares using the WHITE Application Forms under the Malaysian Public category.

UMWH shareholders who are subject to the laws of any jurisdiction other than Malaysia are advised that they shall be solely responsible for seeking their own advice as to the laws of any jurisdiction which they may be subject to. The participation in the IPO by any of the UMWH shareholders shall be based on their warranty to UMWH and our Company that they may lawfully so participate without UMWH, our Company, Maybank IB and/or CIMB being in breach of the laws of any jurisdiction.

This Prospectus will not be registered under any applicable securities legislation of any foreign jurisdiction. Accordingly, the Prospectus will not be sent to the Excluded Shareholders.

**16. PROCEDURES FOR APPLICATION (Cont'd)****PURPLE Application Form**

The Prospectus will be distributed to all Entitled Shareholders of UMWH in CD-ROM format (contents of which will be in printable format).

However, the Entitled Shareholders of UMWH may request for a copy of the printed Prospectus from the Share Registrar or our Company or UMWH at no cost and are given an option to have the printed Prospectuses delivered to them free of charge, or to obtain the printed Prospectuses from the designated locations as stated below:

- (i) Our Company;
- (ii) UMWH;
- (iii) Share Registrar;
- (iv) Issuing House; and
- (v) ADAs disclosed in Section 17 of this Prospectus.

Any delivery charges, if applicable, will be borne by our Company and/or UMWH.

The PURPLE Application Forms can be obtained from the Share Registrar or downloaded from Bursa Securities' website.

Application and payment for the Issue Shares under the Restricted Offering must be made on the PURPLE Application Form issued together with this Prospectus and must be completed in accordance with the Notes and Instructions printed therein.

The completed PURPLE Application Form, together with the remittance in RM for the full amount payable in the form of Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia and made out in favour of "**SSH RESTRICTED OFFERING ACCOUNT**" and crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with the name, address and CDS Account Number of the applicant in block letters, must be received by our Share Registrar no later than 5:00 p.m. on 14 October 2013, or such other date or dates as our Directors and the Joint Managing Underwriters, may decide in their absolute discretion. Cheques or any other modes of payment will not be accepted and will be rejected.

Each completed PURPLE Application Form must be despatched by **ORDINARY POST OR DELIVERED BY HAND** in the official envelope provided, to the following address:

**Securities Services (Holdings) Sdn Bhd**

Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
Malaysia

Tel No.: +603 2084 9000  
Fax No.: +603 2094 9940

so as to arrive no later than 5:00 p.m. on 14 October 2013, or such later date or dates as the Directors and the Joint Managing Underwriters may decide in their absolute discretion.

## 16. PROCEDURES FOR APPLICATION *(Cont'd)*

### 16.4 PROCEDURES FOR APPLICATION BY WAY OF AN APPLICATION FORM UNDER THE RETAIL OFFERING TO THE MALAYSIAN PUBLIC

Each application for the Issue Shares under the Retail Offering must be made on the correct Application Form for the relevant category of investors issued together with this Prospectus and must be completed in accordance with the notes and instructions contained therein in the respective category of Application Form. The Application Forms together with the notes and instructions contained therein shall constitute an integral part of this Prospectus. Applications which do not conform **STRICTLY** to the terms of this Prospectus or the respective category of Application Form and notes and instructions or which are illegible may not be accepted at the absolute discretion of our Directors. Where the application is unsuccessful or partially successful, the applications monies or the balance of it, as the case may be, shall be refunded to you without interest and shall be despatched to you by ordinary post at your own risk to your address shown in the Record of Depositors within ten Market Days from the Closing Date (as defined below).

**Full instructions for the application for the Issue Shares offered and the procedures to be followed are set out in the Application Forms. All applicants are advised to read the Application Forms and the notes and instructions therein carefully.**

The Malaysian Public should follow the following procedures in making their applications under the Retail Offering:

#### **Step 1: Obtain application documents**

Obtain the relevant Application Form together with the Official "A" and "B" envelopes and a copy of this Prospectus.

The WHITE Application Forms can be obtained subject to availability from the following parties:

- (i) Maybank IB;
- (ii) CIMB;
- (iii) Participating organisations of Bursa Securities;
- (iv) Members of the Association of Banks in Malaysia;
- (v) Members of the Malaysian Investment Banking Association;
- (vi) Issuing House; and
- (vii) our Company.

#### **Step 2: Read this Prospectus**

In accordance with Section 232(2) of the CMSA, the Application Forms are accompanied by this Prospectus. You are advised to read and understand this Prospectus before making your application.

**16. PROCEDURES FOR APPLICATION (Cont'd)****Step 3: Complete the relevant Application Forms**

You must complete the relevant Application Form legibly and **STRICTLY** in accordance with the notes and instructions contained therein and in this Prospectus.

**(i) Personal particulars**

You must ensure that your personal particulars submitted in your application are identical with the records maintained by Bursa Depository. You are required to inform Bursa Depository promptly of any changes to your personal particulars.

If you are an individual and you are not a member of the armed forces or police, your name and national registration identity card ("**NRIC**") number must be the same as:

- (a) your NRIC;
- (b) any valid temporary identity document issued by the National Registration Department from time to time; or
- (c) your "Resit Pengenalan Sementara (KPPK 09)" issued pursuant to Peraturan 5(5), Peraturan-peraturan Pendaftaran Negara 1990.

If you are a member of the armed forces or police, your name and your armed forces or police personnel number, as the case may be, must be exactly as that stated in your authority card.

For corporations/institutions, the name and certificate of incorporation number must be the same as that stated in the certificate of incorporation or the certificate of change of name, where applicable.

If you are a non-Malaysian (in the case of PINK or PURPLE Application Forms), your name and passport number must be exactly as that stated in your passport.

Our Company together with the Issuing House will not issue any acknowledgment of receipt of your Application Form or application monies.

**(ii) CDS account number**

You must state your CDS account number in the space provided in the Application Form. Invalid or nominee or third party CDS accounts will **not** be accepted.

**(iii) Details of payment**

You must state the details of your payment in the appropriate boxes provided in the Application Form.

**(iv) Number of Issue Shares applied**

Applications must be for at least 100 Issue Shares or multiples of 100 Issue Shares.

**Step 4: Prepare appropriate form of payment**

You must prepare the correct form of payment in RM for the FULL amount payable for the Issue Shares based on the Retail Price, which is RM2.80 per Issue Share.

## 16. PROCEDURES FOR APPLICATION *(Cont'd)*

Payment must be made out in favour of “**MIH Share Issue Account No. 546**” and crossed “**A/C PAYEE ONLY**” (excluding ATM statements) and endorsed on the reverse side with your name and address. We only accept the following forms of payment:

- (i) banker’s draft or cashier’s order purchased within Malaysia only and drawn on a bank in Kuala Lumpur (differentiated by a special red band for Bumiputera applicants);
- (ii) money order or postal order (for applicants from Sabah and Sarawak only);
- (iii) Guaranteed Giro Order (“**GGO**”) from Bank Simpanan Nasional Malaysia Berhad (differentiated by a special red band for Bumiputera applicants); or
- (iv) ATM statement obtained only from any of the following:
  - (a) Affin Bank Berhad;
  - (b) Alliance Bank Malaysia Berhad;
  - (c) CIMB Bank Berhad;
  - (d) Hong Leong Bank Berhad;
  - (e) Malayan Banking Berhad; and
  - (f) RHB Bank Berhad.

We will not accept applications with excess or insufficient remittances or inappropriate forms of payment.

### **Step 5: Finalise application**

Insert the relevant Application Form together with payment and a legible photocopy of your identification document (NRIC/valid temporary identity document issued by the National Registration Department/“Resit Pengenalan Sementara (KPPK 09)”/authority card for armed forces or police personnel/certificate of incorporation or certificate of change of name for corporate or institutional applicant or passport (where applicable)) into the Official “A” envelope and seal it.

Write your name and address on the outside of the Official “A” and “B” envelopes. The name and address written must be identical to your name and address as per your NRIC/“Resit Pengenalan Sementara (KPPK 09)”/valid temporary identity document issued by the National Registration Department/authority card for armed forces or police personnel/ certificate of incorporation or the certificate of change of name, where applicable.

Affix an 80 sen stamp on the Official “A” envelope and insert the Official “A” envelope into the Official “B” envelope.

## 16. PROCEDURES FOR APPLICATION *(Cont'd)*

### Step 6: Submit application

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents can be submitted using one of the following methods:

- (i) despatched by **ORDINARY POST** in the official envelopes provided, to the following address:

**Malaysian Issuing House Sdn Bhd**  
 Level 6, Symphony House  
 Pusat Dagangan Dana 1  
 Jalan PJU 1A/46  
 47301 Petaling Jaya  
 Selangor Darul Ehsan

or

P.O.Box 8269  
 Pejabat Pos Kelana Jaya  
 46785 Petaling Jaya  
 Selangor Darul Ehsan

- (ii) **DELIVERED BY HAND AND DEPOSITED** in the Drop-In Boxes provided at the front portion of Symphony House, Pusat Perdagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan,

so as to arrive not later than 5:00 p.m. on 14 October 2013, or such later date or dates as the Directors and the Joint Managing Underwriters may decide in their absolute discretion ("**Closing Date**").

## 16.5 PROCEDURES FOR APPLICATION BY WAY OF AN ELECTRONIC SHARE APPLICATION

Only Malaysian individuals may apply for our Issue Shares made available to the Malaysian Public by way of Electronic Share Application.

### 16.5.1 Steps for Electronic Share Application through a Participating Financial Institution's ATM

- (i) you must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for our Issue Shares at an ATM belonging to other Participating Financial Institutions;
- (ii) you **must have a CDS account**;
- (iii) you are advised to read and understand this Prospectus before making the application; and

## 16. PROCEDURES FOR APPLICATION *(Cont'd)*

- (iv) you may apply for our Issue Shares via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. Mandatory statements required in the application are set out in Section 16.5.3 of this Prospectus. You are to submit at least the following information through the ATM, where the instructions on the ATM screen at which you enter your Electronic Share Application requires you to do so:
- (a) Personal Identification Number (PIN);
  - (b) MIH Share Issue Account No. 546;
  - (c) CDS account number;
  - (d) Number of Issue Shares applied for and/or the RM amount to be debited from the account; and
  - (e) Confirmation of several mandatory statements as set out in Section 16.5.3 of this Prospectus.

### 16.5.2 Participating Financial Institutions

Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches:

- (i) Affin Bank Berhad;
- (ii) AmBank (M) Berhad;
- (iii) CIMB Bank Berhad;
- (iv) HSBC Bank Malaysia Berhad;
- (v) Malayan Banking Berhad;
- (vi) Public Bank Berhad;
- (vii) RHB Bank Berhad; or
- (viii) Standard Chartered Bank Malaysia Berhad (at selected branches only).

### 16.5.3 Terms and conditions of Electronic Share Applications

The procedures for Electronic Share Applications at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions ("**Steps**"). For illustration purposes, the procedures for Electronic Share Applications at ATMs are set out in "**Steps for Electronic Share Application through a Participating Financial Institution's ATM**" in Section 16.5.1 of this Prospectus. The Steps set out the actions that the applicant must take at the ATM to complete an Electronic Share Application. Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Share Applications set out below before making an Electronic Share Application.

You must have a CDS account to be eligible to use the Electronic Share Application.

The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will **not** be accepted.



**16. PROCEDURES FOR APPLICATION (Cont'd)**

Upon the completion of your Electronic Share Application transaction at the ATM, you will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of your Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by our Company or the Issuing House. The Transaction Record is for your records and should not be submitted with any Application Form.

Upon the closing of the Retail Offering on 14 October 2013 at 5:00 p.m. ("**Closing Date and Time**"), the Participating Financial Institutions shall submit a magnetic tape containing their respective customers' applications for our Issue Shares to the Issuing House as soon as practicable but not later than 12:00 p.m. of the second business day after the Closing Date and Time.

You will be allowed to make only one application and shall not make any other application for our IPO Shares under the Retail Offering to the Malaysian Public, whether at the ATMs of any Participating Financial Institution or using Internet Share Application or using the WHITE Application Forms.

**You must ensure that you use your own CDS account number when making an Electronic Share Application. If you operate a joint account with any Participating Financial Institution, you must ensure that you enter your own CDS account number when using an ATM card issued to you in your name. Your application will be rejected if you fail to comply with the foregoing.**

The Electronic Share Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below and in Section 16.7 of this Prospectus:

- (i) The Electronic Share Application shall be made in relation with and subject to the terms of this Prospectus and our Memorandum and Articles.
- (ii) You are required to confirm the following statements (by pressing pre-designated keys (or buttons) on the ATM keyboard) and undertake that the following information given are true and correct:
  - (a) you have attained 18 years of age as at the Closing Date and Time;
  - (b) you are a Malaysian citizen residing in Malaysia;
  - (c) you have read this Prospectus and understood and agreed with the terms and conditions of the application;
  - (d) the Electronic Share Application is the only application that you are submitting for our Issue Shares for Malaysian Public; and
  - (e) you hereby give consent to the Participating Financial Institution and the Bursa Depository to disclose information pertaining to yourself and your account with the Participating Financial Institution and the Bursa Depository to the Issuing House and other relevant authorities.

The application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institutions. By doing so, you shall be deemed to have confirmed each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 133 of the Financial Services Act 2013 and Section 45 of the SICDA to the disclosure by the relevant Participating Financial Institutions or the Bursa Depository, as the case may be, of any of your particulars to the Issuing House, or any relevant regulatory bodies.

**16. PROCEDURES FOR APPLICATION (Cont'd)**

- (iii) **You confirm that you are not applying for our Issue Shares as a nominee of any other person and that any Electronic Share Application that you make is made by you as the beneficial owner. You shall only make one Electronic Share Application and shall not make any other application for our Issue Shares, whether at the ATMs of any Participating Financial Institution or using Internet Share Application or on the WHITE Application Forms.**
- (iv) You must have sufficient funds in your account with the relevant Participating Financial Institution at the time you make your Electronic Share Application, failing which your Electronic Share Application will not be completed. Any Electronic Share Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made will be rejected.
- (v) You agree and undertake to subscribe for or purchase and to accept the number of Issue Shares applied for as stated on the Transaction Record or any lesser number of Issue Shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that we decide to allot or allocate any lesser number of such Issue Shares or not to allot or allocate any Issue Shares to you, you agree to accept any such decision as final. If your Electronic Share Application is successful, your confirmation (by your action of pressing the predesignated keys (or buttons) on the ATM keyboard) of the number of Issue Shares applied for shall signify, and shall be treated as, your acceptance of the number of Issue Shares that may be allotted or allocated to you and to be bound by our Memorandum and Articles.
- (vi) We reserve the right not to accept any Electronic Share Application or accept any Electronic Share Application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allotting or allocating the Issue Shares to a reasonable number of applicants with a view to establishing an adequate market for our Issue Shares.
- (vii) Where an Electronic Share Application is not successful or successful in part only, the relevant Participating Financial Institution will be informed of the non-successful or partially successful applications. If your Electronic Share Application is not successful, the relevant Participating Financial Institution will credit the full amount of the application monies without interest into your account with that Participating Financial Institution within two Market Days after the receipt of confirmation from the Issuing House. The Issuing House shall inform the Participating Financial Institutions of the non-successful or partially successful applications within two Market Days after the balloting date. You may check your account on the fifth Market Day from the balloting date.

If your Electronic Share Application is accepted in part only, the relevant Participating Financial Institution will credit the balance of the application monies without interest into your account with the Participating Financial Institution within two Market Days after the receipt of confirmation from the Issuing House. A number of applications will, however, be held in reserve to replace any successfully balloted applications, which are subsequently rejected. For such applications, which are subsequently rejected, the application monies without interest will be refunded to applicants by the Issuing House by crediting into your account with the Participating Financial Institution not later than ten Market Days from the date of the final ballot, at your own risk.

Should you encounter any problems in your application, you may refer to the Participating Financial Institutions.

## 16. PROCEDURES FOR APPLICATION *(Cont'd)*

- (viii) You request and authorise us:
- (a) to credit our Issue Shares allocated to you into your CDS account; and
  - (b) to issue share certificate(s) representing such shares allotted in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to the Bursa Depository.
- (ix) You acknowledge that your Electronic Share Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, the Issuing House or the Participating Financial Institution and irrevocably agree that if:
- (a) our Company or the Issuing House does not receive your Electronic Share Application; and
  - (b) data relating to your Electronic Share Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to us or the Issuing House,
- you shall be deemed not to have made an Electronic Share Application and you shall not make any claim whatsoever against our Company, the Issuing House or the Participating Financial Institution for the Issue Shares applied for or for any compensation, loss or damage.
- (x) All of your particulars in the records of the relevant Participating Financial Institution at the time you make your Electronic Share Application shall be deemed to be true and correct, and we, the Issuing House and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (xi) You shall ensure that your personal particulars as recorded by both the Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Share Application will be rejected. You must inform the Bursa Depository promptly of any change in address, failing which the notification letter of successful allotment will be sent to your registered address last maintained with the Bursa Depository.
- (xii) By making and completing an Electronic Share Application, you agree that:
- (a) in consideration of us agreeing to allow and accept the application for Issue Shares via the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, your Electronic Share Application is irrevocable;
  - (b) we, the Participating Financial Institutions, the Bursa Depository and the Issuing House shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Share Application to our Company due to a breakdown or failure of transmission or communication facilities or to any cause beyond their control;
  - (c) notwithstanding the receipt of any payment by or on our behalf, the notice of successful allocation for prescribed securities issued in respect of our Issue Shares for which your Electronic Share Application has been successfully completed is the only confirmation for the acceptance of your offer to subscribe for and purchase the said Issue Shares;

## 16. PROCEDURES FOR APPLICATION (Cont'd)

- (d) you irrevocably authorise the Bursa Depository to complete and sign on your behalf as transferee or renouncee any instrument of transfer and/or other documents required for the issue of our Issue Shares allocated to you; and
  - (e) you agree that in relation to any legal action, proceedings or disputes arising out of or in relation with the contract between the parties and/or the Electronic Share Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies of Malaysia and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.
  - (f) If you are successful in your application, our Directors reserve the right to require you to appear in person at the registered office of the Issuing House within 14 days of the date of the notice issued to you to ascertain your application is genuine and valid. Our Directors shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.
- (xiii) The Issuing House, on the authority of our Directors, reserves the right to reject applications which do not conform to these instructions.

### 16.6 PROCEDURES FOR APPLICATION BY WAY OF AN INTERNET SHARE APPLICATION

Only Malaysian individuals may apply for our Issue Shares made available to the Malaysian Public by way of Internet Share Application.

Please read carefully and follow the terms of this Prospectus, the procedures, terms and conditions for Internet Share Application and the procedures set out on the internet financial services website of the Internet Participating Financial Institution before making an Internet Share Application.

#### Step 1: Set up of account

Before making an application by way of Internet Share Application, you **must have all** of the following:

- (i) an existing account with access to internet financial services with:
  - (a) **Affin Bank Berhad** at [www.affinOnline.com](http://www.affinOnline.com); or
  - (b) **CIMB** at [www.eipocimb.com](http://www.eipocimb.com); or
  - (c) **CIMB Bank Berhad** at [www.cimbclicks.com.my](http://www.cimbclicks.com.my); or
  - (d) **Malayan Banking Berhad** at [www.maybank2u.com.my](http://www.maybank2u.com.my); or
  - (e) **Public Bank Berhad** at [www.pbepbank.com](http://www.pbepbank.com); or
  - (f) **RHB Bank Berhad** at [www.rhb.com.my](http://www.rhb.com.my).

You need to have your user identification and PIN/password for the internet financial services facility; and

- (ii) an individual CDS account registered in your name (and not in a nominee's name) and in the case of a joint account an individual CDS account registered in your name which is to be used for the purpose of the application if you are making the application instead of a CDS account registered in the joint account holder's name.

## 16. PROCEDURES FOR APPLICATION *(Cont'd)*

### Step 2: Read this Prospectus

You are advised to read and understand this Prospectus before making your application.

