

12. FINANCIAL INFORMATION (Cont'd)

The following table shows the breakdown of our other expenses for the years indicated:

	Year ended 31 December					
	2011		2012		2013	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Impairment of assets	-	-	3,283	16.4	48,784	71.6
Amortisation of intangible assets	14,437	100.0	16,786	83.6	19,388	28.4
Total	14,437	100.0	20,069	100.0	68,172	100.0

The carrying amount of our intangible assets relating to acquired charter contracts is RM14.9 million as at 31 December 2013, which will be fully amortised by the 1Q 2016.

(f) Finance costs

Our finance costs primarily comprise interest and profit rate expense on loans and other financial instruments as well as related finance charges.

The following table shows the breakdown of our finance costs for the years indicated:

	Year ended 31 December					
	2011		2012		2013	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Term loan interest/profit rate	34,184	58.6	39,971	73.8	39,944	69.5
Revolving credit profit rate	-	-	-	-	2,397	4.2
RCCPS interest	-	-	419	0.8	1,670	2.9
RCCSLs interest	1,269	2.2	1,651	3.0	-	-
RCPS-i profit rate	10,700	18.3	11,300	20.9	11,000	19.1
Others	⁽¹⁾ 12,160	20.9	804	1.5	⁽²⁾ 2,497	4.3
Total	58,313	100.0	54,145	100.0	57,508	100.0

Notes:

⁽¹⁾ Includes RM6.7 million one-off penalty charge relating to ICON Ship's restructuring of certain of its borrowings into a term loan and RM5.1 million interest on advances from the former holding company of ICON Ship, Tanjung Offshore.

⁽²⁾ Includes RM2.4 million interest on shareholders' advance from Hallmark for the acquisition of new vessels.

(g) Taxation

Generally, all companies incorporated in Malaysia will be subject to income tax for Malaysian-sourced income under the ITA at the prevailing corporate income tax rate. The current corporate income tax rate under the ITA is 25%.

12. FINANCIAL INFORMATION (Cont'd)

Companies incorporated under the Labuan Act and which carry on "Labuan business activities" (as defined under the Labuan Act) are not subject to income tax under the ITA but are instead subject to the preferential tax regime regulated under the LBATA. Under the LBATA, no Malaysian income tax is imposed on income derived from 'Labuan non-trading activities' (as defined under the Labuan Act). Labuan companies carrying out 'Labuan trading activities' (as defined under the Labuan Act) (including leasing activities) may elect to be taxed at either a rate of 3% of their audited net profits or a flat annual tax of RM20,000. Income derived from other business activities are subject to the applicable corporate income tax.

Our taxation expenses consist of current income tax and deferred income tax. Current income tax is determined based on the estimated taxable income for the year. Deferred tax assets and liabilities are recognised for the future tax consequences attributable to temporary differences between the carrying amounts of existing assets and liabilities in the financial statements and their respective tax bases at balance sheet date. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences and accumulated business losses to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and accumulated business losses can be utilised.

The deferred taxation for the years ended 31 December 2011, 2012 and 2013 as shown below includes the deferred tax credit relating to the amortisation of intangible assets as referred to in Section 12.2.5(i)(e) of this Prospectus, of RM3.6 million, RM4.2 million and RM4.8 million, respectively. The actual deferred tax credit relating to amortisation of intangible assets recognised in the audited financial statements of our Group for the years ended 31 December 2012 and 2013 are RM2.7 million and RM4.8 million, respectively.

In addition, pursuant to the Internal Reorganisation as set out in Section 7.4 of this Prospectus, we have on 31 December 2013 transferred 16 of our vessels to newly-incorporated Labuan subsidiaries and disposed of our non-OSV. The said transfer and disposal gave rise to a net tax credit of RM100.4 million for the year ended 31 December 2013.

The following table shows our current income tax and deferred taxation for the years indicated:

	Year ended 31 December		
	2011	2012	2013
	(RM'000)	(RM'000)	(RM'000)
Current income tax	1,493	2,003	5,881
Deferred tax expense/(credit)	1,267	12,690	(101,927)
Total	2,760	14,693	(96,046)