### Step 3: Apply through Internet

*We have set out possible steps for an application of our Issue Shares via Internet Share Application below for illustration purposes only.*

**Please note that the actual steps for Internet Share Applications through the internet financial services website of a particular Internet Participating Financial Institution may differ from the steps outlined below.**

- (i) Connect to the internet financial services website of the Internet Participating Financial Institution with which you have an account.
- (ii) Log in to the internet financial services facility by entering your user identification and PIN/password.
- (iii) Navigate to the section of the website on applications in respect of IPO.
- (iv) Select the counter in respect of our Issue Shares to launch the Electronic Prospectus and the terms and conditions of the Internet Share Application.
- (v) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions.
- (vi) At the next screen, complete the online application form.
- (vii) Check that the information contained in the online application form, such as the share counter, NRIC number, CDS account number, number of Issue Shares applied for and the account number of the account with a financial institution ("**Authorised Financial Institutions**") to debit are correct, and select the designated hyperlink on the screen to confirm and submit the online application form.
- (viii) After selecting the designated hyperlink on the screen, you will have to confirm and undertake that the following mandatory statements are true and correct:
  - (a) you are at least 18 years of age as at the Closing Date and Time;
  - (b) you are a Malaysian citizen residing in Malaysia;
  - (c) you have, prior to making the Internet Share Application, received and/or have had access to a printed/electronic copy of this Prospectus, the contents of which you have read and understood;
  - (d) you agree to all the terms and conditions of the Internet Share Application as set out in this Prospectus and have carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus, before making the Internet Share Application;
  - (e) the Internet Share Application is the only application that you are submitting for our Issue Shares for Malaysian Public;
  - (f) you authorise the financial institution with whom you have an account to deduct the full amount payable for our Issue Shares from your account with the said Authorised Financial Institution;

**16. PROCEDURES FOR APPLICATION (Cont'd)**

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- (g) you give express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 134 of the Financial Services Act 2013 and Section 45 of SICDA) for the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or the Bursa Depository, as the case may be, of information pertaining to you, the Internet Share Application made by you or your account with the Internet Participating Financial Institution, to the Issuing House and the Authorised Financial Institution, the SC and any other relevant authority;
- (h) you are not applying for our Issue Shares as a nominee of any other person and the application is made in your own name, as beneficial owner and subject to the risks referred to in this Prospectus; and
- (i) you authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, Bursa Securities or other relevant parties in connection with our Retail Offering, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Share Application services or if such disclosure is requested or required in connection with our Retail Offering. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Share Application services.
- (ix) Upon submission of the online application form, you will be linked to the website of the Authorised Financial Institution to effect the online payment for our Retail Offering.
- (x) You must pay for our Issue Shares through the website of the Authorised Financial Institution, failing which the Internet Share Application is **not completed**, despite the display of the Confirmation Screen. "**Confirmation Screen**" refers to the screen which appears or is displayed on the internet financial services website, which confirms that the Internet Share Application has been completed and states the details of your Internet Share Application, including the number of Issue Shares applied for, which can be printed out by you for your records.
- (xi) As soon as the transaction is completed, a message from the Authorised Financial Institution pertaining to the payment status will appear on the screen of the website through which the online payment for the Issue Shares is being made. Subsequently, the Internet Participating Financial Institution shall confirm that the Internet Share Application has been completed, via the Confirmation Screen on its website.
- (xii) You are advised to print out the Confirmation Screen for reference and records.

## 16. PROCEDURES FOR APPLICATION *(Cont'd)*

### 16.7 TERMS AND CONDITIONS

An application under the Retail Offering is subject to the following additional terms and conditions:

- (i) You are required to pay the Retail Price of RM2.80 for each Issue Share you have applied for.
- (ii) You can submit only one application for the Issue Shares offered to the Malaysian Public. For example, if you submit an application using the WHITE Application Form, you cannot submit an Electronic Share Application or Internet Share Application, and vice versa.

However, if you have made an application under the PINK or the PURPLE Application Forms, you can still apply for the IPO Shares offered to the Malaysian Public using the WHITE Application Form or by way of Electronic Share Application or the Internet Share Application.

The Issuing House, acting under the authority of our Directors, has the discretion to reject applications that appear to be multiple applications under each category of applicants.

**We wish to caution you that if you submit more than one (1) application in your own name or by using the name of others, with or without their consent, you will be committing an offence under Section 179 of the CMSA and may be punished with a minimum fine of RM1.0 million and a jail term of up to ten years under Section 182 of the CMSA.**

- (iii) Each application under the WHITE, the PINK and the PURPLE Application Forms, the Electronic Share Application and the Internet Share Application must be for at least 100 IPO Shares or multiples of 100 IPO Shares.
- (iv) Your application must be made in connection with and subject to this Prospectus and our Memorandum and Articles. You agree to be bound by our Memorandum and Articles should you be allotted any of our Shares.
- (v) Your submission of an application does not necessarily mean that your application will be successful. Any submission of application is irrevocable.
- (vi) We or the Issuing House will not issue any acknowledgement of receipt of your application or application monies.
- (vii) You must ensure that your personal particulars submitted in your application and/or your personal particulars as recorded by the Internet Participating Financial Institution are correct, accurate and identical with the records maintained by the Bursa Depository. Otherwise, your application will be rejected. You will have to promptly notify the Bursa Depository of any change in your address, failing which the notification letter of successful allocation will be sent to your registered/correspondence address last maintained with the Bursa Depository.
- (viii) No application shall be deemed to have been accepted by reason of remittances having been presented for payment.

Our acceptance of your application to subscribe for or purchase our Issue Shares shall be constituted by the issue of notices of allotment for our Issue Shares to you.

**16. PROCEDURES FOR APPLICATION (Cont'd)**

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- (ix) Submission of your CDS account number in your application includes your authority/consent in accordance with Malaysian laws of the right of the Bursa Depository, the Participating Financial Institution and the Internet Participating Financial Institution (as the case may be) to disclose information pertaining to your CDS account and other relevant information to us, the Issuing House and any relevant regulatory bodies (as the case may be).
- (x) **You agree to accept our decision as final should we decide not to allot any Issue Shares to you.**
- (xi) Additional terms and conditions for Electronic Share Applications are as follows:
- (a) You agree and undertake to subscribe for or purchase and to accept the number of Issue Shares applied for as stated in the Transaction Record or any lesser amount that may be allotted or allocated to you.
  - (b) Your confirmation by pressing the key or button on the ATM shall be treated as your acceptance of the number of Issue Shares allotted to you.
  - (c) Should you be allotted any Issue Shares, you shall be bound by our Memorandum and Articles.
  - (d) You confirm that you are not applying for our Issue Shares as a nominee of other persons and that your Electronic Share Application is made on your own account as a beneficial owner.
  - (e) You request and authorise us to credit our Issue Shares allotted to you into your CDS account and to issue share certificate(s) representing those Issue Shares allotted in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to the Bursa Depository.
  - (f) You acknowledge that your application is subject to electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events which are not in our control, or the control of the Issuing House, the Participating Financial Institution or the Bursa Depository. You irrevocably agree that you are deemed not to have made an application if we or the Issuing House do not receive your application or your application data is wholly or partially lost, corrupted or inaccessible to us or the Issuing House. You shall not make any claim whatsoever against us, the Issuing House, the Participating Financial Institution or the Bursa Depository.
  - (g) You irrevocably authorise the Bursa Depository to complete and sign on your behalf as transferee or renounce any instrument of transfer and/or other documents required for the issue of our Issue Shares allotted to you.
  - (h) You agree that in the event of legal disputes arising from the use of the Electronic Share Applications, the mutual rights, obligations and liabilities shall be determined under the laws of Malaysia and be bound by the decisions of the Courts of Malaysia.



**16. PROCEDURES FOR APPLICATION (Cont'd)**

(xii) Additional terms and conditions for Internet Share Application are as follows:

**THE TERMS AND CONDITIONS OUTLINED BELOW SUPPLEMENT THE ADDITIONAL TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATION CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION. PLEASE REFER TO THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION FOR THE EXACT TERMS AND CONDITIONS AND INSTRUCTIONS.**

- (a) Your application will not be successfully completed and cannot be recorded as a completed application unless you have completed all relevant application steps and procedures for the Internet Share Application, which would result in the internet financial services website displaying the Confirmation Screen. You are required to complete your Internet Share Application by the close of the Retail Offering mentioned in Section 16.1 of this Prospectus.
- (b) You irrevocably agree and undertake to subscribe for or purchase and to accept the number of Issue Shares applied for as stated on the Confirmation Screen or any lesser amount that may be allotted to you. Your confirmation by clicking the designated hyperlink on the relevant screen of the website shall be treated as your acceptance of the number of Issue Shares allotted to you.
- (c) You request and authorise us to credit the Issue Shares allotted to you into your CDS account and to issue share certificate(s) representing those Issue Shares allotted in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send them to the Bursa Depository.
- (d) You irrevocably agree and acknowledge that the Internet Share Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, acts of God and other events beyond our control and the control of the Issuing House, the Internet Participating Financial Institution and/or the Authorised Financial Institution. If, in any such event, we, the Issuing House and/or the Internet Participating Financial Institution and/or the Authorised Financial Institution do not receive your Internet Share Application and/or payment, or in the event that any data relating to the Internet Share Application or the tape or any other devices containing such data is wholly or partially lost, corrupted, destroyed or inaccessible for any reason, you shall be deemed not to have made an Internet Share Application and you shall have no claim whatsoever against us, the Issuing House or the Internet Participating Financial Institution and the Authorised Financial Institution.
- (e) You irrevocably authorise the Bursa Depository to complete and sign on your behalf as transferee or renounce any instrument of transfer and/or other documents required for the issue of our Issue Shares allotted to you.
- (f) You agree that in the event of legal disputes arising from the use of Internet Share Application, the mutual rights, obligations and liabilities shall be determined under the laws of Malaysia and be bound by the decisions of the Courts of Malaysia.
- (g) You shall hold the Internet Participating Financial Institution harmless from any damages, claims or losses whatsoever, as a consequence of or arising from any rejection of your Internet Share Application by us, the Issuing House and/or the Internet Participating Financial Institution for reasons of multiple applications, suspected multiple applications, inaccurate and/or incomplete details provided by the applicant, or any other cause beyond the control of the Internet Participating Financial Institution.

## 16. PROCEDURES FOR APPLICATION *(Cont'd)*

- (h) You are not entitled to exercise any remedy of rescission for misrepresentation at any time after we have accepted your Internet Share Application.
- (i) In making the Internet Share Application, you have relied solely on the information contained in this Prospectus. We, the Promoters, the Joint Principal Advisers, the Joint Managing Underwriters and any other person involved in the Retail Offering shall not be liable for any information not contained in this Prospectus which may have been relied by you in making the Internet Share Application.

### 16.8 AUTHORITY OF OUR DIRECTORS AND THE ISSUING HOUSE

Applicants will be selected in a manner to be determined by our Directors. Due consideration will be given to the desirability of allotting our Issue Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

The Issuing House, on the authority of our Directors, reserves the right to:

- (i) reject applications which do not conform to the instructions in this Prospectus, or which are illegible, incomplete or inaccurate;
- (ii) reject or accept any application, in whole or in part, on a non-discriminatory basis without giving any reason therefor; and
- (iii) bank in all application monies including those from unsuccessful/partially successful applicants which would subsequently be refunded (where applicable) without interest by registered post.

If you are successful in your application, our Directors reserve the right to require you to appear in person at the registered office of the Issuing House within 14 days of the date of the notice issued to you to ascertain your application is genuine and valid. Our Directors are not responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

### 16.9 OVER/UNDER-SUBSCRIPTION

In the event of over-subscription in the Retail Offering, the Issuing House will conduct a ballot in the manner approved by our Directors to determine acceptance of applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of distributing our Issue Shares to a reasonable number of applicants for the purpose of broadening our shareholding base and establishing an adequate market in the trading of our Shares. Pursuant to the Bursa Securities LR, we need to have at least 1,000 public shareholders holding at least 100 Shares each at the point of our Listing. We expect to achieve this at the point of Listing. In the event that the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all applications will be returned in full without interest.

In the event of an under-subscription subject to the clawback and reallocation as set out in Section 4.3.3 of this Prospectus, all the IPO Shares not applied for under the Retail Offering will be subscribed by the Joint Managing Underwriters and the Joint Underwriters pursuant to the Retail Underwriting Agreement.

Where your successfully balloted application under the WHITE Application Form is subsequently rejected, the full amount of your application monies, will be refunded without interest to you within ten Market Days from the date of the final ballot of the application list to your address maintained with the Bursa Depository.

**16. PROCEDURES FOR APPLICATION (Cont'd)**

Where your successfully balloted application under the Electronic Share Application or the Internet Share Application is subsequently rejected, the full amount of your application monies will be refunded without interest to you by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institution, respectively.

**16.10 UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS**

If you are unsuccessful/partially successful in your application, we will refund your application monies without interest in the following manner.

**16.10.1 For applications by way of an Application Form**

- (i) The application monies or the balance of it, as the case may be, will be refunded to you via the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by registered post to your last address maintained with the Bursa Depository (for partially successful applications) within ten Market Days from the date of the final ballot.
- (ii) If your application was rejected because you did not provide a CDS account number, your application monies will be sent to the address stated in the NRIC or "Resit Pengenalan Sementara (KPPK 09)" or any valid temporary identity document issued by the National Registration Department from time to time at your own risk.
- (iii) The Issuing House reserves the right to bank in all application monies from unsuccessful applicants. These monies will be refunded by registered post to your last address maintained with the Bursa Depository or as per item (ii) above (as the case may be) within ten Market Days from the date of the final ballot.

**16.10.2 For applications by way of an Electronic Share Application**

- (i) The Issuing House shall inform the Participating Financial Institutions of the non-successful or partially successful application within two Market Days after the balloting date. The application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution within two Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the fifth Market Day from the balloting date.
- (iii) A number of applications will be reserved to replace any balloted applications which are rejected. The application monies relating to these applications which are subsequently rejected will be refunded without interest by the Issuing House by crediting into your account with the Participating Financial Institution not later than ten Market Days from the date of the final ballot. For applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Participating Financial Institution will credit the application monies (or any part thereof) without interest within two Market Days after the receipt of confirmation from the Issuing House.

**16. PROCEDURES FOR APPLICATION (Cont'd)****16.10.3 For applications by way of an Internet Share Application**

- (i) The Issuing House shall inform the Internet Participating Financial Institutions of the non-successful or partially successful application within two Market Days after the balloting date. The Internet Participating Financial Institution will arrange with the Authorised Financial Institution to refund the application monies or the balance of it into your account without interest or other benefit arising therefrom with the Authorised Financial Institution within two Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the fifth Market Day from the balloting date.
- (iii) A number of applications will be reserved to replace any balloted applications which are rejected. The application monies relating to these applications which are subsequently rejected will be refunded without interest by the Issuing House by crediting into your account with the Internet Participating Financial Institution not later than ten Market Days from the date of the final ballot. For applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Internet Participating Financial Institution will credit the application monies (or any part thereof) into your account without interest within two Market Days after the receipt of confirmation from the Issuing House.

**16.11 SUCCESSFUL APPLICANTS**

If you are successful in your application:

- (i) The IPO Shares allotted to you will be credited into your CDS account. We will not be issuing any physical share certificates to you. You shall not be entitled to withdraw any deposited securities held jointly with the by Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.
- (ii) A notice of allotment will be despatched to you at the address last maintained with Bursa Depository where you have an existing CDS account at your own risk prior to our Listing. This is your only acknowledgement of acceptance of the application.
- (iii) In the event that the Final Retail Price is lower than the Retail Price, the difference will be refunded to you without any interest thereon. The refund in the form of cheques will be despatched by ordinary post to the address maintained with Bursa Depository for applications made via WHITE Application Form or by crediting into your account with the Participating Financial Institution for applications made via the Electronic Share Application or by crediting into your account with the Internet Participating Financial Institution for applications made via the Internet Share Application, within ten Market Days from the date of final ballot of application, at your own risk.

**16. PROCEDURES FOR APPLICATION (Cont'd)****16.12 ENQUIRIES**

Enquiries in respect of the applications may be directed as follows:

<b>Mode of application</b>	<b>Parties to direct the queries</b>
Application Forms (except for the PURPLE Application Forms)	Issuing House
PURPLE Application Forms	Share Registrar
Electronic Share Application	Participating Financial Institutions
Internet Share Application	(i) Internet Participating Financial Institution (ii) Authorised Financial Institution

If you are applying for the Issue Shares as a member of the Malaysian Public, you may check the status of your application by logging onto the Issuing House's website at [www.mih.com.my](http://www.mih.com.my), or by calling the Issuing House at +603 7841 8000 or +603 7841 8289 or your ADA at the telephone number as stated in Section 17 of this Prospectus between five to ten Market Days (during office hours only) after the balloting date.

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**17. LIST OF ADAS**

The list of ADAs and their respective addresses, telephone numbers and broker codes are as follows:

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>KUALA LUMPUR</b>		
AFFIN INVESTMENT BANK BERHAD	Ground Mezzanine & 3rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel. No. : +603 2143 8668	028-001
AFFIN INVESTMENT BANK BERHAD	38A & 40A Jalan Midah 1 Taman Midah Cheras 56000 Kuala Lumpur Tel. No.: +603 9130 8803	028-005
ALLIANCE INVESTMENT BANK BERHAD	17th Floor, Menara Multi-Purpose Capital Square 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel. No.: +603 2697 6333	076-001
AMINVESTMENT BANK BERHAD	15th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: +603 2078 2788	086-001
BIMB SECURITIES SDN BHD	32nd Floor, Menara Multi-Purpose Capital Square 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel. No.: +603 2691 8887	024-001
CIMB INVESTMENT BANK BERHAD	9th Floor, Commerce Square Jalan Semantan, Damansara Heights 50490 Kuala Lumpur Tel. No.: +603 2084 9999	065-001
HONG LEONG INVESTMENT BANK BERHAD	Level 8, Menara HLA No. 36, Jalan Kia Peng 50450 Kuala Lumpur Tel. No.: +603 2168 1168	066-001
HONG LEONG INVESTMENT BANK BERHAD (formerly known as MIMB Investment Bank Berhad)	Level 18-21, Menara Raja Laut 288, Jalan Raja Laut 50350 Kuala Lumpur Tel. No.: +603 2691 0200	066-006
HWANGDBS INVESTMENT BANK BERHAD	2nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel. No.: +603 7710 6688	068-009

## 17. LIST OF ADAS (Cont'd)

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>KUALA LUMPUR (Cont'd)</b>		
HWANGDBS INVESTMENT BANK BERHAD	7th, 22nd & 23rd Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel. No.: +603 2711 6888	068-014
HWANGDBS INVESTMENT BANK BERHAD	No. 57-10 Level 10 The Boulevard, Mid Valley City Lingkaran Syed Putra 59000 Kuala Lumpur Tel. No.: +603 2287 2273	068-017
INTER-PACIFIC SECURITIES SDN BHD	West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel. No.: +603 2117 1888	054-001
INTER-PACIFIC SECURITIES SDN BHD	Ground Floor, 7-0-8 Jalan 3/109F Danau Business Centre, Danau Desa 58100 Kuala Lumpur Tel. No.: +603 7984 7796	054-003
INTER-PACIFIC SECURITIES SDN BHD	Stesyen Minyak SHELL Jalan 1/116B, Off Jalan Kuchai Lama Kuchai Entrepreneur Park 58200 Kuala Lumpur Tel. No.: +603 7981 8811	054-005
JUPITER SECURITIES SDN BHD	7th-9th Floor, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: +603 2034 1888	055-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD	11th-14th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel. No.: +603 2168 8800	053-001
KENANGA INVESTMENT BANK BERHAD	8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel. No.: +603 2164 9080	073-001
KENANGA INVESTMENT BANK BERHAD	1st Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Tel. No.: +603 2178 1133	073-029
KENANGA INVESTMENT BANK BERHAD	Ground, Mezzanine, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor (West & Centre Wing) & 1 <sup>st</sup> Floor East Wing ECM Libra Building 8, Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel. No.: +603 2089 2888	073-021

**17. LIST OF ADAS (Cont'd)**

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>KUALA LUMPUR (Cont'd)</b>		
M&A SECURITIES SDN BHD	Level 1-3, No. 45 & 47 The Boulevard, Mid Valley City Lingkar Syed Putra 59200 Kuala Lumpur Tel. No.: +603 2282 1820	057-002
MAYBANK INVESTMENT BANK BERHAD	5-13 Floor, Maybanlife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel. No.: +603 2297 8888	098-001
MERCURY SECURITIES SDN BHD	L-7-2, No. 2 Jalan Solaris Solaris Mont Kiara 50480 Kuala Lumpur Tel. No.: +603 6203 7227	093-002
MIDF AMANAH INVESTMENT BANK BERHAD	11th & 12th Floor, Menara MIDF 82 Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: +603 2173 8888	026-001
PM SECURITIES SDN BHD	Ground, Mezzanine, 1st & 10th Floor Menara PMI No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Tel. No.: +603 2146 3000	064-001
PUBLIC INVESTMENT BANK BERHAD	27th Floor, Public Bank Building No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel. No.: +603 2031 3011	051-001
RHB INVESTMENT BANK BERHAD	20th Floor, Plaza RHB Jalan Ampang 50450 Kuala Lumpur Tel. No.: +603 2333 8333	087-018
RHB INVESTMENT BANK BERHAD	No. 62 & 64, Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Tel. No.: +603 6257 5869	087-028
RHB INVESTMENT BANK BERHAD	No. 5 & 7 Jalan Pandan Indah 4/33 Pandan Indah 55100 Kuala Lumpur Tel. No.: +603 4280 4798	087-054
RHB INVESTMENT BANK BERHAD	Ground, 1st, 2nd & 3rd Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel. No.: +603 9058 7222	087-058



**17. LIST OF ADAS (Cont'd)**

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>KUALA LUMPUR (Cont'd)</b>		
RHB INVESTMENT BANK BERHAD	Level 9, Tower Three RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel. No.: +603 9287 3888	087-001
TA SECURITIES HOLDINGS BERHAD	Floor 13-16, 23, 28-30, 34 & 35 Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel. No.: +603 2072 1277	058-003
UOB KAY HIAN SECURITIES (M) SDN BHD	N3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel. No.: +603 6201 1155	078-004
<b>SELANGOR DARUL EHSAN</b>		
AFFIN INVESTMENT BANK BERHAD	2nd, 3rd & 4th Floor Wisma Amsteel Securities No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel. No.: +603 3343 9999	028-002
AFFIN INVESTMENT BANK BERHAD	Lot 229, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7729 8016	028-003
AFFIN INVESTMENT BANK BERHAD	1 <sup>st</sup> Floor, 20-22 Jalan 21/22, SEA Park 46300 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7877 6229	028-006
AFFIN INVESTMENT BANK BERHAD	No. 79-1 & 79-C Jalan Batu Nilam 5 Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel. No.: +603 3322 1999	028-007

## 17. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
<b>SELANGOR DARUL EHSAN (Cont'd)</b>		
AMINVESTMENT BANK BERHAD	4th Floor, Plaza Damansara Utama No. 2, Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7710 6613	086-003
CIMB INVESTMENT BANK BERHAD	Level G & Level 1 Tropicana City Office Tower No. 3, Jalan SS 20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7717 3388	065-009
HONG LEONG INVESTMENT BANK BERHAD	Level 10 1 First Avenue Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7724 6888	066-002
HWANGDBS INVESTMENT BANK BERHAD	16th, 18th-20th Floor, Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Tel. No.: +603 5513 3288	068-002
HWANGDBS INVESTMENT BANK BERHAD	East Wing & Centre Link Floor 3A, Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel. No.: +603 5635 6688	068-010
JF APEX SECURITIES BERHAD	6th Floor, Menara Apex Off Jalan Semenyih, Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel. No.: +603 8736 1118	079-001
JF APEX SECURITIES BERHAD	15th & 16th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7620 1118	079-002
KENANGA INVESTMENT BANK BERHAD	Ground – Fifth Floor East Wing, Quattro West No.4, Lorong Persiaran Barat 46200 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7862 6200	073-005

## 17. LIST OF ADAS (Cont'd)

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>SELANGOR DARUL EHSAN (Cont'd)</b>		
KENANGA INVESTMENT BANK BERHAD	1st Floor, Wisma UEP Pusat Perniagaan USJ 10 Jalan USJ 10/1A 47620 Subang Jaya Selangor Darul Ehsan Tel. No.: +603 8024 1682	073-006
KENANGA INVESTMENT BANK BERHAD	Suite 7.02, Level 7, Menara ING Intan Millennium Square No. 68, Jalan Batai Laut 4 Taman Intan 41300 Klang Selangor Darul Ehsan Tel. No.: +606 3005 7550	073-007
KENANGA INVESTMENT BANK BERHAD	Lot 240, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7725 9095	073-016
KENANGA INVESTMENT BANK BERHAD	35 (Ground & 1st Floor) Jalan Tiara 3 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel. No.: +603 3348 8080	073-035
KENANGA INVESTMENT BANK BERHAD	Level 1 East Wing Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel. No.: +603 5621 2118	073-030
MALACCA SECURITIES SDN BHD	Subang Jaya Branch No. 16, Jalan SS15/4B 47500 Subang Jaya Selangor Darul Ehsan Tel. No.: +603 5636 1533	012-002
MALACCA SECURITIES SDN BHD	SS2 Petaling Jaya Branch No. 58A & 60A Jalan SS2/67 47300 Petaling Jaya Selangor Darul Ehsan Tel. No. :+603 7876 1533	012-003
PM SECURITIES SDN BHD	No. 157 & 159, Jalan Kenari 23/A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel. No.: +603 8070 0773	064-003

## 17. LIST OF ADAS (Cont'd)

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>SELANGOR DARUL EHSAN (Cont'd)</b>		
PM SECURITIES SDN BHD	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel. No.: +603 3341 5300	064-007
RHB INVESTMENT BANK BERHAD	24, 24M, 24A, 26M, 28M, 28A & 30 Jalan SS 2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7873 6366	087-011
RHB INVESTMENT BANK BERHAD	No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel. No.: +603 8736 3378	087-045
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15, Jalan Bandar Rawang 4 48000 Rawang Selangor Darul Ehsan Tel. No.: +603 6092 8916	087-047
RHB INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel. No.: +603 3343 9180	087-048
RHB INVESTMENT BANK BERHAD	3rd Floor, 1A-D Jalan USJ 10/1A Pusat Perniagaan USJ 10 47610 UEP Subang Jaya Selangor Darul Ehsan Tel. No.: +603 8023 6518	087-059
RHB INVESTMENT BANK BERHAD	11-1, Jalan PJU 5/12 Dataran Sunway Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 6148 3361	087-051
RHB INVESTMENT BANK BERHAD	Ground Floor and First Floor No.13, Jalan Kenari 3 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel. No.: +603 8070 6899	087-049

## 17. LIST OF ADAS (Cont'd)

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>SELANGOR DARUL EHSAN (Cont'd)</b>		
SJ SECURITIES SDN BHD	Ground Floor, Podium Block Wisma Synergy Lot 72, Persiaran Jubli Perak Section 22 40000 Shah Alam Selangor Darul Ehsan Tel. No.: +603 5192 0202	096-001
TA SECURITIES HOLDINGS BERHAD	No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Tel. No.: +603 8025 1880	058-005
TA SECURITIES HOLDINGS BERHAD	2nd Floor, Wisma TA No.1A, Jalan SS 20/1 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7729 5713	058-007
<b>MELAKA</b>		
CIMB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel. No. : +606 2898 800	065-006
KENANGA INVESTMENT BANK BERHAD	71(A&B) & 73(A&B), Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel. No.: +606 2881 720	073-028
KENANGA INVESTMENT BANK BERHAD	22A & 22A-1 and 26 & 26-1 Jalan MP 10 Taman Merdeka Permai 75350 Batu Berendam Melaka Tel. No.: +606 3372 550	073-034
MALACCA SECURITIES SDN BHD	No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang, P. O. Box 248 75250 Melaka Tel. No.: +606 3371 533	012-001
MERCURY SECURITIES SDN BHD	No. 81-B & 83-B, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel. No.: +606 2921 898	093-003
PM SECURITIES SDN BHD	No. 11 & 13, Jalan PM2 Plaza Mahkota 75000 Melaka Tel. No.: +606 2866 008	064-006

## 17. LIST OF ADAS (Cont'd)

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>MELAKA (Cont'd)</b>		
RHB INVESTMENT BANK BERHAD	579, 580 & 581 Taman Melaka Raya 75000 Melaka Tel. No.: +606 2825 211	087-026
RHB INVESTMENT BANK BERHAD	No.19, 21 & 23 Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel. No.: +606 2833 622	087-002
TA SECURITIES HOLDINGS BERHAD	59, 59A, 59B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel. No.: +606 2862 618	058-008
<b>PERAK DARUL RIDZUAN</b>		
CIMB INVESTMENT BANK BERHAD	Ground, 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> Floor No.8, 8A – 8C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel. No.:+605 2088 688	065-010
HONG LEONG INVESTMENT BANK BERHAD	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel. No.: +605 2530 888	066-003
HWANGDBS INVESTMENT BANK BERHAD	Ground, Level 1, 2 & 3 21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Tel. No.: +605 8066 688	068-003
HWANGDBS INVESTMENT BANK BERHAD	Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel. No.: +605 2559 988	068-015
KENANGA INVESTMENT BANK BERHAD	No. 63 Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel. No.: +605 2422 828	073-022
KENANGA INVESTMENT BANK BERHAD	No. 7B-1, Jalan Laman Intan Bandar Baru Teluk Intan 36000 Teluk Intan Perak Darul Ridzuan Tel. No.: +605 6222 828	073-026

## 17. LIST OF ADAS (Cont'd)

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>PERAK DARUL RIDZUAN (Cont'd)</b>		
KENANGA INVESTMENT BANK BERHAD	Ground Floor No.25 & 25A Jalan Jaya2, Medan Jaya 32000 Setiawan Perak Darul Ridzuan Tel. No.: +605 6939 828	073-031
M&A SECURITIES SDN BHD	M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel. No.: +605 2419 800	057-001
MAYBANK INVESTMENT BANK BERHAD	B-G-04 (Ground Floor), Level 1 & 2 No.42 Persiaran Greentown 1 Pusat Perdagangan Greentown 30450 Ipoh Perak Darul Ridzuan Tel. No.: +605 2453 400	098-002
RHB INVESTMENT BANK BERHAD	21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel. No.: +605 2415 100	087-023
RHB INVESTMENT BANK BERHAD	Ground & 1 <sup>st</sup> Floor No. 17, Jalan Intan 2, Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel. No.: +605 6236 498	087-014
RHB INVESTMENT BANK BERHAD	Ground & 1 <sup>st</sup> Floor No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel. No.: +605 6921 228	087-016
RHB INVESTMENT BANK BERHAD	Ground Floor, No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel. No.: +605 8088 229	087-034
RHB INVESTMENT BANK BERHAD	72, Ground Floor Jalan Idris 31900 Kampar Perak Darul Ridzuan Tel. No.: +605 4651 261	087-044
RHB INVESTMENT BANK BERHAD	Ground Floor No. 2, Jalan Wawasan 4 Taman Wawasan 34200 Parit Buntar Perak Darul Ridzuan Tel. No.: +605 7170 888	087-052

## 17. LIST OF ADAS (Cont'd)

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>PERAK DARUL RIDZUAN (Cont'd)</b>		
TA SECURITIES HOLDINGS BERHAD	Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel. No.: +605 2531 313	058-001
UOB KAY HIAN SECURITIES (M) SDN BHD	29G, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel. No. : +605 6216 010	078-009
<b>PULAU PINANG</b>		
ALLIANCE INVESTMENT BANK BERHAD	Suite 2.1 & 2.4, Level 2 Wisma Great Eastern No. 25, Lebuh Light 10200 Penang Tel. No.: +604 2611 688	076-015
AMINVESTMENT BANK BERHAD	Mezzanine Floor & Level 3 No. 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel. No.: +604 2261 818	086-004
AMINVESTMENT BANK BERHAD	Level 3 No. 15, Lebuh Pantai 10300 Pulau Pinang Tel. No.: +604 2618 688	086-007
CIMB INVESTMENT BANK BERHAD	Ground Floor Suite 1.01, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel. No.: +604 2385 900	065-003
HWANGDBS INVESTMENT BANK BERHAD	Level 2, 3, 4, 7 & 8, Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel. No.: +604 2636 996	068-001
HWANGDBS INVESTMENT BANK BERHAD	No. 2 & 4 Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Tel. No.: +604 5372 882	068-006
INTER-PACIFIC SECURITIES SDN BHD	Ground, Mezzanine & 8 <sup>th</sup> Floor Bangunan Mayban Trust No. 3, Penang Street 10200 Pulau Pinang Tel. No.: +604 2690 888	054-002



## 17. LIST OF ADAS (Cont'd)

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>PULAU PINANG (Cont'd)</b>		
KENANGA INVESTMENT BANK BERHAD	7 <sup>th</sup> , 8 <sup>th</sup> & 16 <sup>th</sup> Floor, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel. No.: +604 2283 355	073-023
M&A SECURITIES SDN BHD	332H-1 & 332G-2 Harmony Square Jalan Perak 11600 Georgetown Pulau Pinang Tel. No.: +604 2817 611	057-005
MALACCA SECURITIES SDN BHD	Tanjung Tokong Penang Branch Prima Tanjung Suite 98-3-13A Jalan Fettes 11200 Tanjung Tokong Pulau Pinang Tel. No.: +604 8981 525	012-004
MERCURY SECURITIES SDN BHD	Ground, 1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> Floor Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth Pulau Pinang Tel. No.: +604 3322 123	093-001
MERCURY SECURITIES SDN BHD	2 <sup>nd</sup> Floor, Standard Chartered Bank Chambers 2 Lebuhr Pantai 10300 Pulau Pinang Tel. No.: +604 2639 118	093-004
PM SECURITIES SDN BHD	Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel. No.: +604 2273 000	064-004
RHB INVESTMENT BANK BERHAD	64 & 64-D Tingkat Bawah – Tingkat 3 & 5 – Tingkat 8 Lebuhr Bishop 10200 Pulau Pinang Tel. No.: +604 2634 222	087-033
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Seberang Prai Pulau Pinang Tel. No.: +604 3900 022	087-005

## 17. LIST OF ADAS (Cont'd)

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>PULAU PINANG (Cont'd)</b>		
RHB INVESTMENT BANK BERHAD	Ground & Upper Floor No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Tel. No.: +604 5402 888	087-015
RHB INVESTMENT BANK BERHAD	834, Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Pulau Pinang Tel. No.: +604 5831 888	087-032
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15-G-5, 15-G-6, 15-1-5 & 15-1-6 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Tel. No.: +604 6404 888	087-042
RHB INVESTMENT BANK BERHAD	41-A, 41-B and 41-C Lintang Angsana Bandar Baru Air Itam 11500 Pulau Pinang Tel. No.: +604 8352 988	087-056
UOB KAY HIAN SECURITIES (M) SDN BHD	1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> Floor Bangunan Heng Guan 171 Jalan Burmah 10050 Pulau Pinang Tel. No.: +604 2299 318	078-002
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 1 <sup>st</sup> Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Pulau Pinang Tel. No.: +604 5541 388	078-003
<b>PERLIS INDERA KAYANGAN</b>		
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 39, Taman Suriani Persiaran Jubli Emas 01000 Kangar Perlis Indera Kayangan Tel. No.: +604 9793 888	087-060
<b>KEDAH DARUL AMAN</b>		
ALLIANCE INVESTMENT BANK BERHAD	2nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel. No.: +604 7317 088	076-004

**17. LIST OF ADAS (Cont'd)**

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>KEDAH DARUL AMAN (Cont'd)</b>		
HWANGDBS INVESTMENT BANK BERHAD	No. 70 A, B, C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel. No.: +604 4256 666	068-011
RHB INVESTMENT BANK BERHAD	No. 112, Jalan Pengkalan Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel. No.: +604 4204 888	087-017
RHB INVESTMENT BANK BERHAD	35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Tel. No.: +604 4964 888	087-019
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor 215-A & 215-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel. No.: +604 7209 888	087-021
UOB KAY HIAN SECURITIES (M) SDN BHD	Lot 4, 5 & 5A 1st Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel. No.: +604 7322 111	078-007
<b>NEGERI SEMBILAN DARUL KHUSUS</b>		
HWANGDBS INVESTMENT BANK BERHAD	Ground & 1st Floor 105, 107 & 109, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel. No.: +606 7612 288	068-007
HWANGDBS INVESTMENT BANK BERHAD	No. 6, Upper Level Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel. No.: +606 4553 188	068-013
KENANGA INVESTMENT BANK BERHAD	1C-1 & 1D-1, First Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Darul Khusus Tel. No.: +606 7655 998	073-033

## 17. LIST OF ADAS (Cont'd)

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>NEGERI SEMBILAN DARUL KHUSUS (Cont'd)</b>		
PM SECURITIES SDN BHD	1st, 2nd & 3rd Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel. No.: +606 7623 131	064-002
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel. No.: +606 7641 641	087-024
RHB INVESTMENT BANK BERHAD	1st Floor, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel. No.: +606 4421 000	087-037
RHB INVESTMENT BANK BERHAD	1st & 2nd Floor No. 168, Jalan Mewah (Pusat Perniagaan UMNO Bahagian Jempol) 72100 Bahau Negeri Sembilan Darul Khusus Tel. No.: +606 4553 014	087-040
RHB INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 346 & 347, Batu ½, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Tel. No.: +606 6461 234	087-046
<b>JOHOR DARUL TAKZIM</b>		
ALLIANCE INVESTMENT BANK BERHAD	No. 73, Ground & 1st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel. No.: +607 7717 922	076-006
AMINVESTMENT BANK BERHAD	2nd & 3rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel. No.: +607 4342 282	086-002
AMINVESTMENT BANK BERHAD	18th & 31st Floor, Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel. No.: +607 3343 855	086-006

## 17. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
<b>JOHOR DARUL TAKZIM (Cont'd)</b>		
HONG LEONG INVESTMENT BANK BERHAD (formerly known as MIMB Investment Bank Berhad)	1st Floor, No.9 Jalan Kundang Taman Bukit Pasir 83000 Batu Pahat Johor Darul Takzim Tel. No.: +607 4313 688	066-004
HONG LEONG INVESTMENT BANK BERHAD (formerly known as MIMB Investment Bank Berhad)	Suite 25.02, Level 25 Johor Bahru City Square (Office Tower) No. 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel. No: +607 2227 388	066-005
HWANGDBS INVESTMENT BANK BERHAD	Level 7, Johor Bahru City Square (Office Tower) 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel. No.: +607 2222 692	068-004
INTER-PACIFIC SECURITIES SDN BHD	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel. No.: +607 2231 211	054-004
KENANGA INVESTMENT BANK BERHAD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel. No.: +607 3333 600	073-004
KENANGA INVESTMENT BANK BERHAD	No. 31, Lorong Dato' Ahmad Jalan Khalidi 84000 Muar Johor Darul Takzim Tel. No.: +606 9542 711	073-008
KENANGA INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 34 Jalan Genuang 85000 Segamat Johor Darul Takzim Tel. No.: +607 9333 515	073-009
KENANGA INVESTMENT BANK BERHAD	No. 33 & 35 (Ground & 1st Floor A&B) Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel. No.: +607 7771 161	073-010
KENANGA INVESTMENT BANK BERHAD	Ground Floor No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel. No.: +606 9782 292	073-011

## 17. LIST OF ADAS (Cont'd)

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>JOHOR DARUL TAKZIM (Cont'd)</b>		
KENANGA INVESTMENT BANK BERHAD	No. 24, 24A & 24B Jalan Penjaja 3 Kim Park Centre 83000 Batu Pahat Johor Darul Takzim Tel. No.: +607 4326 963	073-017
KENANGA INVESTMENT BANK BERHAD	Suite 16-02, 16-03 & 16-03A Level 16 Menara MSC Cyberport No.5 Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel. No.: +607 2237 423	073-019
KENANGA INVESTMENT BANK BERHAD	No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel. No.: +606 9532 222	073-024
KENANGA INVESTMENT BANK BERHAD	Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Tel. No.: +607 4678 885	073-025
M&A SECURITIES SDN BHD	Suite 5.3A, Level 5 Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel. No.: +607 3381 233	057-003
M&A SECURITIES SDN BHD	26, Jalan Indah 16/5 Taman Bukit Indah 81200 Johor Bahru Johor Darul Takzim Tel. No.: +607 2366 288	057-006
MERCURY SECURITIES SDN BHD	Suite 17.1, Level 17, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel. No.: +607 3316 992	093-005
PM SECURITIES SDN BHD	No. 41, Jalan Molek 2/4 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel. No.: +607 3513 232	064-005
PM SECURITIES SDN BHD	Ground & 1st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Tel. No.: +607 4333 608	064-008