12. FINANCIAL INFORMATION (Cont'd)

(ii) Year ended 31 December 2013 compared to year ended 31 December 2012

	Pro forma		Audited		% change
	Year ended 31 December				
	2012		2013		
	(RM'000)	(%)	(RM'000)	(%)	
Revenue	291,705	100.0	334,863	100.0	14.8
Cost of sales	(142,619)	(48.9)	(162,890)	(48.6)	14.2
Gross profit	149,086	51.1	171,973	51.4	15.4
Other income	1,235	0.5	2,205	0.6	78.5
Administrative expenses	(23,785)	(8.2)	(30,943)	(9.2)	30.1
	126,536	43.4	142,235	42.8	13.2
Other expenses	(20,069)	(6.9)	(68,172)	(20.4)	239.7
Profit from operations	106,467	36.5	75,063	22.4	(29.5)
Finance costs	(54,145)	(18.6)	(57,508)	(17.2)	6.2
Profit before taxation	52,322	17.9	17,555	5.2	(66.4)
Taxation	(14,693)	(5.0)	96,046	28.7	N/A
Profit after taxation	37,629	12.9	113,601	33.9	201.9

(a) Revenue

Our revenue increased by RM43.2 million or 14.8%, from RM291.7 million for the year ended 31 December 2012 to RM334.9 million for the year ended 31 December 2013. The increase was primarily due to higher revenue from the charter hire of our own and forerunner vessels by RM35.9 million or 12.7%, from RM282.2 million for the year ended 31 December 2012 to RM318.1 million for the year ended 31 December 2013. Despite the disposal of three low specification vessels in 2013, our charter hire revenue increased primarily due to more contracts being awarded to us, one of which has a higher contract value, in line with our fleet expansion in the year ended 31 December 2013 as we acquired six additional vessels.

Revenue from our AHTSs increased by RM26.2 million or 16.3%, from RM160.8 million in the year ended 31 December 2012 to RM187.0 million in the year ended 31 December 2013 mainly due to contributions from our four additional AHTSs. The utilisation rate of the PSV that we acquired in June 2013 was 87.0% which contributed RM12.0 million to our charter hire revenue in the year ended 31 December 2013. The increase in revenue contribution from our AHTSs and PSV was partially offset by a decrease in revenue from our AHTs of RM9.1 million and a decrease in revenue from our UVs of RM6.5 million, primarily due to lower utilisation rates of our AHTs and UVs in the year ended 31 December 2013. The utilisation rate of our AHTs decreased from 71.5% for the year ended 31 December 2012 to 59.2% for the year ended 31 December 2013 and the utilisation rate of our UVs decreased from 73.7% for the year ended 31 December 2012 to 61.3% for the year ended 31 December 2013.

12. FINANCIAL INFORMATION (Cont'd)

In addition, we chartered-in more third party vessels as forerunners for the year ended 31 December 2013 as we secured more contracts. Revenue from forerunner vessels increased by RM10.6 million or approximately 33.9%, from RM31.4 million for the year ended 31 December 2012 to RM42.0 million for the year ended 31 December 2013, as a result of us securing more contracts (with one contract for our PSV having a higher contract value) than our available vessels, which we serviced with forerunner vessels prior to the delivery of our AHTSs and PSV. The forerunner vessels which serviced contracts secured for our new AHTSs which were acquired in the year ended 31 December 2013, contributed RM11.1 million to our forerunner vessels revenue for the year ended 31 December 2013 whilst the forerunner vessels which serviced contracts secured for our PSV which was acquired in June 2013, contributed to the remaining of our forerunner vessels revenue.

(b) Cost of sales

Our cost of sales increased by RM20.3 million or 14.2%, from RM142.6 million for the year ended 31 December 2012 to RM162.9 million for the year ended 31 December 2013, primarily as a result of an increase in the cost of chartering-in forerunner vessels and depreciation of vessels and drydock.

The cost of forerunner vessels increased by RM9.1 million or 32.7%, from RM27.9 million for the year ended 31 December 2012 to RM37.0 million for the year ended 31 December 2013, in line with the increase in our revenue from forerunner vessels.

The increase in depreciation of vessels and drydock of RM8.7 million or 21.9%, from RM39.6 million for the year ended 31 December 2012 to RM48.3 million for the year ended 31 December 2013 was primarily due to the additional depreciation arising from the new vessels acquired in the year ended 31 December 2013, particularly the depreciation of the new PSV which has a higher carrying amount as a larger and higher specification vessel.

Crew costs decreased by RM5.2 million, or 11.7%, from RM44.7 million in the year ended 31 December 2012 to RM39.5 million for the year ended 31 December 2013 despite the increase in the number of our vessels due to cost savings achieved via the restructuring of crew costs for the year ended 31 December 2013 following the Strategic Consolidation.

(c) Gross profit

As a result of the foregoing, our gross profit increased by RM22.9 million or 15.4%, from RM149.1 million for the year ended 31 December 2012 to RM172.0 million for the year ended 31 December 2013. Gross profit margin increased by 0.3% from 51.1% for the year ended 31 December 2012 to 51.4% for the year ended 31 December 2013. Our gross profit margin remained fairly constant primarily due to our Group's continuous cost control measures in managing the vessels, including cost savings from bulk purchase of consumables and our Group's vessel management strategy where we maintain a certain number of vessels on spot charters to deploy and mobilise as a replacement for other vessels on long-term contracts that are due for drydocking, hence minimising the need as well as costs to charter-in third party vessels.

12. FINANCIAL INFORMATION (Cont'd)

(d) Other income

Other income increased by RM1.0 million or 78.5%, from RM1.2 million for the year ended 31 December 2012 to RM2.2 million for the year ended 31 December 2013, primarily due to the gain on disposal of a non-OSV of RM1.4 million recognised during the year ended 31 December 2013.

(e) Administrative expenses

Administrative expenses increased by RM7.2 million or 30.1%, from RM23.8 million for the year ended 31 December 2012 to RM30.9 million for the year ended 31 December 2013, primarily as a result of an increase in payroll and corporate overheads.

Payroll costs increased by RM3.0 million or 21.9%, from RM13.5 million for the year ended 31 December 2012 to RM16.4 million for the year ended 31 December 2013 primarily due to the increase in technical staff headcount from 21 as at 31 December 2012 to 34 as at 31 December 2013 as a result of the increase in our fleet size. In addition, higher payroll costs were incurred as we benchmark our employees' salaries to be in line with the industry's standard.

Corporate overheads increased by RM3.6 million or 46.7%, from RM7.7 million for the year ended 31 December 2012 to RM11.3 million for the year ended 31 December 2013, primarily due to an increase in professional fees incurred to facilitate the integration of our enlarged Group following the Strategic Consolidation, costs incurred on our corporate branding exercise, such as advertisement, exhibition and corporate logo and materials, as well as the increase in our rental costs as we moved to our new office following the Strategic Consolidation.

(f) Other expenses

Other expenses increased by RM48.1 million or 239.7%, from RM20.1 million for the year ended 31 December 2012 to RM68.2 million for the year ended 31 December 2013, due to an increase in impairment of assets and amortisation of intangible assets.

The impairment of assets increased by RM45.5 million from RM3.3 million for the year ended 31 December 2012 to RM48.8 million for the year ended 31 December 2013 due to larger number of vessels which were impaired for the year ended 31 December 2013 as compared to the year ended 31 December 2012, as a result of the review of our business plan in consequence of the Strategic Consolidation where impairment assessment was conducted and it was concluded that the recoverable value of certain assets was less than their respective carrying amount.

12. FINANCIAL INFORMATION (Cont'd)

Amortisation of intangible assets relating to charter contracts acquired as part of the Acquisition of ICON Ship and Acquisition of ICON Fleet increased by RM2.6 million, or 15.5%, from RM16.8 million for the year ended 31 December 2012 to RM19.4 million for the year ended 31 December 2013. The increase in amortisation of intangible assets was primarily due to differences in the amortisation period used for the preparation of pro forma consolidated statements of comprehensive income for the year ended 31 December 2012 and the actual amortisation period in our audited financial statements for the year ended 31 December 2013. The pro forma consolidated statements of comprehensive income assumed that the amortisation of intangible assets commenced on 1 January 2011 as opposed to the actual dates of completion of the Acquisition of ICON Ship and Acquisition of ICON Fleet pursuant to the Strategic Consolidation.

Please refer to Section 12.2.6 of this Prospectus for further information relating to impairment of assets and amortisation of intangible assets.

(g) Profit from operations

As the increase in our gross profit and other income have been offset by an increase in administrative expenses and other expenses, in particular relating to impairment of assets of RM48.8 million, profit from operations decreased by RM31.4 million or 29.5%, from RM106.5 million for the year ended 31 December 2012 to RM75.1 million for the year ended 31 December 2013. Our profit from operations margin decreased by 14.1% from 36.5% for the year ended 31 December 2012 to 22.4% for the year ended 31 December 2013.

(h) Finance costs

Finance costs increased by RM3.4 million or 6.2%, from RM54.1 million for the year ended 31 December 2012 to RM57.5 million for the year ended 31 December 2013, mainly as a result of other finance costs of RM2.5 million for the year ended 31 December 2013 which we incurred primarily relating to interest on advances from Hallmark for the purpose of acquiring new vessels and profit rate of RM2.4 million due to a new revolving credit facility during the year ended 31 December 2013, partially offset by the absence of interest on the RCCSLS during the year ended 31 December 2013 compared to RM1.7 million during the year ended 31 December 2012, as the RCCSLS were redeemed during the year ended 31 December 2012 pursuant to the Acquisition of ICON Fleet.