## 17. LIST OF ADAS (Cont'd)

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>JOHOR DARUL TAKZIM (Cont'd)</b>		
RHB INVESTMENT BANK BERHAD	6th Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel. No.: +607 2788 821	087-006
RHB INVESTMENT BANK BERHAD	53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel. No.: +607 4380 288	087-009
RHB INVESTMENT BANK BERHAD	No. 33-1, 1st & 2nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Tel. No.: +606 9538 262	087-025
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 17, Jalan Manggis 86000 Kluang Johor Darul Takzim Tel. No.: +607 7769 655	087-031
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel. No.: +607 6626 288	087-035
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Tel. No.: +606 9787 180	087-038
RHB INVESTMENT BANK BERHAD	1st Floor, No. 2 & 4 Jalan Makmur Taman Sri Aman 85300 Labis Johor Darul Takzim Tel. No.: +607 9256 881	087-039
RHB INVESTMENT BANK BERHAD	Ground & 1st & 2nd Floor Nos. 21 & 23 Jalan Molek 1/30 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel. No.: +607 3522 293	087-043

## 17. LIST OF ADAS (Cont'd)

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>JOHOR DARUL TAKZIM (Cont'd)</b>		
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No.119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel. No.: +607 5577 628	087-029
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel. No.: +607 9321 543	087-030
UOB KAY HIAN SECURITIES (M) SDN BHD	Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel. No.: +607 3332 000	078-001
UOB KAY HIAN SECURITIES (M) SDN BHD	42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel. No.: +607 6637 398	078-005
UOB KAY HIAN SECURITIES (M) SDN BHD	No. 70, 70-01, 70-02 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel. No.: +607 3513 218	078-006
UOB KAY HIAN SECURITIES (M) SDN BHD	No. 171 (Ground Floor) Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Tel. No.: +607 5121 633	078-008
<b>PAHANG DARUL MAKMUR</b>		
ALLIANCE INVESTMENT BANK BERHAD	A-397, A-399 & A-401 Taman Sri Kuantan III, Jalan Beserah 25300 Kuantan Pahang Darul Makmur Tel. No.: +609 5660 800	076-002
CIMB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. A-27 (Aras G, 1 & 2) Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel. No. : +609 5057 800	065-007



**17. LIST OF ADAS (Cont'd)**

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>PAHANG DARUL MAKMUR (Cont'd)</b>		
KENANGA INVESTMENT BANK BERHAD	A15, A17 & A19, Ground Floor Jalan Tun Ismail 2, Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Tel. No.: +609 5171 698	073-027
RHB INVESTMENT BANK BERHAD	B32 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel. No.: +609 5173 811	087-007
RHB INVESTMENT BANK BERHAD	Ground Floor 98 Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel. No.: +609 2234 943	087-022
RHB INVESTMENT BANK BERHAD	Ground Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel. No.: +605 4914 913	087-041
<b>KELANTAN DARUL NAIM</b>		
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 3953-H, Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel. No.: +609 7430 077	087-020
TA SECURITIES HOLDINGS BERHAD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel. No.: +609 7432 288	058-004
<b>TERENGGANU DARUL IMAN</b>		
ALLIANCE INVESTMENT BANK BERHAD	No. 1D, Ground & Mezzanine No. 1E, Ground, Mezzanine 1st & 2nd Floor, Jalan Air Jerneh 20300 Kuala Terengganu Terengganu Darul Iman Tel. No.: +609 6317 922	076-009
FA SECURITIES SDN BHD	No. 51 & 51A Ground, Mezzanine & 1st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel. No.: +609 6238 128	021-001

## 17. LIST OF ADAS (Cont'd)

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>TERENGGANU DARUL IMAN (Cont'd)</b>		
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel. No.: +609 8583 109	087-027
RHB INVESTMENT BANK BERHAD	31A, Ground Floor 31A & 31B, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel. No.: +609 6261 816	087-055
<b>SARAWAK</b>		
AMINVESTMENT BANK BERHAD	No. 164, 166 & 168 1st, 2nd & 3rd Floor Jalan Abell 93100 Kuching Sarawak Tel. No.: +6082 244 791	086-005
CIMB INVESTMENT BANK BERHAD	Level 1, Wisma STA 26, Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel. No.: +6082 358 606	065-004
CIMB INVESTMENT BANK BERHAD	No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibu Sarawak Tel. No.: +6084 367 700	065-008
HWANGDBS INVESTMENT BANK BERHAD	Ground Floor & 1 <sup>st</sup> Floor No. 1, Jalan Pending 1 <sup>st</sup> floor, No. 3, Jalan Pending 93450 Kuching Sarawak Tel. No.: +6082 341 999	068-005
HWANGDBS INVESTMENT BANK BERHAD	No. 282, 1st Floor Park City Commercial Centre Phase 4, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel. No.: +6086 330 008	068-016
KENANGA INVESTMENT BANK BERHAD	Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel. No.: +6085 435 577	073-002

## 17. LIST OF ADAS (Cont'd)

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>SARAWAK (Cont'd)</b>		
KENANGA INVESTMENT BANK BERHAD	Level 5, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel. No.: +6082 338 000	073-003
KENANGA INVESTMENT BANK BERHAD	No. 11-12 (Ground & 1st Floor) Lorong Kampung Datu 3 96000 Sibul Sarawak Tel. No.: +6084 313 855	073-012
RHB INVESTMENT BANK BERHAD	Lot 170 & 171 Section 49, K. T. L. D. Jalan Chan Chin Ann 93100 Kuching Sarawak Tel. No.: +6082 422 252	087-008
RHB INVESTMENT BANK BERHAD	Lot 1268, 1st & 2nd Floor Lot 1269, 2nd Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel. No.: +6085 422 788	087-012
RHB INVESTMENT BANK BERHAD	101 & 102, Pusat Pedada Jalan Pedada 96000 Sibul Sarawak Tel. No.: +6084 329 100	087-013
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 10, Jalan Bersatu 96100 Sarikei Sarawak Tel. No.: +6084 654 100	087-050
RHB INVESTMENT BANK BERHAD	Ground Floor & 1 <sup>st</sup> Floor No. 221, Parkcity Commercial Square Phase III, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel. No.: +6086 311 770	087-053
RHB INVESTMENT BANK BERHAD	Yung Kong Abell Units No. 1-10, 2 <sup>nd</sup> Floor Lot 365, Section 50, Jalan Abell 93100 Kuching Sarawak Tel. No.: +6082 250 888	087-003

## 17. LIST OF ADAS (Cont'd)

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>SARAWAK (Cont'd)</b>		
TA SECURITIES HOLDINGS BERHAD	12G, H & I Jalan Kampong Datu 96000 Sibul Sarawak Tel. No.: +6084 319 998	058-002
TA SECURITIES HOLDINGS BERHAD	2nd Floor, (Bahagian Hadapan) Bangunan Binamas, Lot 138 Section 54, Jalan Pandung 93100 Kuching Sarawak Tel. No.: +6082 236 333	058-006
<b>SABAH</b>		
CIMB INVESTMENT BANK BERHAD	1st & 2nd Floor Central Building No.28, Jalan Sagunting 88000 Kota Kinabalu Sabah Tel. No.: +6088 328 878	065-005
KENANGA INVESTMENT BANK BERHAD	Aras 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel. No.: +6088 236 188	073-032
HWANGDBS INVESTMENT BANK BERHAD	Suite 1-9-E1, 9th Floor, CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Tel. No.: +6088 311 688	068-008
RHB INVESTMENT BANK BERHAD	Lot 14-0, Ground Floor Lorong Lintas Plaza 2 Lintas Plaza, Off Jalan Lintas 88300 Kota Kinabalu Sabah Tel.No.: +6088 258 618	087-036
RHB INVESTMENT BANK BERHAD	5th Floor, Wisma BSN Sabah Jalan Kemajuan, Karamuning 88000 Kota Kinabalu Sabah Tel. No.: +6088 269 788	087-010
RHB INVESTMENT BANK BERHAD	Ground Floor, Block 2 Lot 4 & Lot 5, Bandar Indah, Mile 4 North Road 91000 Sandakan Sabah Tel. No.: +6089 229 286	087-057

**17. LIST OF ADAS (Cont'd)**

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>SABAH (Cont'd)</b>		
UOB KAY HIAN SECURITIES (M) SDN BHD	11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Tel. No.: +6088 234 090	020-001

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## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS

## A.1 DETAILS OF OUR MAJOR LICENCES, PERMITS AND APPROVALS

Details of our major licences, approvals and permits for our operations as at the LPD together with the salient conditions imposed are as follows:

## A.1.1 Operational licences

No.	Licencee/ Contractor	Approving authority/Issuer/ Certificate/Licence/ Registration no.	Description of licence/ approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
1.	UJD	PETRONAS Licence No. 162017-H	Licence to supply equipment and to provide services to exploration companies and oil producers in Malaysia	-	25 August 2011 – 24 August 2014	Refer to notes (2), (3), (4), (5) and (6)	Complied
			<u>Approved licence category:</u>				
			SP2010105 – Drilling Service – Semi – Submersible				
2.	UPD	PETRONAS Licence no. 112187-W	Licence to supply equipment and to provide services to exploration companies and oil producers in Malaysia	-	1 May 2011 – 30 April 2014	Refer to notes (1), (3), (4), (5), (6) and (13)	Complied

Approved licence categories:

- (a) SP20200100 – Drilling Service – Drilling Tools Rental
- (b) SP2020200 – Drilling Service – Drill Pipe Rental
- (c) SP2030100 – Drilling Service – Hydraulic Workover Unit/Workover Pulling Unit

**ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)**

No.	Licencee/ Contractor	Approving authority/Issuer/ Certificate/Licence/ Registration no.	Description of approval	of licence/ licences*	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
			(d) SP203022 – Drilling					
			(e) Service – Snubbing Unit & Service					
			(f) SP2030300 – Drilling Service – Conventional Workover Rig					
			(g) SP2130000 – Drilling Service – Well Directional Drilling Equipment & Service					
			(h) SP2140000 – Drilling Service – Measurement While Drilling & Service					
			(i) SP2160000 – Drilling Service – Mud Logging					
			(j) SS1030200 – Special Categories Maintenance – Hot Tapping					
			(k) PR2010000 – Riser/Flowlines Flexible					
			(l) PR2020000 – Riser/Flowlines – Riser					

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Contractor	Approving authority/issuer/ Certificate/Licence/ Registration no.	Description of licence/ approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
3.	UMWSD	PETRONAS Licence no. 623288-D	Licence to supply equipment and to provide services to exploration companies and oil producers in Malaysia  <u>Approved licence category:</u>  SP2010101 – Drilling Service – Jackup Oilfield Rig Service – Rig Owner – Operator	-	14 January 2013 – 13 January 2016	Refer to notes (3), (4), (5), (6), (7), (8) and (9)	Complied
4.	UOS	PETRONAS Licence no. L-124847-A	Licence to supply equipment and to provide services to exploration companies and oil producers in Malaysia  <u>Approved licence categories:</u>  (a) SM508000000 (Excluding Cold Cutting & Flange Facing/Resurfacing – Upstream & Downstream Sector for West Malaysia) – SM5 Mechanical Engineering & Fabrication – 08 Machining & Fabrication Workshop  (b) SP225000000 – SP2 Production/Drilling/Work over Associated Services – 25 Tubular and Drill String Maintenance	16 November 2011	30 October 2011 – 29 October 2014	Refer to notes (1), (2) and (13)	Complied



## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Contractor	Approving authority/Issuer/ Certificate/Licence/ Registration no.	Description of licence/ approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
5.	UOS	MITI Licence no. A 005213	(c) SP236000000 – SP2 Production/Drilling/ Workover Associated Services – 36 Pipe Threading  To act as licenced manufacturer from 9 June 1988 for the production of: (i) threaded tubular goods, connectors, couplings and protectors at the place of manufacturing located at Labuan; and (ii) machined parts for oil and gas industries at the place of manufacturing located at Kemaman Supply Base, Kemaman	3 August 1988	9 June 1988 (valid unless otherwise revoked)	<ul style="list-style-type: none"> <li>MITI and the Malaysian Investment Development Authority (MIDA) shall be notified in the event there is a sale of UOS's shares.</li> <li>UOS shall train Malaysian citizens so that the transfer of technology and expertise can be channelled to all levels of employment.</li> <li>UOS shall carry out all its approved projects and in accordance with the laws and regulations enacted in Malaysia.</li> </ul>	Complied
6.	UOS	Labuan Corporation Licence no. PL: 45235	Business licence granted to UOS to carry out pipe installation and maintenance business at Asian Supply Base, Ranca Ranca Industrial Estate, Labuan	6 December 2012*	Expires 31 December 2013	-	Valid

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Contractor	Approving authority/issuer/ Certificate/Licence/ Registration no.	Description of licence/ approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance																					
7.	UOS	TenarisHydril Licence no. 230	Certificate of Authorisation to authorise UOS as the licensee of TenarisHydril products	-	Expires on 30 June 2014	-	Valid																					
8.	UOS	Vallourec Mannesmann Oil & Gas France	Certificate of Qualification to certify that UOS is the approved VAM licensee and is authorised to manufacture VAM products and is qualified to cut the following connections:	Updated on 27 June 2011	-	-	Valid																					
			<table border="1"> <thead> <tr> <th>No.</th> <th>Connections</th> <th>Ends</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>VAM, VAM ATAC, VAM AF, VAM AG</td> <td>pin &amp; box</td> </tr> <tr> <td>2.</td> <td>VAM HC</td> <td>pin &amp; box</td> </tr> <tr> <td>3.</td> <td>VAM TOP tubing</td> <td>pin &amp; box</td> </tr> <tr> <td>4.</td> <td>CLEANWELL C2.0</td> <td>pin &amp; box</td> </tr> <tr> <td>5.</td> <td>VAM KSX</td> <td>pin &amp; box</td> </tr> <tr> <td>6.</td> <td>VAM HP</td> <td>pin &amp; box</td> </tr> </tbody> </table>	No.	Connections	Ends	1.	VAM, VAM ATAC, VAM AF, VAM AG	pin & box	2.	VAM HC	pin & box	3.	VAM TOP tubing	pin & box	4.	CLEANWELL C2.0	pin & box	5.	VAM KSX	pin & box	6.	VAM HP	pin & box				
No.	Connections	Ends																										
1.	VAM, VAM ATAC, VAM AF, VAM AG	pin & box																										
2.	VAM HC	pin & box																										
3.	VAM TOP tubing	pin & box																										
4.	CLEANWELL C2.0	pin & box																										
5.	VAM KSX	pin & box																										
6.	VAM HP	pin & box																										

**ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)**

No.	Licencee/ Contractor	Approving authority/Issuer/ Certificate/Licence/ Registration no.	Description of approval	of licence/ approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
			<u>No.</u>	<u>Connections</u>	<u>Ends</u>			
			7.	VAM TOP HT	pin & box			
			8.	New VAM	pin & box			
			9.	VAM TOP casing	pin & box			
			10.	VAM F-JL	pin & box			
			11.	VAM 21	pin & box			
			12.	DINO VAM	pin & box			
9.	UOS	Vallourec Mannesmann Tubes (Oil & Gas Division)  Certificate no. VS 727	To certify that UOS has been granted a VAM licence to apply VAM joints technology to oilfield accessory equipment and to repair VAM joints on tubular products		25 May 2011	-	-	Valid

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Contractor	Approving authority/Issuer/ Certificate/Licence/ Registration no.	Description of licence/ approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
10.	UOS	API Licence no. 5CT-0271	Certificate of Authority to use the official API Monogram® on manufactured products under the conditions in the official publications of API, entitled, API Spec Q1® and API Spec 5CT and in accordance with the provisions of the API Licence Agreement	-	14 January 2012-- 14 January 2015	<ul style="list-style-type: none"> <li>API reserves the rights to revoke this authorisation to use the Official API Monogram for any reason satisfactory to the Board of Directors of API.</li> <li>In all cases where the official API Monogram is applied, the API Monogram should be used in conjunction with this certification number: 5CT-0271.</li> </ul>	Valid
11.	UOS	JFE	<p>(i) The scope of this licence includes the following: Threader</p> <p>(ii) QMS Exclusions: Section 7.3, Design and Development</p>	-	Effective from 22 August 2008	-	Valid
12.	UOS	JFE/ Hunting Oilfield Services International	To certify that UOS's facility has completed the requirements of JFE Steel Tubular Technology (JFETT) for threading of the FOX Premium Connection	-	Effective from 1 April 2003	-	Valid

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Contractor	Approving authority/Issuer/ Certificate/Licence/ Registration no.	Description of approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
13.	UDC	Labuan Offshore Financial Services Authority ("LOFSA"), Malaysia	Approval to carry out leasing of one unit of semi-submersible offshore drilling rig known as Hakuryu-III (H-3) and to carry on business with UJD	Letter dated 6 January 2006	-	In accordance with the requirements under the "Guidelines on carrying out Leasing Business in Labuan" which include and not limited to notifying LOFSA of any change to its constituent documents, shareholdings, management or business plans.	Valid
<b><u>NAGA 1</u></b>							
14.	UJD (Manager/ JDC Panama and UDC (Owner)	Nippon Kaiji Kyokai  Classification no. 749541	Certificate of Classification to certify that NAGA 1 have been surveyed and found to be in compliance with the society's rules and regulations, has been assigned a class and entered in the classification register with the following classification characters: NS, MNS – Column Stabilised Drilling Unit	22 January 2013	Expires on 25 October 2017	-	Valid
15.	UJD (Manager/ JDC Panama and UDC (Operator)	ABS  Certificate no. 7408934-2139550- 019	Certificate of Classification to certify that NAGA 1 has been surveyed in accordance with the rules of this bureau and entered in the record with the following class: 1A Column Stabilised Drilling Unit	25 October 2012	25 October 2012 – 24 October 2017	The continuance of the classification of any vessel is conditional upon the rule requirements for periodical, damage and other surveys being duly carried out. The committee reserves the right to reconsider,	Valid

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Contractor	Approving authority/issuer/ Certificate/Licence/ Registration no.	Description of approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
16.	UJD (Manager)/ JDC Panama and UDC (Operator)	Panama Merchant Marine Registry  Registration no. 30976-05-C	Statutory Certificate of Register/International Service on the particulars of NAGA 1  <u>Particulars of vessel</u> (i) Built: 1973 (ii) Length: 100.96 metres (iii) Breadth: 67.00 metres (iv) Depth: 35.00 metres (v) Port of Registry: Tokyo, Japan	28 January 2013	Expires on 27 January 2018	withhold, suspend, or cancel the class of any vessel or any part of the machinery for non-compliance with the rules, for defects reported by the surveyors which have not been rectified in accordance with their recommendations, or for non-payment of fees which are due on account of classification, statutory and cargo gear surveys. Suspension or cancellation of class may take effect immediately or after a specified period of time.	Valid

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Contractor	Approving authority/issuer/ Certificate/Licence/ Registration no.	Description of approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
17.	UJD (Manager)/ JDC Panama and UDC (Operator)	Panama Authority Licence no. 34059-CH	Radio Station Licence to authorise the installation of radio electronic equipment aboard NAGA 1, according with the laws of the Republic of Panama and the radio communications rules, annexed to the International Telecommunication Convention	7 March 2013	Expires on 6 March 2018	-	Valid
18.	UJD (Manager)/ JDC Panama and UDC (Operator)	Domestic Licensing Board Licence no. A 072746	Domestic Shipping Licence (DSL) (Provisional) granted to Kesuma Shipping Sdn Bhd (as agent on behalf of UJD) in respect of NAGA 1 pursuant to Regulation 8 of the Domestic Shipping Licensing Board Regulations 1981 for the provision of drilling rig services at Pasir Gudang waters, Kemaman, Sabah, Sarawak and Labuan only	-	15 July 2013 – 14 October 2013	This licence is not transferable.	Valid
19.	UJD (Manager)/ JDC Panama and UDC (Operator)	Panama Authority Certificate no. M 25360	Safe Manning Document to certify that NAGA 1 is safely manned having regard to the national requirements of the Republic of Panama	17 October 2012*	-	There should be on board a sufficient number (such number will depend on the size and number of lifeboats) of crew members, who may be deck officers or certified persons for operating of survival crafts and launching arrangements required for abandonment by the total number of persons on board.	Valid