(i) Profit before taxation

As a result of the foregoing, our profit before taxation decreased by RM34.8 million or 66.4%, from RM52.3 million for the year ended 31 December 2012 to RM17.6 million for the year ended 31 December 2013. Profit before taxation margin decreased by 12.7%, from 17.9% for the year ended 31 December 2012 to 5.2% for the year ended 31 December 2013.

12. FINANCIAL INFORMATION (Cont'd)

(j) Taxation

Taxation was a credit of RM96.0 million for the year ended 31 December 2013 compared to an expense of RM14.7 million for the year ended 31 December 2012 primarily as a result of net tax credit arising from the transfer of 16 of our vessels to newly-incorporated Labuan subsidiaries and disposal of a non-OSV, of RM100.4 million. Current income tax expense increased by RM3.9 million from RM2.0 million for the year ended 31 December 2012 to RM5.9 million for the year ended 31 December 2013 primarily due to tax expense on the proceeds from disposal of lower specification OSVs.

(k) Profit after taxation

As a result of the foregoing, profit after taxation increased by RM76.0 million or 201.9%, from RM37.6 million for the year ended 31 December 2012 to RM113.6 million for the year ended 31 December 2013. Profit after taxation margin increased by 21.0% from 12.9% for the year ended 31 December 2012 to 33.9% for the year ended 31 December 2013.

(iii) Year ended 31 December 2012 compared to year ended 31 December 2011

	Pro forma				% change
	Year ended 31 December				
	2011		2012		
	(RM'000)	(%)	(RM'000)	(%)	
Revenue	226,487	100.0	291,705	100.0	28.8
Cost of sales	(112,447)	(49.6)	(142,619)	(48.9)	26.8
Gross profit	114,040	50.4	149,086	51.1	30.7
Other income	990	0.4	1,235	0.5	24.7
Administrative expenses	(16,562)	(7.3)	(23,785)	(8.2)	43.6
	98,468	43.5	126,536	43.4	28.5
Other expenses	(14,437)	(6.4)	(20,069)	(6.9)	39.0
Profit from operations	84,031	37.1	106,467	36.5	26.7
Finance costs	(58,313)	(25.7)	(54,145)	(18.6)	(7.1)
Profit before taxation	25,718	11.4	52,322	17.9	103.4
Taxation	(2,760)	(1.3)	(14,693)	(5.0)	432.4
Profit after taxation	22,958	10.1	37,629	12.9	63.9

(a) Revenue

Our revenue increased by RM65.2 million or 28.8%, from RM226.5 million for the year ended 31 December 2011 to RM291.7 million for the year ended 31 December 2012. The increase was primarily due to an increase in revenue from the charter hire of our own and forerunner vessels by RM62.6 million or 28.5%, from RM219.6 million for the year ended 31 December 2011 to RM282.2 million for the year ended 31 December 2012. Our charter hire revenue increased as there were more contracts awarded to us in line with our fleet expansion as there was an addition of five vessels during the year ended 31 December 2012.

12. FINANCIAL INFORMATION (Cont'd)

Revenue from our AHTSs increased by RM38.2 million or 31.1%, from RM122.6 million for the year ended 31 December 2011 to RM160.8 million for the year ended 31 December 2012, mainly due to contributions from our three additional AHTSs as well as an increase in the average utilisation rate of our AHTSs from 91.7% for the year ended 31 December 2011 to 95.2% for the year ended 31 December 2012. Despite the lower average utilisation rate of our UVs for the year ended 31 December 2012, charter hire revenue from our UVs increased by RM8.8 million or 68.1%, from RM12.9 million for the year ended 31 December 2011 to RM21.7 million for the year ended 31 December 2012 as there was an addition of two new UVs during the year ended 31 December 2012. Charter hire revenue from our SSVs increased by RM6.4 million or 20.4%, from RM31.2 million in the year ended 31 December 2011 to RM37.5 million in the year ended 31 December 2012, primarily due to an increase in the average utilisation rate of our SSV from 78.7% for the year ended 31 December 2011 to 90.8% for the year ended 31 December 2012.