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Contractor	Approving authority/Issuer/ Certificate/Licence/ Registration no.	Description of approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
20.	UJD (Manager)/ JDC Panama and UDC (Operator)	ABS  Certificate no. 7408934-2139550- 011	MODU Safety Certificate to certify that NAGA 1 has been duly surveyed and that the structure, equipment, fitting, radio station arrangements and materials of the unit and the conditions thereof are in all respects satisfactory and that the unit complies with the relevant provisions of the MODU Code 1989.	25 October 2012*	Expires on 24 October 2017	-	Valid
21.	UJD (Manager)/ JDC Panama and UDC (Operator)	ABS  Certificate no. P120651	The life-saving appliances provide for a total number of 120 persons and no more as follows: <ul style="list-style-type: none"> <li>• 4 motor propelled and fire protected survival crafts;</li> <li>• 5 survival crafts; and</li> <li>• 1 rescue boat.</li> </ul> International Tonnage Certificate to certify that the tonnages of NAGA 1 have been determined in accordance with the provisions of the International Convention on Tonnage Measurement of Ships 1969 as follows: <ul style="list-style-type: none"> <li>(i) Gross tonnage: 16,394</li> <li>(ii) Net tonnage: 4,918</li> </ul>	15 October 2012*	-	-	Valid



## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Contractor	Approving authority/issuer/ Certificate/Licence/ Registration no.	Description of approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
22.	UJD (Manager)/ JDC Panama and UDC (Operator)	ABS Certificate no. 7408934-2139550- 010	International Load Line Certificate to certify that NAGA 1 has been surveyed in accordance with the requirements of Article 14 of the International Convention on Load Lines 1966 (as modified by the Protocol of 1988 relating thereto) and that the freeboards have been assigned and load lines have been marked in accordance with the convention	25 October 2012*	Expires on 24 October 2017	-	Valid
23.	UJD (Manager)/ JDC Panama and UDC (Operator)	ABS Certificate no. 7408934-2139550- 005	International Air Pollution Prevention Certificate to certify that NAGA 1 has been surveyed and that the equipment, systems, fittings, arrangements and materials fully comply with the applicable requirements of Annex VI of the International Convention for the Prevention of Pollution from Ships 1973, as modified by the Protocol of 1978 related thereto	25 October 2012*	Expires on 24 October 2017	-	Valid

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Contractor	Approving authority/Issuer/ Certificate/Licence/ Registration no.	Description of licence/ approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
24.	UJD (Manager)/ JDC Panama and UDC (Operator)	ABS  Certificate no. 7408934-2139550- 007	International Oil Pollution Prevention Certificate to certify that NAGA 1 has been surveyed and that the structure, equipment, systems, fittings, arrangements and material of the ship and the conditions thereof are in all respects satisfactory and that the ship complies with the applicable requirements of Annex I of the International Convention for the Prevention of Pollution from Ships 1973, as modified by the Protocol of 1978 relating thereto, as amended	25 October 2012*	Expires on 24 October 2017	-	Valid
25.	UJD (Manager)/ JDC Panama and UDC (Operator)	ABS  Certificate no. 7408934-2139550- 009	International Sewage Pollution Prevention Certificate to certify that NAGA 1 is equipped with a (i) sewage treatment plant and (ii) discharge pipeline and has been surveyed and that the structure, equipment, systems, fittings, arrangements and materials of the ship and the condition thereof are in all respects satisfactory and that the ship complies with the applicable requirements of Annex IV of the International Convention for the Prevention of Pollution from Ships 1973, as modified by the Protocol of 1978 relating thereto, as	25 October 2012*	Expires on 24 October 2017	-	Valid

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Contractor	Approving authority/Issuer/ Certificate/Licence/ Registration no.	Description of approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
			amended				
	<b><u>NAGA 2</u></b>						
26.	UMWSD (Manager)/ US-1 (Owner)	Registrar Singapore, Maritime and Port Authority of Singapore	Certificate of Singapore Registry on the particulars of NAGA 2	20 April 2010	-	-	Valid
			Particulars of ship (i) Description: Steel Jack- Up Rig (ii) Date of Keel Laid: 3 January 2007 (iii) Length: 64.86 metres (iv) Breadth: 62.00 metres (v) Depth: 7.75 metres (vi) Port of Registry: Singapore				
27.	UMWSD (Manager)/ US-1 (Owner)	IDA  Licence no. SH117769	Ship Station Licence granted pursuant to section 5(1) of the Telecommunications Act and regulation 25 of the Telecommunications (Radio- communication) Regulations, to establish, install and operate the radio-communication stations for NAGA 2	23 July 2009	Expires on 30 June 2014	-	Valid

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Contractor	Approving authority/issuer/ Certificate/Licence/ Registration no.	Description of licence/ approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
28.	UMWSD (Manager)/ US-1 (Owner)	DNV	Crew Accommodation Certificate to certify that NAGA 2 has been surveyed in accordance with Regulation 5 of the Merchant Shipping (Crew Accommodation) Regulations 1997 and that the crew accommodation for NAGA 2 complied with the provisions of those regulations	23 November 2011*	-	-	Valid
29.	UMWSD (Manager)/ US-1 (Owner)	DNV	Classification Certificate – NAGA 2 that the condition of the hull, machinery and equipment is in compliance with the applicable rule requirements of the DNV offshore service specifications for the following class notation: 1A1 Self Elevating Drilling Unit	8 April 2010	Expires on 6 October 2014	Refer to notes (11) and (12)	Valid
30.	UMWSD (Manager)/ US-1 (Owner)	DNV	MODU Safety Certificate to certify that NAGA 2 has been duly surveyed and that the structure, equipment, fitting, radio station arrangements and materials of the unit and the conditions thereof are in all respects satisfactory and that the unit complies with the relevant provisions of the MODU Code 1989.	21 March 2011*	Expires on 6 October 2014	-	Valid

**ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)**

No.	Licencee/ Contractor	Approving authority/Issuer/ Certificate/Licence/ Registration no.	Description of approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
31.	UMWSD (Manager)/ US-1 (Owner)	DNV	<p>The life-saving appliances provide for a total number of 120 persons and no more as follows:</p> <ul style="list-style-type: none"> <li>• 4 lifeboats;</li> <li>• 1 rescue boat;</li> <li>• 6 liferafts;</li> <li>• 200 lifejackets;</li> <li>• 150 immersion suits; and</li> <li>• 8 lifebuoys.</li> </ul> <p>International Tonnage Certificate to certify that the tonnages of NAGA 2 have been determined in accordance with the provisions of the International Convention on Tonnage Measurement of Ships 1969 as follows:</p> <p>(i) Gross tonnage: 9,627 (ii) Net tonnage: 2,888</p>	26 March 2010*	-	-	Valid
32.	UMWSD (Manager)/ US-1 (Owner)	DNV	<p>International Load Line Certificate to certify that NAGA 2 has been surveyed in accordance with the requirements of Article 14 of the International Convention on Load Lines 1966 (as modified by the Protocol of 1988 relating thereto) and that the freeboards have been assigned and load lines have been marked in accordance</p>	12 February 2010*	Expires on 6 October 2014	-	Valid

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Contractor	Approving authority/Issuer/ Certificate/Licence/ Registration no.	Description of licence/ approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
33.	UMWSD (Manager)/ US-1 (Owner)	DNV	with the convention International Air Pollution Prevention Certificate to certify that NAGA 2 has been surveyed and that the equipment, systems, fittings, arrangements and materials fully comply with the applicable requirements of Annex VI of the International Convention for the Prevention of Pollution from Ships 1973, as modified by the Protocol of 1978 related thereto	13 February 2012*	6 October 2014	-	Valid
34.	UMWSD (Manager)/ US-1 (Owner)	DNV	International Oil Pollution Prevention Certificate to certify that NAGA 2 has been surveyed and that the structure, equipment, systems, fittings, arrangements and material of the ship and the conditions thereof are in all respects satisfactory and that the ship complies with the applicable requirements of Annex I of the International Convention for the Prevention of Pollution from Ships 1973, as modified by the Protocol of 1978 relating thereto, as amended	12 January 2010*	6 October 2014	-	Valid

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Contractor	Approving authority/Issuer/ Certificate/Licence/ Registration no.	Description of licence/ approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
35.	UMWSD (Manager)/ US-1 (Owner)	DNV	International Sewage Pollution Prevention Certificate to certify that NAGA 2 is equipped with a (i) sewage treatment plant and (ii) pipeline for the discharge to a reception facility and has been surveyed and that the structure, equipment, systems, fittings, arrangements and materials of the ship and the condition thereof are in all respects satisfactory and that the ship complies with the applicable requirements of Annex IV of the International Convention for the Prevention of Pollution from Ships 1973, as modified by the Protocol of 1978 relating thereto, as amended	12 January 2010*	6 October 2014	-	Valid
<b><u>NAGA 3</u></b>							
36.	UMWSD (Manager)/ UN3 (Owner)	Registrar of Malaysian Ships, Marine Department of Malaysia	Certificate of Malaysian Registry (Provisional) on the particulars of NAGA 3  <u>Particulars of rig</u> (i) Built: 2007 (ii) Length: 64.86 metres (iii) Breadth: 62.00 metres (iv) Depth: 7.75 metres (v) Port of Registry: Port Klang	22 April 2013	Valid for six months only until 21 October 2013	-	Valid

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Contractor	Approving authority/Issuer/ Certificate/Licence/ Registration no.	Description of licence/ approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
37.	UMWSD (Manager/ US-3 (Owner)	Info-Communications Development Authority of Singapore ("IDA")  Licence no. SH118072	Ship Station Licence granted pursuant to section 5(1) of the Telecommunications Act and regulation 25 of the Telecommunications (Radio-communication) Regulations, to establish, install and operate the radio-communication stations for NAGA 3	-	Expires on 31 January 2015	<ul style="list-style-type: none"> <li>The licence is not transferable except with the prior written approval of IDA.</li> <li>UMWSD shall not possess any radio-communication equipment, except and in accordance with a licence granted under Section 5(1) of the Telecommunications Act 1999 or any regulations made pursuant to the act or except where as approved by IDA in writing.</li> </ul>	Valid
38.	UMWSD (Manager/ US-3 (Owner)	Malaysia Communications and Multimedia Commission ("MCMC")  Certificate no. 01685312- 000SU/32012	Apparatus Assignment granted pursuant to the Communications and Multimedia Act 1998 to authorise NAGA 3 to use the frequencies in the band allocated to maritime mobile service or maritime mobile satellite service	9 April 2012	31 December 2014	The apparatus assignment holder may, not less than 60 days before the expiry of the apparatus assignment make a fresh application to MCMC for an apparatus assignment	Valid



## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Contractor	Approving authority/Issuer/ Certificate/Licence/ Registration no.	Description of licence/ approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
39.	UN3 (Owner)	Domestic Shipping Licensing Board  Licence no. A072368	Domestic Shipping Licence (DSL) (Provisional) granted to UN3 in respect of UMW NAGA 3 pursuant to Regulation 8 of the Domestic Shipping Licensing Board Regulations 1981 for the provision of jack- up drilling rig services in all ports in Malaysian waters	-	24 June 2013 – 21 October 2013	This licence is not transferable	Valid
40.	UMWSD (Manager)/ US-3 (Owner)	DNV	Crew Accommodation Certificate to certify that NAGA 3 has been surveyed in accordance with Regulation 5 of the Merchant Shipping (Crew Accommodation) Regulations 1997 and that the crew accommodation for NAGA 3 complied with the provisions of those Regulations	23 November 2011*	-	-	Valid
41.	UMWSD (Manager)/ US-3 (Owner)	DNV	Classification Certificate <sup>(10)</sup> – NAGA 3 that the condition of the hull, machinery and equipment is in compliance with the applicable rule requirements of the DNV offshore service specifications for the following class notation: 1A1 Self Elevating Drilling Unit	13 April 2011	Expires on 15 April 2015	Refer to notes (11) and (12)	Valid

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Contractor	Approving authority/Issuer/ Certificate/Licence/ Registration no.	Description of licence/ approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
42.	UMWSD (Manager)/ US-3 (Owner)	DNV	MODU Safety Certificate to certify that NAGA 3 has been duly surveyed and that the structure, equipment, fitting, radio station arrangements and materials of the unit and the conditions thereof are in all respects satisfactory and that the unit complies with the relevant provisions of the MODU Code 1989.	1 June 2011*	Expires on 15 April 2015	-	Valid
			The life-saving appliances provide for a total number of 120 persons and no more as follows:				
			<ul style="list-style-type: none"> <li>• 5 lifeboats;</li> <li>• 1 rescue boat;</li> <li>• 6 liferafts;</li> <li>• 220 lifejackets;</li> <li>• 150 immersion suits; and</li> <li>• 12 lifebuoys.</li> </ul>				
43.	UMWSD (Manager)/ US-3 (Owner)	DNV	International Tonnage Certificate to certify that the tonnages of NAGA 3 have been determined in accordance with the provisions of the International Convention on Tonnage Measurement of Ships 1969 as follows:	24 May 2011*	-	-	Valid
			(i) Gross tonnage: 9,627				
			(ii) Net tonnage: 2,888				

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Contractor	Approving authority/Issuer/ Certificate/Licence/ Registration no.	Description of licence/ approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
44.	UMWSD (Manager)/ US-3 (Owner)	DNV	International Load Line Certificate to certify that NAGA 3 has been surveyed in accordance with the requirements of Article 14 of the International Convention on Load Lines 1966 (as modified by the Protocol of 1988 relating thereto) and that the freeboards have been assigned and load lines have been marked in accordance with the convention	15 April 2011*	Expires on 15 April 2015	-	Valid
45.	UMWSD (Manager)/ US-3 (Owner)	DNV	International Air Pollution Prevention Certificate to certify that NAGA 3 has been surveyed and that the equipment, systems, fittings, arrangements and materials fully comply with the applicable requirements of Annex VI of the International Convention for the Prevention of Pollution from Ships 1973, as modified by the Protocol of 1978 related thereto	15 April 2011*	Expires on 15 April 2015	-	Valid

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Contractor	Approving authority/Issuer/ Certificate/Licence/ Registration no.	Description of licence/ approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
46.	UMWSD (Manager)/ US-3 (Owner)	DNV	International Oil Pollution Prevention Certificate to certify that NAGA 3 has been surveyed and that the structure, equipment, systems, fittings, arrangements and material of the ship and the conditions thereof are in all respects satisfactory and that the ship complies with the applicable requirements of Annex I of the International Convention for the Prevention of Pollution from Ships 1973, as modified by the Protocol of 1978 relating thereto, as amended	15 April 2011*	Expires on 15 April 2015	-	Valid
47.	UMWSD (Manager)/ US-3 (Owner)	DNV	International Sewage Pollution Prevention Certificate to certify that NAGA 3 is equipped with a (i) sewage treatment plant and (ii) pipeline for the discharge to a reception facility and has been surveyed and that the structure, equipment, systems, fittings, arrangements and materials of the ship and the condition thereof are in all respects satisfactory and that the ship complies with the applicable requirements of Annex IV of the International Convention for the Prevention of Pollution from Ships 1973, as modified by the Protocol of 1978 relating thereto, as	15 April 2011*	Expires on 15 April 2015	-	Valid

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Contractor	Approving authority/Issuer/ Certificate/Licence/ Registration no.	Description of approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
			amended				
	<b><u>NAGA 4</u></b>						
48.	UMWSD (Manager)/ UD4(Owner)	Registrar Malaysian Marine Department of Malaysia	Certificate of Malaysian Registry (Provisional) on the particulars of NAGA 4  <u>Particulars of rig</u> (i) Built: 2011 (ii) Length: 71.32 metres (iii) Breadth: 63.40 metres (iv) Depth: 7.52 metres (v) Port of Registry: Port Klang	10 December 2012	Expires on 9 December 2013	-	Valid
49.	UD4	MCMC  Certificate no. 01716520-000SU/ 32013	Apparatus Assignment granted pursuant to the Communications and Multimedia Act 1998 to authorise UD4 to use frequencies in the band allocated to maritime mobile service or maritime mobile satellite service	-	10 June 2013 – 9 June 2014	The apparatus assignment holder may, not less than 60 days before the expiry of the apparatus assignment make a fresh application to MCMC for an apparatus assignment.	Valid

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Contractor	Approving authority/issuer/ Certificate/Licence/ Registration no.	Description of approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
50.	UD4 (Owner)	Domestic Shipping Licensing Board  Licence no. A072015	Domestic Shipping Licence (DSL) (Provisional) granted to UD4 in respect of NAGA 4 pursuant to Regulation 8 of the Domestic Shipping Licensing Board Regulations 1981 for the provision of drilling rig services in all ports in Malaysian waters	-	6 June 2013 – 9 December 2013	This licence is non- transferable.	Valid
51.	UMWSD (Manager/ UD4(Owner)	Marine Department of Malaysia  Certificate no. SMD1164/2013	Safe Manning Document to certify that NAGA 4 is safely manned having regard to the principles and guidelines set out in the Merchant Shipping (Manning, Hours of Work and Watchkeeping) Rules 1999 and International Maritime Organisation (IMO) Resolution A.955(23)	13 February 2013	Expires on 6 February 2018	-	Valid
52.	UMWSD (Manager/ UD4 (Owner)	ABS  Certificate no. 13229706-2409065- 001	Interim Class Certificate certifying that NAGA 4 is fit for the service intended and the vessel is classed: A1, Self Elevating Drilling Units	14 July 2013*	Expires on 13 December 2013	-	Valid

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Contractor	Approving authority/Issuer/ Certificate/Licence/ Registration no.	Description of licence/ approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
53.	UMWSD (Manager)/ UD4 (Owner)	ABS	MODU Safety Certificate to certify that NAGA 4 has been duly surveyed and that the structure, equipment, fitting, radio station arrangements and materials of the unit and the conditions thereof are in all respects satisfactory and that the unit complies with the relevant provisions of the MODU Code 1989.	15 February 2013*	Expires on 14 February 2018	-	Valid
			The life-saving appliances provide for a total number of 150 persons and no more as follows: <ul style="list-style-type: none"> <li>• 4 motor propelled and fire protected lifeboats; and</li> <li>• 6 liferafts.</li> </ul>				
54.	UMWSD (Manager)/ UD4 (Owner)	ABS  Certificate no. P136151	International Tonnage Certificate to certify that the tonnages of NAGA 4 have been determined in accordance with the provisions of the International Convention on Tonnage Measurement of Ships 1969 as follows: <ul style="list-style-type: none"> <li>(i) Gross tonnage: 10,596</li> <li>(ii) Net tonnage: 3,178</li> </ul>	29 May 2013*	-	-	Valid

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Contractor	Approving authority/Issuer/ Certificate/Licence/ Registration no.	Description of licence/ approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
55.	UMWSD (Manager)/ UD4 (Owner)	ABS	International Load Line Certificate to certify that NAGA 4 has been surveyed in accordance with the requirements of Article 14 of the International Convention on Load Lines 1966 (as modified by the Protocol of 1988 relating thereto) and that the freeboards have been assigned and load lines have been marked in accordance with the convention	15 February 2013*	Expires on 14 February 2018	-	Valid
56.	UMWSD (Manager)/ UD4 (Owner)	ABS	International Air Pollution Prevention Certificate to certify that NAGA 4 has been surveyed and that the equipment, systems, fittings, arrangements and materials fully comply with the applicable requirements of Annex VI of the International Convention for the Prevention of Pollution from Ships 1973, as modified by the Protocol of 1978 related thereto	15 February 2013*	Expires on 15 February 2018	-	Valid



## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Contractor	Approving authority/Issuer/ Certificate/Licence/ Registration no.	Description of licence/ approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
57.	UMWSD (Manager)/ UD4 (Owner)	ABS	International Oil Pollution Prevention Certificate to certify that NAGA 4 has been surveyed and that the structure, equipment, systems, fittings, arrangements and material of the ship and the conditions thereof are in all respects satisfactory and that the ship complies with the applicable requirements of Annex I of the International Convention for the Prevention of Pollution from Ships 1973, as modified by the Protocol of 1978 relating thereto, as amended	15 February 2013*	14 February 2018	-	Valid
58.	UMWSD (Manager)/ UD4 (Owner)	ABS	International Sewage Pollution Prevention Certificate to certify that NAGA 4 is equipped with a (i) sewage treatment plant and (ii) discharge pipeline and has been surveyed and that the structure, equipment, systems, fittings, arrangements and materials of the ship and the condition thereof are in all respects satisfactory and that the ship complies with the applicable requirements of Annex IV of the International Convention for the Prevention of Pollution from Ships 1973, as modified by the Protocol of 1978 relating thereto, as amended	15 February 2013*	Expires on 14 February 2018	-	Valid

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Contractor	Approving authority/Issuer/ Certificate/Licence/ Registration no.	Description of approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
59.	UOS-TJ	TenarisHydril Licence no. 231	Certificate of Authorisation to authorise UOS-TJ as the licensee of TenarisHydril products	-	Expires on 30 June 2014	-	Valid
60.	UOS-TJ	JFE	To certify that UOS-TJ facility has completed the requirements of JFE Steel Tubular Technology (JFETT) for threading of the JFE BEAR Premium Connection	-	Effective from 24 May 2007	-	Valid
61.	UOS-TJ	JFE/ Hunting Oilfield Services International	To certify that UOS-TJ's facility has completed the requirements of JFE Steel Tubular Technology (JFETT) for threading of the FOX Premium Connection	-	Effective from 10 October 2003	-	Valid
62.	UOS-TJ	Jiangsu Changbao Steelpipe Limited ("Jiangsu Changbao") Certificate no. CB-PL-001-rev1	To authorise UOS-TJ as the licensee for the production of HQST1/HQSC1 thread pup and accessory for oil and casing pipes	-	1 September 2012 – 31 August 2014	UOS-TJ shall carry out the production in accordance with the patent licence agreement entered into by the parties.	Valid
63.	UOS-TJ	Department of Steelpipe of Baoshan Steel Limited ("Baoshan Steel") Certificate no. BGXG-001	To authorise UOS-TJ as the licensee to process and repair BGT1, BGC and BGT2 internal/external screw threads	June 2013	Expires on June 2015	-	Valid

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Contractor	Approving authority/Issuer/ Certificate/Licence/ Registration no.	Description of approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
64.	UOS-TJ	Wuxi Seamless Oil Pipe Co. Ltd ("Wuxi Seamless")  Certificate no. WSP/JS-PL-002	To authorise UOS-TJ as the licensee for the manufacturing of male and female buckles for special thread connectors and other accessories, i.e. WSP- 1T, WSP-2T, WSP-3T, WSP- 4T special threaded nipple, casing head, hanger, conversion connector and other accessories	-	20 January 2012 - 20 January 2014	UOS-TJ shall carry out the manufacturing products in accordance with the licence agreement entered into by the parties.	Valid
65.	UOS-TJ	Technical Center of Tianjin Steel Pipe Group Co. Ltd	To authorise UOS-TJ as the licensee for the processing of TP-CQ special buckle connector, TP-G2 buckle connector, TP-FJ buckle connector, TP-NF buckle connector, TP-QR buckle connector, TP-JC buckle connector, TP-TS buckle connector, TP-TS2 buckle connector, non-API specification BC Screw Joint and contracted products on recognised equipment	13 January 2005	-	<ul style="list-style-type: none"> <li>UOS-TJ shall not disclose the product design, methods and measures regarding TP-CQ special buckle connector to any third party.</li> <li>Prior to the Tianjin Pipe's consent, UOS- TJ shall not process and sell products with TP-CQ special buckle connector.</li> </ul>	Valid

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Contractor	Approving authority/issuer/ Certificate/Licence/ Registration no.	Description of approval	Date of licence/ certificate/ issuance*	Validity period	Salient conditions	Status/ Compliance
66.	UOS-TJ	Administration of industry and Commerce of Tianjin Binhai New District  Licence no. 1695349	Business licence	26 August 2013	1 November 2002 – 31 October 2022	<ul style="list-style-type: none"> <li>If the Business License is lost or damaged, UOS-TJ shall make an announcement of nullification at news papers or magazines designated by the corporate registry authority and apply for re-issuance of such license.</li> <li>During 1<sup>st</sup> March and 30<sup>th</sup> June each year, UOS-TJ shall carry out the annual inspection.</li> <li>The Business License shall not be forged, altered, rented, borrowed and sold.</li> </ul>	Valid

**Notes:**

- (1) The licensee is required to furnish a copy of the annual audited accounts for the year ended 31 December 2012 and is certified to be a true copy of the original by any of the directors or the company secretary and the position of the shareholders' funds must be positive before 1 July 2013. Failure to do so will result in the licensee being delisted from PETRONAS' List of Licenced/Registered Companies.
- (2) The licensee is required to furnish a copy of the annual audited accounts for the year ended 31 December 2013 and is certified to be a true copy of the original by any of the directors or the company secretary and the position of the shareholders' funds must be positive before 1 July 2014. Failure to do so will result in the licensee being delisted from PETRONAS' List of Licenced/Registered Companies.
- (3) The licensee is required to notify PETRONAS of any change to the company position e.g. equity ownership, board of directors and management staffs within 14 days from the date of such change. Failure to do so will result in the cancellation of the licence.

**ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)**

- (4) *The licensee is required to take immediate action to comply with the conditions imposed under the licence and to notify PETRONAS on the progress of such action.*
- (5) *Regulation 9 of the Petroleum Regulations 1974 provides that, any person who commences or continues with a business or service falling within the definition of Regulation 3 of the Petroleum Regulations 1974 without a licence or not in compliance with any of the conditions of the licence shall have committed an offence and where found guilty shall be fined not more than RM50,000.00 or imprisonment for a term not exceeding two years or both and in the case of a continuing offence, shall be liable to a further fine of RM1,000.00 for each day or part of a day where such offence is continuing after the day a conviction is recorded.*
- (6) *This licence can be cancelled, suspended or blacklisted at any time if any of the general conditions of licencing and registration of PETRONAS and other conditions contained in the general guidelines of licencing application and registration of PETRONAS is not complied with.*
- (7) *The licensee is required to furnish a copy of the annual audited accounts for the year ended 31 December 2012 and is certified to be a true copy of the original by any of the directors or the company secretary and the position of the shareholders' funds must be positive before 1 October 2013. Failure to do so will result in the licensee being delisted from PETRONAS' List of Licenced/Registered Companies.*
- (8) *The licensee is required to furnish a copy of the annual audited accounts for the year ended 31 December 2013 and is certified to be a true copy of the original by any of the directors or the company secretary and the position of the shareholders' funds must be positive before 1 October 2014. Failure to do so will result in the licensee being delisted from PETRONAS' List of Licenced/Registered Companies.*
- (9) *The licensee is required to furnish a copy of the annual audited accounts for the year ended 31 December 2014 and is certified to be a true copy of the original by any of the directors or the company secretary and the position of the shareholders' funds must be positive before 1 October 2015. Failure to do so will result in the licensee being delisted from PETRONAS' List of Licenced/Registered Companies.*
- (10) *With effect from 18 August 2011, there was a transfer of class amongst International Association of Classification Societies (IACS) societies from ABS to DNV which resulted in the reissuance of Classification Certificate to UMWSD.*
- (11) *The unit's class will be automatically suspended if the renewal survey is not completed or under completion before the expiry date of the Classification Certificate, unless the survey has been postponed.*
- (12) *The unit's class will also be automatically be suspended if the annual/intermediate surveys required for retention of the certificate are not carried out within 3 months after the anniversary date of the Classification Certificate.*
- (13) *The licensee is required to furnish the complete HSE Management System documents which have been renewed before 31 December 2013. Failure to do so will result in the licensee being delisted from PETRONAS' List of Licenced/Registered Companies for the relevant categories.*

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

## A.1.2 Technology licences

No.	Licencee/ Plant	Licensor	Technology/ trademark	Description of technology/trademark	Salient terms
1.	UOS/ Asian Supply Base, Ranca- Ranca Industrial State, P.O. Box 80763, 87017 Federal Territory Labuan, Malaysia	Tenaris Connections BV. ("Tenaris")	Atlas Bradford technology	<p>The following licences have been granted by Tenaris to the Licencee:</p> <p>(i) <b><u>Threading and reconstruction of full length products</u></b></p> <p>A non-exclusive licence (without right to sub-license) to thread and reconstruct Atlas Bradford Oil Field Connections on full length products of all grades at the Licencee's facilities in Malaysia only at Tenaris or its affiliates' request. Licencee shall be entitled to thread and reconstruct premium connections on products only upon Tenaris or its affiliates' request.</p> <p>(ii) <b><u>Threading and reconstruction of accessory equipment</u></b></p> <p>A non-exclusive licence (without right to sub-license) to thread and reconstruct accessory equipment with Atlas Bradford Oil Field Connections of all grades at the Licencee's facilities in Malaysia.</p> <p>(iii) <b><u>Sale of threaded full length products</u></b></p> <p>A non-exclusive licence (without right to sub-license) to sell products threaded with Atlas Bradford Oil Field Connections in accordance with the Tenaris Sublicence Agreement in Malaysia only to Tenaris or its affiliates.</p>	<p>The salient terms of the Sublicence Agreement ("Tenaris Sublicence Agreement") entered into between Tenaris and the Licencee are as follows:</p> <p>(i) The Licencee shall have no right or licence to use technology, patents or trademarks for any purposes other than threading, reconstruction, use and sale of Atlas Bradford Oil Field Connections on products and accessory equipment.</p> <p>(ii) The Licencee shall also restrict its distributors, agents and customers (other than end users who may purchase products and accessory equipment for their use) from reselling in the United States of America (except Canada) including the offshore waters and territories, products or accessory equipment that has been threaded, reconstructed or sold by the Licencee.</p> <p>(iii) The Licencee shall not assign the licence or grant any sub-licence without the written consent of Tenaris.</p> <p>(iv) The Licencee may not grant any sublicences in connection with the licences granted to Licencee nor subcontract any of the works the Licencee is required to perform under the licences.</p> <p>(v) The obligations of the parties may be subject to the export control regulations of the government of the United States, the European Union and other applicable governments.</p>

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Plant	Licensor	Technology/ trademark	Description of technology/trademark	Salient terms
(iv)				<p><b><u>Sale of threaded accessory equipment</u></b></p> <p>A non-exclusive licence (without right to sub-license) to sell worldwide (except USA, Canada, Italy, Argentina and Mexico) accessory equipment threaded with Atlas Bradford Connections<sup>(1)</sup> in accordance with the Tenaris Sublicence Agreement.</p>	<p>(vi) Tenaris will be entitled to unilaterally terminate the Tenaris Sublicence Agreement at any time prior to the expiration of the Master Technology Licence Agreement<sup>(3)</sup> by giving Licencee 60 days written notice. Tenaris shall not be required to pay any compensation to the Licencee as a result of any losses suffered by Licencee.</p>
(v)				<p><b><u>Use of trademarks</u></b></p> <p>A non-exclusive licence to use Trademarks<sup>(2)</sup> for the sale and marketing of Atlas Bradford Oil Field Connections on products and accessory equipment that have been threaded or reconstructed by Licencees pursuant to the Tenaris Sublicence Agreement.</p>	
(vi)				<p><b><u>Threading and sale of connections on full length tubular not manufactured by Tenaris</u></b></p> <p>Licencee shall not thread, reconstruct or sell Atlas Bradford Connections on full length tubular not manufactured by either Siderca S.A.I.C., Tubos de Acero de Mexico S.A., Dalmin S.p.A, NKKTubes, or Algoma Seamless Tubulars or any of their affiliates, unless expressly authorised by Tenaris in writing.</p>	

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Plant	Licensor	Technology/ trademark	Description of technology/trademark	Salient terms
2.	UOS/ Asian Supply Base, Ranca- Ranca Industrial State, P.O. Box 80763, 87017 Federal Territory Labuan, Malaysia	Tenaris	Premium Connections technology	<p>The following licences have been granted by Tenaris to the Licencee:</p> <p>(i) <u>Threading and repair of products</u></p> <p>A non-exclusive licence (without right to sub-license) under technology to thread and repair Premium Connections<sup>(4)</sup> on products of all grades at the facilities in Malaysia only upon Tenaris or its affiliates' request.</p> <p>(ii) <u>Threading, repair and conversion of accessory equipment</u></p> <p>A non-exclusive licence (without right to sub-license) under technology to thread, repair or convert Premium Connections on accessory equipment of all grades at the facilities in Malaysia.</p> <p>(iii) <u>Sale of threaded products</u></p> <p>A non-exclusive licence (without right to sub-license) under technology to sell products threaded with Premium Connections in accordance with the UOS Tenaris Licence Agreement only to Tenaris or its affiliates.</p> <p>(iv) <u>Sale of repaired products</u></p> <p>A non-exclusive licence (without right to sub-license) under technology to sell in Malaysia products repaired with Premium Connections in accordance with the UOS Tenaris Licence Agreement only upon Tenaris or its affiliates written authorisation.</p>	<p>The salient terms of the Licence Agreement ("UOS Tenaris Licence Agreement") entered into between Tenaris and the Licencee are as follows:</p> <p>(i) The Licencee shall not convert Premium Connections on products unless expressly authorised by Tenaris in writing.</p> <p>(ii) The Licencee shall not repair, convert or sell Premium Connections on full length products not manufactured by any of Tenaris' affiliates unless expressly authorised by Tenaris in writing.</p> <p>(iii) The Licencee agrees to promptly notify Tenaris of any Change in Control<sup>(5)</sup>.</p> <p>(iv) The Licencee may thread or repair the Premium Connections, or improvements to such Premium Connections, as listed in Schedule B<sup>(6)</sup>, or sell full length products or accessory equipment threaded or repaired with the premium connections listed in Schedule B<sup>(6)</sup>, or any improvements to such Premium Connections. The Licencee is required to seek Tenaris's consent where such threading or repair involves Premium Connections not included in Schedule B<sup>(6)</sup>.</p> <p>(v) The Licencee shall not be entitled to use the technology for its own or any third party purpose.</p>



ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Plant	Licensor	Technology/ trademark	Description of technology/trademark	Salient terms
(v)				<p><b><u>Sale of threaded or repaired accessory equipment</u></b></p> <p>A non-exclusive licence (without right to sub-licence) under technology to sell accessory equipment threaded or repaired or repaired with Premium Connections.</p>	<p>(vi) Tenaris shall be entitled to unilaterally terminate the UOS Tenaris Licence Agreement at any time by giving Licencee 90 days written notice. Tenaris shall not be required to pay any compensation to the Licencee as a result of any losses suffered by Licencee.</p>
(vii)					<p>The Licencee shall not assign the licence or grant any sub-licence without the written consent of Tenaris.</p>
(viii)					<p>The Licencee has no licence, either by grant or inference, to use Trademarks<sup>(7)</sup>. Use of trademarks by Licencee shall inure solely to the benefit of Tenaris and its affiliates. Licencee agrees to refrain from using or seeking registration of any trademark, trade name, corporate name, domain name, the same or confusingly similar to trademarks or to Tenaris and its affiliates corporate names and trademarks, both during the term of the UOS Tenaris Licence Agreement and thereafter.</p>

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Plant	Licensor	Technology/ trademark	Description of technology/trademark	Salient terms
3.	UOS/ Asian Supply Base, Ranca- Ranca Industrial State, P.O. Box 80763, 87017 Federal Territory Labuan, Malaysia	Vallourec Mannesmann Oil & Gas France ("VMOGF")	VAM Joints technology and VAM Trademarks	<p>VMOGF grants the Licencee:</p> <p>(i) a non-exclusive, non-sublicensable and non-transferable right and licence to practice and use the inventions covered by the patents and patent rights and use the know-how and the VAM Joint technology:</p> <p>(a) to manufacture VAM Joints solely on accessories i.e. neither on tubular products nor on couplings;</p> <p>(b) to repair damaged VAM Joints originally manufactured on tubular products and on accessories, manufactured by VMOGF; and</p> <p>(c) to sell in Malaysia VAM Joints manufactured or repaired.</p> <p>(ii) a non-exclusive right to use the VAM Trademarks<sup>(8)</sup> in connection with the manufacture, sale or repair of VAM Joints.</p>	<p>The salient terms of the VAM Joints Technical Assistance Agreement and Patent, Know-How and Trademark Licence ("UOS VAM Agreement") entered into between VMOGF and the Licencee are as follows:</p> <p>(i) The Licencee shall not be entitled to sub-license or sell, assign or transfer any of the VAM Trademarks.</p> <p>(ii) The UOS VAM Agreement may be automatically terminated if any material change occurs in the ownership, management, control or legal structure of the Licencee which is not acceptable to VMOGF.</p> <p>(iii) The Licencee agrees not to manufacture, sell or repair any premium joints that are not VAM Joints but which may compete with VAM Joints except for, JFETC, Tenaris, Hunting and OPT and where such a request is made to VMOGF.</p> <p>(iv) The Licencee shall not transfer or assign any of its rights or obligations under the UOS VAM Agreement to any third party without the written consent of VMOGF.</p>

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Plant	Licensor	Technology/ trademark	Description of technology/trademark	Salient terms
4.	UOS/ Asian Supply Base, Ranca- Ranca Industrial State, P.O. Box 80763, 87017 Federal Territory Labuan, Malaysia	JFE	JFE BEAR Thread	JFE grants the Licencee a non-exclusive, non-transferable licence to cut the JFE BEAR Thread for the accessories (Pin & Box), the coupling, the repair work and the manufacturing work in the Licencee's plant and to sell them in Malaysia.	<p>The salient terms of the UOS JFE BEAR Licence Agreement ("<b>UOS JFE BEAR Licence Agreement</b>") entered into between JFE and the Licencee are as follows:</p> <p>(i) The Licencee shall not assign or transfer its rights and obligations under the UOS JFE BEAR Licence Agreement to any third party without written consent of JFE.</p> <p>(ii) The licences granted under the UOS JFE BEAR Licence Agreement are without rights to sublicense and shall be non-transferable.</p>
5.	UOS/ Asian Supply Base, Ranca- Ranca Industrial State, P.O. Box 80763, 87017 Federal Territory Labuan, Malaysia	API	API Monogram	API grants the Licencee a non-exclusive non-transferable licence to use the API Monogram on the types of products set forth in the 'Certificate of Authority to use the Official API Monogram'.	<p>The salient terms of the API Monogram Licence Agreement ("<b>API Licence Agreement</b>") entered into between API and the Licencee are as follows:</p> <p>(i) The Licence shall not be assignable or transferable by Licencee in any manner nor shall Licencee have the right to grant sublicences.</p> <p>(ii) The Licencee agrees to use the API Monogram only on Licencee's products that meet all of API's requirements.</p> <p>(iii) The API Licence Agreement may be terminated by API at any time and for any reason satisfactory to API after providing notice to the Licencee.</p> <p>(iv) The Licencee shall promptly notify API of any assertion that the use of the mark in the promotion or sale of licenced products infringes or violates the rights of any third party.</p>

**ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)**

No.	Licencee/ Plant	Licensor	Technology/ trademark	Description of technology/trademark	Salient terms
6.	UOS/ Asian Supply Base, Ranca- Ranca Industrial State, P.O. Box 80763, 87017 Federal Territory Labuan, Malaysia	Kawasaki Steel Corporation ("Kawasaki")	FOX Thread	Kawasaki grants the Licencee:  (i) a non-exclusive licence to cut FOX Thread on accessories in the Licencee's plant and to sell them in the Territory <sup>(9)</sup> .  (ii) a non-exclusive licence to make coupling for repair work and manufacturing work and accessories in the Licencee's plant and sell them in the Territory subject to prior written approval by Kawasaki.  (iii) a non-exclusive licence to conduct repair work in the Licencee's plant in the Territory.  (iv) a non-exclusive licence to conduct manufacturing work in the Licencee's plant and to sell them in the Territory subject to prior written approval by Kawasaki.	The salient terms of the Kawasaki Licence Agreement ("Kawasaki Licence Agreement") entered into between Kawasaki and the Licencee are as follows:  (i) The licences granted under the Kawasaki Licence Agreement are without rights to sublicense and shall be non-transferable.  (ii) The Licencee shall not conduct manufacturing work on the pipes produced by the other producers other than Kawasaki without prior written approval by Kawasaki.  (iii) Kawasaki does not grant to the Licencee a licence to cut FOX Thread on pipes which have plain ends or other types of threads other than FOX Thread.  (iv) Neither of the parties may assign nor transfer its rights and obligations under the Kawasaki Licence Agreement to any third party without written consent.
7.	UOT/ 239/17 Moo 1, Tambol Satingmor, Amphur Singhanakorn, Songkhla 90280, Thailand	Grant Prideco LP ("Grant")	Grant Products and Trademarks	Grant grants the Licencee:  (i) a non-exclusive licence to manufacture Grant Products <sup>(10)</sup> .  (ii) a non-exclusive licence to sell such Products destined for use in Thailand.  (iii) a non-exclusive licence to reconstruct the Products.	The salient terms of the Grant technology licence agreement ("Grant Licence Agreement") entered into between Grant and the Licencee are as follows:  (i) The Licencee shall not sublicense any portion of the manufacture or reconstruction of Products to any third party.

**ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)**

No.	Licencee/ Plant	Licensor	Technology/ trademark	Description of technology/trademark	Salient terms
(ii)					The Licencee shall not manufacture or reconstruct any Grant Products at any Licencee's facility until such facility is certified by Grant and Licencee has received notice of certification in writing from Grant.
(iii)					The Licencee shall not engage in the manufacture, reconstruction, repair, distribution, sales or promotion of any proprietary drill stem technology offered by others in competition with Grant. However, such limitation and prohibition shall not apply to drill stem technology offered by Vallourec and Mannesmann Tubes.
(iv)					The Licencee shall not, during the term of the Grant Licence Agreement or thereafter, use the technology, technical information, confidential information or trademarks in association with the manufacture, reconstruction, repair, use or sale of any products or service, or for any purpose, except in association with the manufacture or reconstruction under the Grant Licence Agreement.
(v)					The licence does not permit the Licencee to convert products.

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Plant	Licensor	Technology/ trademark	Description of technology/trademark	Salient terms
8.	UOS-TJ/ Tianjin	JFE	JFE BEAR Thread	JFE grants the Licencee a non-exclusive licence to cut the JFE BEAR Thread for the accessories or the repair work in the Licencee's plant and to sell them in China.	<p>The salient terms of the UOS-TJ JFE BEAR Licence Agreement ("<b>UOS-TJ JFE BEAR Licence Agreement</b>") entered into between JFE and the Licencee are as follows:</p> <p>(i) The Licencee shall not assign or transfer its rights and obligations under the UOS-TJ JFE BEAR Licence Agreement to any third party without written consent of JFE.</p> <p>(ii) The licences granted under the UOS-TJ JFE BEAR Licence Agreement are without rights to sublicense and shall be non-transferable.</p>
9.	UOS-TJ/ Tianjin	JFE	FOX Thread	JFE grants the Licencee a non-exclusive licence to cut FOX Thread for accessories, repair work in the Licencee's plant and to sell them in China.	<p>The salient terms of the JFE Steel Corporation Licence Agreement ("<b>JFE Steel Corporation Licence Agreement</b>") entered into between JFE and the Licencee are as follows:</p> <p>(i) The licences granted under the JFE Steel Corporation Licence Agreement are without rights to sublicense and shall be non-transferable.</p> <p>(ii) Neither of the parties may assign nor transfer its rights and obligations under the JFE Steel Corporation Licence Agreement to any third party without written consent.</p>

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Plant	Licensor	Technology/ trademark	Description of technology/trademark	Salient terms
10.	UOS-TJ/ Tianjin	Tenaris	Premium Connections technology	<p>The following licences have been granted by Tenaris to the Licencee:</p> <p>(i) <b><u>Repair of products</u></b></p> <p>A non-exclusive licence (without right to sub-licence) under technology to repair Premium Connections<sup>(11)</sup> on pin ends of products of all grades at the facilities in China and to thread Premium Connections on pin ends of products only upon Tenaris or its affiliates request.</p>	<p>The salient terms of the UOS-TJ Tenaris Licence Agreement ("<b>UOS-TJ Tenaris Licence Agreement</b>") entered into between Tenaris and the Licencee are as follows:</p> <p>(i) The Licencee shall not repair or sell Premium Connections on full length products not manufactured by any of Tenaris' affiliates unless expressly authorised by Tenaris in writing.</p>
				<p>(ii) <b><u>Threading and repair of accessory equipment</u></b></p> <p>A non-exclusive licence (without right to sub-licence) under technology to thread and repair Premium Connections on accessory equipment of all grades at the facilities in China.</p>	<p>(ii) The Licencee agrees to promptly notify Tenaris of any Change in Control<sup>(5)</sup>.</p>
			<p>(iii) <b><u>Sale of repaired products</u></b></p> <p>A non-exclusive licence (without right to sub-licence) under technology to sell in China pin of ends of products repaired with Premium Connections in accordance with the UOS-TJ Tenaris Licence Agreement.</p>	<p>(iii) The Licencee may thread or repair the Premium Connections, or improvements to such Premium Connections, as listed in Schedule B<sup>(12)</sup>, or sell full length products or accessory equipment threaded or repaired with the premium connections listed in Schedule B<sup>(12)</sup>, or any improvements to such Premium Connections. The Licencee is required to seek Tenaris's consent where such threading or repair involves Premium Connections not included in Schedule B<sup>(12)</sup>.</p>	
			<p>(iv) <b><u>Sale of threaded or repaired accessory equipment</u></b></p> <p>A non-exclusive licence (without right to sub-licence) under technology to sell in China accessory equipment threaded or repaired with Premium Connections.</p>	<p>(iv) The Licencee shall not be entitled to use the technology for its own or any third party purpose.</p>	
					<p>(v) Tenaris shall be entitled to unilaterally terminate the UOS-TJ Tenaris Licence Agreement at any time by giving Licencee 90 days written notice. Tenaris shall not be required to pay any compensation to the Licencee as a result of any losses suffered by Licencee.</p>

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Plant	Licensor	Technology/ trademark	Description of technology/trademark	Salient terms
11.	UOS-TJ/ Tianjin	Jiangsu Changbao	-	A tubing threaded connection structure.  <u>Status:</u> Patented – Chinese patent no. ZL 200820038216.7	<p>(vi) The Licencee shall not assign the licence or grant any sub-licence without the written consent of Tenaris.</p> <p>(vii) The Licencee has no licence, either by grant or inference, to use Trademarks<sup>(13)</sup>. Use of trademarks by Licencee shall inure solely to the benefit of Tenaris and its affiliates. Licencee agrees to refrain from using or seeking registration of any trademark, trade name, corporate name, domain name, the same or confusingly similar to trademarks or to Tenaris and its affiliates corporate names and trademarks, both during the term of the UOS-TJ Tenaris Licence Agreement and thereafter.</p> <p>The salient terms of the UOS-TJ Jiangsu Changbao Patent Licence Agreement ("UOS-TJ Jiangsu Changbao Patent Licence Agreement") entered into between Jiangsu Changbao and the Licencee are as follows:</p> <p>(i) The products manufactured with the licensed technology may be sold in or outside of China, with the following conditions to be met: in relation to the male threads, (a) it is restricted to the process of pup joint and conversion connector; and (b) it is restricted to the process of one end of a collar with the same specifications only.</p> <p>(ii) The intellectual property rights of any improvement of the patent shall be vested in Jiangsu Changbao.</p>



**ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)**

No.	Licencee/ Plant	Licensor	Technology/ trademark	Description of technology/trademark	Salient terms
12.	UOS-TJ/ Tianjin	Baoshan Steel	-	<p>A casing thread connector and casing thread joint</p> <p><u>Status:</u> Unpatented</p>	<p>(iii) Without the approval of Jiangsu Changbao, the Licensee shall not transfer the patent or technical license or otherwise disclose to any third party.</p> <p>(iv) The licensed technology has been applied as patent, and such application has been accepted. If the application is to be denied or patent granted is announced void, this agreement shall remain valid, and shall be considered as unpatented technology license.</p> <p>The salient terms of the Baoshan Steel Technology Licence Agreement ("<b>Baoshan Steel Technology Licence Agreement</b>") entered into between Baoshan Steel and the Licensee are as follows:</p> <p>(i) The products manufactured with the licensed technology may be sold in or outside of China, with the following conditions to be met. In relation to the male threads, (a) it is restricted to the process of pup joint and conversion connector and the repairing work; and (b) it is restricted to the process of one end of female thread (collar) with the same specifications.</p> <p>(ii) The intellectual property rights of any improvement of the patent shall be vested in Baoshan Steel.</p> <p>(iii) Without the approval of Baoshan Steel, the Licensee shall not sublicense or transfer to any third party.</p>

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Plant	Licensor	Technology/ trademark	Description of technology/trademark	Salient terms
13.	UOS-TJ/ Tianjin	Wuxi Seamless	-	<p>(i) A special screw connector for oil and casing pipes, for WSP-1T;  Status: Unpatented.</p> <p>(ii) A double shoulder anti-twisting connector for WSP-2T;  Status: Patented -- Chinese patent registration no. ZL 200720033397.X</p> <p>(iii) A joint of special thread connector for oil pump pipe for WSP-3T;  Status: Unpatented.</p> <p>(iv) An oil casing pipe without a collar, for WSP-4T.  Status: Unpatented.</p>	<p>The salient terms of the Wuxi Seamless Licence Agreement ("Wuxi Seamless Licence Agreement") entered into between Wuxi Seamless and the Licencee are as follows:</p> <p>(i) The products manufactured with the licensed technology may be sold in or outside of China, with the following conditions to be met. In relation to the male threads, it is restricted to the process of pup joint and conversion connector and the repairing work. In relation to the female threads, it is restricted to the process of casing pipe head, hanger, connector of variable diameter.</p> <p>(ii) The intellectual property rights of any improvement of the patent shall be vested in Wuxi Seamless.</p> <p>(iii) Without the approval of Wuxi Seamless, the Licensee shall not transfer the patent or technical license or otherwise disclose to any third party.</p> <p>(iv) The licensed technology has been applied as patent, and such application has been accepted. If the application is to be denied or patent granted is announced void, this agreement shall remain valid, and shall be considered as unpatented technology license.</p>

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Plant	Licensor	Technology/ trademark	Description of technology/trademark	Salient terms
14.	UOS-TJ/ Tianjin	Tianjin Pipe Technology Development Co. Ltd ("Tianjin Pipe")	-	Patented technologies that Tianjin Pipe owns or will acquire, is entitled to or will be entitled to control, or transfer in any country, is suitable for or may be suitable for the manufacture of the products under the licence agreement such as the TP-CQ special buckle connector, TP-G2 special buckle connector, TP-FJ special buckle connector, TP-NF special buckle connector, TP-QR special buckle connector, TP-JC special buckle connector, TP-TS special buckle connector, TP-TS2 special buckle connector, non-API specification BC screw joint technology.	<p>The salient terms of the UOS-TJ Tianjin Pipe Licence Agreement ("UOS-TJ Tianjin Pipe Licence Agreement") entered into between Tianjin Pipe and the Licencee are as follows:</p> <p>(i) The Licencee is entitled to manufacture the contracted products in its premise in Tianjin and to use the contracted products, upon fulfillment of the following:-</p> <p>(a) where the Licencee is appointed by Tianjin Pipe to manufacture the contracted products for and on behalf of Tianjin Pipe;</p> <p>(b) where the Licencee has obtained the consent from Tianjin Pipe to manufacture the contracted products for its own use;</p> <p>(c) where the Licencee has obtained the consent from Tianjin Pipe to manufacture the contracted products for and on behalf of a third party.</p> <p>(ii) The Licencee is authorised to process contract products on recognised equipment.</p> <p>(iii) The licence is non-exclusive and non-transferable.</p> <p>(iv) Intellectual property of the enhancement or improvement of the technology shall be vested in the party who does such enhancement or improvement. Prior to the other party's written consent, a party shall not apply patent or transfer it to third party.</p>

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee/ Plant	Licensor	Technology/ trademark	Description of technology/trademark	Salient terms
15.	UOS-TJ/ Tianjin	Tianjin Tiangang Oil-special Pipe Manufacture Co. Ltd ("Tianjin Tiangang")	-	<p>A tubular thread connector for oil and gas industries.</p> <p><u>Status:</u> Patented – Chinese patent application no. PCT/CN2010/075334</p>	<p>The salient terms of the UOS-TJ Tianjin Tiangang Licence Agreement ("UOS-TJ Tianjin Tiangang Licence Agreement") entered into between Tianjin Tiangang and the Licensee are as follows:</p> <p>(i) UOS-TJ is authorised by Tianjin Tiangang to process the thread pup joint and accessory for TG-QMI, TG-XC oil and casing pipes within China.</p> <p>(ii) The products manufactured with the licensed technology may be sold in or outside of China, with the following conditions to be met. In relation to the male threads, (a) it is restricted to the process of pup joint and conversion connector; and (b) it is restricted to the process of one end of a collar with the same specifications.</p> <p>(iii) The intellectual property derived from the improvement or the enhancement of the licensed technology by any of the party shall be vested in Tianjin Tiangang.</p> <p>(iv) Without the approval of Tianjin Tiangang, the Licensee shall not transfer the patent or technical license or otherwise disclose to any third party.</p> <p>(v) The licensed technology has been applied as patent, and such application has been accepted. If the application is to be denied or patent granted is announced void, this agreement shall remain valid, and shall be considered as unpatented technology license.</p>

**ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)**

**Notes:**

- (1) The current line of Atlas Bradford Connections are as follows (including any additions or modifications made to the product line in the future): TC-II; TC-II SR; RTS-8; RTS-8 PR; RTS-6; RTS-6 PR; ST-L; FL-4S; HD-L; NJO; BIG HD-L; BIG NJO; BTB; MODIFIED COUPLING; TC-4S; ANJO.
- (2) Current trademarks and trade names (including any future trademarks and trade names that may identify Atlas Bradford Connections which are or may be the subject of a licence under the Tenaris Sublicence Agreement, both registered and unregistered): Refer to Note (1) for the list of current trademarks.
- (3) The agreement entered into between Tenaris Connections Ltd ("Tenaris-L"), the holding company of Tenaris and Grant Prideco, Inc. ("Grant") whereby Grant has granted Tenaris-L the following: (i) right to sub-license the use of certain patents, (ii) the right to sub-license certain technical information and know-how in relation to the threading and reconstruction of Atlas Bradford Oil Field Connections and (iii) the right to sub-license certain trademarks, commercial names and other designations used in connection with the manufacture and sale of Atlas Bradford Connections.
- (4) The current line of Premium Connections (and any improvements in the future):

NKK	BLUE	ANTARES
TenarisHydril 3SB™	TenarisHydril Blue™	TenarisHydril ER™
TenarisHydril New 3SB™	TenarisHydril Blue™ CB	TenarisHydril MS™
TenarisHydril New 3SB ST™	TenarisHydril Blue™ HW	TenarisHydril MS28™
TenarisHydril New 3SB SL™		TenarisHydril PJD™
TenarisHydril HW™		TenarisHydril® Big Flush
TenarisHydril HWSL™		TenarisHydril® Flush
TenarisHydril New HWSL™		
TenarisHydril EL™		

- (5) Any transaction or series of transactions as a result of which (a) the person(s) ("Controlling Person") that currently: (i) holds directly or indirectly more than 50 % of the shares of Licensee or (b) holds directly or indirectly a number of shares that affords the power to elect the majority of the members of the board of directors of Licensee, ceases to hold directly or indirectly the number of shares necessary to enjoy such power, or (ii) Licensee merges or combines its business activities with any other person; provided, however, that a Change in Control shall not be deemed to have occurred whenever such shares or the power to make the above referred election is transferred to a person controlled by, controlling or subject to common control with the Controlling Person.

## ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

(6) Schedule B:

**Premium Connections Threaded or Repaired, and Accessories Sold by Licensee  
Prior to the Execution of the UOS Tenaris Licence Agreement**

<b>Name of the Company/Owner of the Technology</b>	<b>Connection Name</b>
VAM Services, France/ Sumitomo, Japan	VAM Family – VAM Top, VAM FJL, VAM HP, VAM 21 etc.
JFE Steel Tubular Technology	JFE Fox and Bear
Hunting Energy Services	SL-BOSS, DWC-BTC
Oilpatch Technology, USA	NF-2000

(7) Current trademarks and trade names (including any future trademarks and trade names that may identify Premium Connections, both registered and unregistered). Refer to Note (4) for the list of current trademarks.

(8) Trademarks registered or applied for in Malaysia or according to a trademark treaty by which Malaysia is bound: BIG OMEGA (Class 6), big OMEGA (logo)(Class 6), CLEANWELL (Class 4), CLEANWELL (Class 6), VAM (Class 6), VAM (logo)(Class 6) and VAM TOP 19 (Class 6)

(9) All countries in the world except United Kingdom, Germany, France, Italy, Belgium, Holland, Luxembourg, Denmark, Ireland, Finland, Norway, Sweden, Spain, Portugal, Greece and Yugoslavia.

(10) Grant licenced products and trademarks include the HI TORQUE® connectors, XT® Torque connectors, XT-F™ connectors, SST® thread forms and TurboTorque™ connectors. The Licensee is licenced to manufacture Grant products on drill stem accessory components only (to the exclusion of drill pipe or its components) and shall without Grant's written approval manufacture the licenced products on any third party manufacturer's original drill stem accessory components or tools. The Licensee is also licenced to reconstruct worn or damaged SST® thread forms, TORQUE® connectors, XT® Torque connectors and TurboTorque™ connectors on drill stem components, including drill pipe components and drill stem accessory components and shall without Grant's written approval reconstruct the licenced products on any third party manufacturer's original drill stem accessory components or tools.

(11) The current line of Premium Connections (and any improvements in the future):

**TWO STEP TUBING**

Tenarishydril CS®  
 Tenarishydril CS@-CB  
 Tenarishydril PH4™  
 Tenarishydril PH6™  
 Tenarishydril PH4™-CB  
 Tenarishydril PH6™-CB

**ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)**

(12) Schedule B:

**Premium Connections Threaded or Repaired, and Accessories Sold by Licensee  
Prior to the Execution of the UOS-TJ Tenaris Licence Agreement**

Name of the Company/Owner of the Technology	Connection Name
JFE TC	FOX, BEAR
TPCO	TPCQ, TPNF, TPFJ
WSP	WSP-1T/-2T/-3T/-4T
Bao Steel	BG C/BG T

(13) Current trademarks and trade names (including any future trademarks and trade names that may identify Premium Connections, both registered and unregistered). Refer to Note (11) for the list of current trademarks.

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## ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT

## B.1 PROPERTIES OWNED BY OUR GROUP

The details of land and buildings owned by us are set out below:

No.	Name of registered owner/ (Beneficial owner, if applicable)/ Lot. no./ Postal address/ Tenure	Description of property/ Existing use	Date of issuance of CCC or equivalent	Built-up area/ Land area (sq metre)	Restriction in interest/	Encumbrances on property	NBV as at 30 June 2013
1.	UOS-TJ Jin Kai (Gua) No. 2010-010, West Zone of Tianjin Development Zone, to the north of South Street and Greenbelt, to the south of Zhongnan fourth Street, to the east of Planning Use Land, and to the west of Xiqiang Road and Greenbelt, People's Republic of China	Industrial comprising a detached factory (including warehouse, workshop, administration office and restroom), a guard house and a three storey research and development building (including canteen, exhibition room, meeting room, research room and office) / Currently used as the operating base for UOS-TJ's business	25 June 2013 <i>Refer to note (1)</i>	6,564/ 13,909	Nil	Nil	RMB4,193,486 (RM2,260,708) (Land)  RMB29,926,593 (RM16,133,426) (Buildings) <i>Refer to notes (2) and (3)</i>
	No. 101 Central South Fourth Street, Tianjin Economic-Technological Development Area West Zone, 300462 Tianjin, People's Republic of China						
	Leasehold for a period of 50 years, expiring on 2061						

## Notes:

- (1) Property Ownership and Land Use Right Certificate ("POLUR Certificate") dated 25 June 2013 issued by the Tianjin Municipal People's Government and the Land Resources and Property Administration Bureau of Tianjin to UOS-TJ.
- (2) Based on the rate of RMB1 = RM0.5391, being the middle rate published by Bank Negara Malaysia as at 30 August 2013.



**ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)**

(3) *The factory, guard house and the three storey research and development building ("Buildings") were classified as asset-in-progress in the audited combined financial statements of UMW-OG as at 31 December 2012 pending the re-issuance of the POLUR Certificate to reflect the details of the Buildings and the ownership of UOS-TJ on the Buildings in the POLUR Certificate.*

Save as disclosed above, none of the properties disclosed are in breach of any land use conditions and/or are in non-compliance with current statutory requirements, land rules or building regulations which will have a material adverse impact on our operations or the utilisation of our assets on the said properties. No valuations have been conducted on any of the properties disclosed above.

**B.2 PROPERTIES LEASED/TENANTED BY OUR GROUP**

The details of material properties leased/tenanted by us are set out below:

No.	Name of lessor/lessee or landlord/tenant or grantor/grantee or tenant or sub-tenant/ Lot. no./ Postal address	Description of property/ Existing use	Built-up area/ Land area (sq metre unless otherwise stated)	Tenure/ Date of expiry	Rental per month
1.	<b>UMWC (landlord)/UMW-OG (tenant)</b> Parcel no. 2B-1, 2B-2 and 2B-3 of each of 16 <sup>th</sup> floor, 17 <sup>th</sup> floor and 18 <sup>th</sup> floor, Block 2B, Plaza Sentral, Jalan Stesen Sentral 5, Brickfields, 50470 Federal Territory of Kuala Lumpur, Malaysia	Three office units each on 16 <sup>th</sup> , 17 <sup>th</sup> and 18 <sup>th</sup> floor of a commercial building/ Currently used as the management office of UMW-OG Group	2,009/ N/A	A tenancy for a period of three years, expiring on 31 December 2013	RM87,806
2.	<b>UMWC(landlord)/UMW-OG (tenant)</b> Parcel no. CS/3A of 18 <sup>th</sup> floor, Block 3A, Plaza Sentral, Jalan Stesen Sentral 5, Brickfields, 50470 Federal Territory of Kuala Lumpur, Malaysia	One office unit on 18 <sup>th</sup> floor of a commercial building/ Currently used as the management office of UMW-OG Group	745/ N/A	A tenancy for a period of three years, expiring on 31 December 2013	RM32,537

## ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

No.	Name of lessor/lessee or landlord/tenant or grantor/grantee or tenant or sub-tenant/ Lot. no./ Postal address	Description of property/ Existing use	Built-up area/ Land area (sq metre unless otherwise stated)	Tenure/ Date of expiry	Rental per month
3.	Etiqa Insurance Berhad (landlord)/UJD (tenant) Lot A Level 7 of Tower 2 Etiqa Twins, No.11 Jalan Pinang, 50450 Federal Territory of Kuala Lumpur, Malaysia	One unit of office space at level 7 of a commercial building/ Currently used as the management office of UJD	267/ N/A	A tenancy for a period of two years, expiring on 15 December 2014	RM18,968
4.	Pangkalan Bekalan Kemaman Sdn Bhd (tenant)/UJD (sub-tenant) Open Yard-Phase II (OYP2/03/36), Kemaman Supply Base, Telok Kalong, 24007 Kemaman, Terengganu Darul Iman, Malaysia	Industrial land at Kemaman Supply Base comprising open storage yard/ Currently used for support of the drilling and other engineering services for oil and gas exploration, development and production carried out by UJD	N/A/ 990	A tenancy for a period of one year expiring on 30 April 2014 with an option to extend for a further one year	RM2,475
5.	Asian Supply Base Sdn Bhd (landlord)/UJD (tenant) Asian Supply Base, Ranca – Ranca Industrial Estate, P.O. 80763, 87017, Federal Territory of Labuan, Malaysia	Industrial land at Asian Supply Base comprising open storage yard/ Currently used for support of the drilling and other engineering services for oil and gas exploration, development and production carried out by UJD	N/A/ 2,000	A tenancy for a period of three years, expiring on 5 September 2014	RM6,507 Refer to note (1)

## ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

No.	Name of lessor/lessee or landlord/tenant or grantor/grantee or tenant or sub-tenant/ Lot. no./ Postal address	Description of property/ Existing use	Built-up area/ Land area (sq metre unless otherwise stated)	Tenure/ Date of expiry	Rental per month
6.	Kesuma Shipping Sdn Bhd (tenant)/UJD (sub-tenant)  Lot 22, Manmohan's Warehouse, Jalan Patau – Patau, 87027 Federal Territory of Labuan, Malaysia	Ground floor of the shop house building comprising spaces for warehouse and office/ Currently used for support of the drilling and other engineering services for oil and gas exploration, development and production carried out by UJD	230/ N/A	A sub-tenancy for a period of two years, expiring on 31 May 2015	RM4,500
7.	Asian Supply Base Sdn Bhd (lessor)/UOS (lessee)  East Plant, Asian Supply Base, Ranca – Ranca Industrial Estate, P.O. 80763, 87017, Federal Territory of Labuan, Malaysia	Industrial land at Ranca – Ranca Industrial Estate comprising the open storage yard, office spaces, machining workshop, detached warehouse, pipe rack, containers and pipe yard/ Currently used as threading plant of UOS including storage of plain end and finished threaded pipes, pipe rack and containers, and also used as the administration office of UOS	2,840/ 26,690	A lease for a period of 20 years, expiring on 30 June 2028	RM80,069

## ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

No.	Name of lessor/lessee or landlord/tenant or grantor/grantee or tenant or sub-tenant/ Lot. no./ Postal address	Description of property/ Existing use	Built-up area/ Land area (sq metre unless otherwise stated)	Tenure/ Date of expiry	Rental per month
8.	Asian Supply Base Sdn Bhd (lessor)/UOS (lessee)  West Plant, Asian Supply Base, Ranca – Ranca Industrial Estate, P.O. 80763, 87017, Federal Territory of Labuan, Malaysia	Industrial land at Ranca – Ranca Industrial Estate comprising the open storage yard, office spaces, machining workshop, detached warehouse, pipe rack, containers and pipe yard/ Currently used as threading plant of UOS including storage of plain end and finished threaded pipes, pipe rack and containers, and also used as the administration office of UOS Refer to note (2)	3,114/ 7.40 acres	A lease for a period of 15 years, expiring on 31 December 2022	Refer to note (3)
9.	PT. Grahaniaga Tatautama (lessor)/UMWSD (lessee)  Level 26 of Graha Niaga building, Jalan Jenderal Sudirman Kav. 58, Kebayoran Baru, South Jakarta, Indonesia	One office unit on 26 <sup>th</sup> floor of a commercial building/ Currently used as the management office of UMWSD in Indonesia	216/ N/A	A lease for a period of two years, expiring on 30 November 2013	IDR35,681,250 (RM10,776) Refer to notes (4) and (9)

## ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

No.	Name of lessor/lessee or landlord/tenant or grantor/grantee or tenant or sub-tenant/ Lot. no./ Postal address	Description of property/ Existing use	Built-up area/ Land area (sq metre unless otherwise stated)	Tenure/ Date of expiry	Rental per month
10.	Abah Agencies (M) Sdn Bhd (tenant)/UMWSD (sub-tenant)  Open Space-Phase II (OYP2/01/57), Kemaman Supply Base, Telok Kalong, 24007 Kemaman, Terengganu Darul Iman, Malaysia	Industrial land at Kemaman Supply Base comprising open storage yard, terraced bonded warehouse together with one unit of office/ Currently used for the operation of UMWSD's business including storage of the drilling equipment, consumable items and spare parts	190/ 940	A sub-tenancy for a period of one year, expiring on 31 January 2014, with an option to extend for a further period of one year	RM8,535
11.	Pangkalan Bekalan Kemaman Sdn Bhd (landlord)/UPD (tenant)  Open Space-Phase II(OYP2/03/09) Kemaman Supply Base, Telok Kalong, 24007 Kemaman, Terengganu Darul Iman, Malaysia	Industrial land at Kemaman Supply Base comprising open storage yard, two detached warehouses and a double storey detached office building/ Currently used for the operation of UPD's business including storage of equipment, maintenance and modification works and the administration office of UPD at Kemaman Supply Base	188/ 5,023	A tenancy for a period of one year, expired on 28 February 2012 <i>Refer to note (5)</i>	RM12,558
12.	Oh Beng Kuan (landlord)/UPD (tenant)  No. 50-C, Jalan Jakar, 24000 Kemaman, Terengganu Darul Iman, Malaysia	A double storey semi-detached house/ Currently used as the residential home of UPD's employee	186/ 348	A tenancy for a period of two years, expiring on 28 September 2013 <i>Refer note (6)</i>	RM1,600

## ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

No.	Name of lessor/lessee or landlord/tenant or grantor/grantee or tenant or sub-tenant/ Lot no./ Postal address	Description of property/ Existing use	Built-up area/ Land area (sq metre unless otherwise stated)	Tenure/ Date of expiry	Rental per month
13.	<b>Niswati Tarji (landlord)/UPD (tenant)</b>  Lot 84, Taman Ranca -- Ranca, Fasa 1, Jalan Ranca - Ranca, 87007 Federal Territory of Labuan, Malaysia	A double storey intermediate terraced house/ Currently used as the residential home of UPD's employee	104/ 139	A tenancy for a period of two years, expiring on 30 April 2015	RM1,100
14.	<b>Amarjit Kaur a/p Amreek Singh (landlord)/UPD (tenant)</b>  B-6-8, The Park Residence, No. 2A, Jalan 1/2H, off Jalan Kerinchi, Bangsar South, 59200 Federal Territory of Kuala Lumpur, Malaysia	A condominium at level six of block B/ Currently used as the residential home of UPD's employee	138/ N/A	A tenancy for a period of one year, expiring on 28 February 2014	RM3,600
15.	<b>OTT (sub-lessor)/UOT (sub-lessee)</b>  95/16 Moo 6, Tamboi Plutaluang, Amphur Sattahip, Chonburi 20180 Thailand	Land at the supply base comprising the open areas, workshop building and machine shop/ Currently used for the operation of UOT's business in Sattahip including workshop, machine shop and a piping area	573/ 7,696	A lease for a period of one year, expiring on 31 December 2013	THB73,000 (RM7,498) Refer to note (10)
16.	<b>DJ Oilfield Services (Thailand) Company Limited (landlord)/UOT (tenant/lessee)</b>  Deed no. 309 and 53, Koh Yoh-Khao Daeng Road, Village 1, Tambon Satingmor, Amphur Singhanakom, Songkhla 90000 Thailand	Land comprising a yard space and the facilities including office space, warehouse, workshop, car park area and pipe rack/ Currently used for the operation of UOT's business in Songkhla	416/ 5,110	A tenancy for a period of three years, expired on 30 May 2013 with an option of renewal for a further three years Refer to note (7)	THB88,000 (RM9,038) Refer to note (10)

## ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

No.	Name of lessor/lessee or landlord/tenant or grantor/grantee or tenant or sub-tenant/ Lot. no./ Postal address	Description of property/ Existing use	Built-up area/ Land area (sq metre unless otherwise stated)	Tenure/ Date of expiry	Rental per month
17.	Wild Peach Company Limited (landlord)/UOT(tenant) 4-4/1, Pahonloythin 31, Pahonloythin Road, Chatuchak District, Bangkok 10900 Thailand	Two floors of office units in a commercial building/ Currently used as a management office of UOT	236/ N/A	A tenancy for a period of one year, expiring on 31 January 2014	THB48,668 (RM4,999) Refer to note (10)
18.	Bertling Logistics (Turkmen) L.L.C. (landlord)/UOS-TK (tenant) No. 105, Voenniy Gorodok, Khodjanepsa Street, Turkmenbashi, Turkmenistan	Hangar and its adjacent territory/ Currently used for the operation of UOS-TK's business including workshop and warehouse facilities	1,360/ 1,360 Refer to note (8)	A tenancy for a period of 1 year, expiring on 31 January 2014	USD5,511 (RM18,184) Refer to note (11)
19.	Ak TAM (lessor)/UOS-TK (lessee) Garashyzyk Shayoly 23, Ashgabat 744207, Turkmenistan	Office space/ Currently used as a management office for UOS-TK	41/ N/A	A tenancy for a period of 1 year, expiring on 31 December 2013	USD605 (RM1,996) Refer to note (11)

**Notes:**

- (1) The monthly rental of RM6,507 for the tenanted property includes the rental for the open yard and the pipe rack facility.
- (2) Pursuant to the inspection conducted by the relevant departments on the buildings erected on the property, UOS had obtained the support letters from the respective departments on the following date:
  - (i) Jabatan Ukur dan Pemetaan Wilayah Persekutuan Labuan on 17 May 2010;
  - (ii) Water Supply Department of Labuan (Jabatan Bekalan Air Wilayah Persekutuan Labuan) on 20 May 2010;
  - (iii) Public Works Department of Labuan (Jabatan Kerja Raya Wilayah Persekutuan Labuan) on 12 July 2010;
  - (iv) Pejabat Pengarah Tanah dan Galian Wilayah Persekutuan Labuan on 4 August 2010;

**ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)**

- (v) Sabah Electricity Sdn Bhd on 6 August 2010; and  
 (vi) Indah Water Consortium Sdn Bhd on 7 March 2013.

The approvals and support letters from the Malaysian Fire and Rescue Department (Jabatan Bomba dan Penyelamat Malaysia) and the Department of Environment of Labuan (Jabatan Alam Sekitar Wilayah Persekutuan Labuan) are expected to be obtained in November 2013. Upon obtaining the approvals from these two departments, UOS will then submit the application together with the support letters obtained from all the relevant departments to the Labuan Corporation (Perbadanan Labuan) for the issuance of certificate of fitness. UOS expects to obtain the certificate of fitness by end of January 2014.

- (3) The rental for the leased space is as follows:

<b>Lease period</b>	<b>Rental/month for each acre of the leased space at the supply base (RM)</b>
Year 1 – 5	10,500
Year 6 – 10	11,600
Year 11 – 15	Rates to be mutually agreed between UOS and Asian Supply Base Sdn Bhd three months prior to the commencement of period

- (4) In addition to the payment of monthly rental, UMWSD shall pay to the lessor, a separate charge of IDR18,381,250 (RM5,551 based on the rate of IDR100 = RM0.0302 being the middle rate published by Bank Negara Malaysia as at 30 August 2013) for services provided by the lessor in respect of the leased property.
- (5) An agreement for the renewal of the tenancy for the period between May 2012 – May 2013, with an option to renew for another one year expiring in May 2014, is pending for execution from both parties.
- (6) The parties expect to renew the tenancy for a period of 24 months effective from 1 October 2013, on terms and conditions to be negotiated.
- (7) The tenancy of the property is automatically renewed every three years.
- (8) The land area of the tenanted property is divided into the following sections:
- | <b>Hangar</b> | <b>Hangar adjacent territory</b> |
|---------------|----------------------------------|
| 360 sq metre  | 1,000 sq metre                   |
- (9) Based on the rate of IDR100 = RM0.0302, being the middle rate published by Bank Negara Malaysia as at 30 August 2013.
- (10) Based on the rate of THB100 = RM10.2708, being the middle rate published by Bank Negara Malaysia as at 30 August 2013.
- (11) Based on the rate of USD1 = RM3.2995, being the middle rate published by Bank Negara Malaysia as at 30 August 2013.



**ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)**

Save as disclosed above, none of the properties disclosed are in breach of any land use conditions and/or are in non-compliance with current statutory requirements, land rules or building regulations which will have a material adverse impact on our operations or the utilisation of our assets on the said properties. No valuations have been conducted on any of the properties disclosed above.

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**ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)****B.3 MATERIAL EQUIPMENT**

The material plants and equipment used by our business operations are set out below:

No.	Description	NBV as at 30 June 2013
1.	Property, plant and equipment of UDC	<b>USD58,083,722</b> <b>(RM191,647,240)</b> <i>Refer to note (1)</i>
	(i) Property, plant and equipment of NAGA 1, as follows:	
	(a) Vessel and barge;	USD8,823,841 (RM29,114,263)
	(b) Machinery and equipment; and	<i>Refer to note (1)</i>
	(c) Tools, furniture and fixtures	
	(ii) Deepdish conversion work of NAGA 1 <i>Refer to note (2)</i>	USD49,259,881 (RM162,532,977) <i>Refer to note (1)</i>
2.	Property, plant and equipment of US-1	<b>USD167,456,874</b> <b>(RM552,523,956)</b> <i>Refer to note (1)</i>
	Property, plant and equipment of NAGA 2, as follows:	
	(i) Vessels and barge;	
	(ii) Machinery and equipment; and	
	(iii) Tools, furniture and fixtures	
3.	Property, plant and equipment of UN3	<b>USD166,539,985</b> <b>(RM549,498,681)</b> <i>Refer to note (1)</i>
	Property, plant and equipment of NAGA 3, as follows:	
	(i) Vessels and barge;	
	(ii) Machinery and equipment; and	
	(iii) Tools, furniture and fixtures.	
4.	Property, plant and equipment of UD4	<b>USD187,707,073</b> <b>(RM619,339,487)</b> <i>Refer to note (1)</i>
	Property, plant and equipment of NAGA 4, as follows:	
	(i) Vessels and barge;	
	(ii) Machinery and equipment; and	
	(iii) Tools, furniture and fixtures	
5.	Property, plant and equipment of UOS	<b>RM13,972,158</b>
	Included within property, plant and equipment are:	
	(i) A threading plant known as East Plant at Asian Supply Base owned by UOS comprising the following:	
	(a) Building including the threading plant, warehouse, store, treatment plant and others; and	RM556,622
	(b) Yard for storage of the materials <i>Refer to note (3)</i>	RM160,286
	(ii) A threading plant known as West Plant at Asian Supply Base owned by UOS comprising the following:	
	(a) Building including the threading plant, warehouse, store, treatment plant and others; and	RM4,288,302
	(b) Yard for storage of the materials <i>Refer to note (4)</i>	RM459,993

**ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)**

No.	Description	NBV as at 30 June 2013
6.	Property, plant and equipment of UPD	<b>RM45,901,591</b>
	Included within property, plant and equipment are:	RM43,574,691
	(i) HWUs known as UP GAIT I, UP GAIT II, UP GAIT III and UP GAIT V owned by UPD. The description of the HWUs is as follows:	
	(a) UP GAIT I comprising plant and equipment	RM316,807
	(b) UP GAIT II comprising plant and equipment	RM3,349,251
	(c) UP GAIT III comprising plant and equipment	RM16,767,652
	(d) UP GAIT V comprising plant and equipment	RM23,140,981
	(ii) A warehouse at Kemaman Supply Base owned by UPD Refer to note (5)	RM819,697

**Notes:**

- (1) Based on the rate of USD1 = RM3.2995, being the middle rate published by Bank Negara Malaysia as at 30 August 2013.
- (2) The plant and equipment relates to UDC's proportionate interest of 50% in NAGA 1 in which UDC and JDC Panama, have joint rights.
- (3) The threading plant was built on a land leased by UOS at Asian Supply Base in Labuan as per the disclosure under item 7 of Annexure B.2 above.
- (4) The threading plant was built on a land leased by UOS at Asian Supply Base in Labuan as per the disclosure under item 8 of Annexure B.2 above.
- (5) A warehouse was built on a land leased by UPD at Kemaman Supply Base in Terengganu as per the disclosure under item 11 of Annexure B.2 above.

**B.4 REGULATORY REQUIREMENT AND ENVIRONMENTAL ISSUES**

Our Directors are not aware of any regulatory requirement or environmental issues which may materially affect our operations and utilisation of our assets.