In addition, we chartered-in more third party vessels as forerunner during the year ended 31 December 2012 as we secured more contracts than our available vessels, until one of our vessels becomes available. Revenue from forerunner vessels increased by RM8.7 million or 38.3%, from RM22.7 million for the year ended 31 December 2011 to RM31.4 million for the year ended 31 December 2012.

(b) Cost of sales

Our cost of sales increased by RM30.2 million or 26.8%, from RM112.4 million for the year ended 31 December 2011 to RM142.6 million for the year ended 31 December 2012, primarily as a result of an increase in crew cost, consumables and ship operation costs as well as charter-in forerunner vessels.

Crew costs increased by RM8.4 million or 23.2%, from RM36.3 million for the year ended 31 December 2011 to RM44.7 million for the year ended 31 December 2012, as we hired more crew for the year ended 31 December 2012, in line with the increase in our fleet size.

Consumables and ship operation costs increased by RM7.8 million or 34.2%, from RM22.7 million for the year ended 31 December 2011 to RM30.4 million for the year ended 31 December 2012, due to the increase in our fleet size as well as the increase in repair and maintenance costs of the existing vessels.

The cost of charter-in forerunner vessels increased by RM11.3 million or 68.1%, from RM16.6 million for the year ended 31 December 2011 to RM27.9 million for the year ended 31 December 2012, higher than the percentage increase in revenue of charter hire from forerunner vessels primarily due to higher charter-in costs for short-term charters for the year ended 31 December 2012.

Depreciation of vessels and drydock increased by RM2.7 million or 7.4%, from RM36.9 million for the year ended 31 December 2011 to RM39.6 million for the year ended 31 December 2012, primarily due to the increase in our fleet size for the year ended 31 December 2012.

12. FINANCIAL INFORMATION (Cont'd)**(c) Gross profit**

As a result of the foregoing, our gross profit increased by RM35.0 million or 30.7%, from RM114.0 million for the year ended 31 December 2011 to RM149.1 million for the year ended 31 December 2012. Gross profit margin increased by 0.7% from 50.4% for the year ended 31 December 2011 to 51.1% for the year ended 31 December 2012. Our gross profit margin remained fairly constant primarily due to our Group's continuous cost control measures in managing the vessels as explained in Section 12.2.5(ii)(c) of this Prospectus.

(d) Other income

Other income increased by RM0.2 million or 24.7%, from RM1.0 million for the year ended 31 December 2011 to RM1.2 million for the year ended 31 December 2012, primarily due to the gain on disposal of assets of RM0.4 million relating to the disposal of motor vehicles which was partially offset by the loss of management fee income from TOS following the Acquisition of ICON Ship.

(e) Administrative expenses

Administrative expenses increased by RM7.2 million or 43.6%, from RM16.6 million for the year ended 31 December 2011 to RM23.8 million for the year ended 31 December 2012, primarily as a result of an increase in payroll costs and corporate overheads.

Payroll costs increased by RM2.9 million or 27.0%, from RM10.6 million for the year ended 31 December 2011 to RM13.5 million for the year ended 31 December 2012, primarily due to an increase in headcount for management and executive roles as new positions were established within our Group. The chartering department which is responsible for tendering and marketing was transferred from Tanjung Offshore to ICON Ship in late 2011, prior to the Acquisition of ICON Ship, which also contributed to the increase in our payroll costs for the year ended 31 December 2012. In addition, prior to the completion of the Acquisition of ICON Ship, ICON Ship had utilised personnel of its former holding company, Tanjung Offshore, for services such as finance, legal and human resources. Following the completion of the Acquisition of ICON Ship, these costs were borne by us through the increase in headcounts. In addition, in preparing for our Listing, we had also expanded the existing roles of our staffs and established new roles such as internal audit and risk management during the year ended 31 December 2012.

Corporate overheads increased by RM2.7 million or 54.2%, from RM5.0 million for the year ended 31 December 2011 to RM7.7 million for the year ended 31 December 2012, due to professional fees amounting to RM1.5 million which was incurred for the merger integration project to facilitate the integration activities pursuant to the Strategic Consolidation as well as the increase in incidental costs for, among others, the corporate identity and materials as well as integration events.

(f) Other expenses

Other expenses increased by RM5.6 million or 39.0%, from RM14.4 million for the year ended 31 December 2011 to RM20.1 million for the year ended 31 December 2012, primarily arising from an increase in impairment of vessels and amortisation of intangible assets.

12. FINANCIAL INFORMATION (Cont'd)

As a result of the review of our business plan in consequence of the Strategic Consolidation where impairment assessment was conducted, we recognised an impairment of a non-OSV of RM3.3 million for the year ended 31 December 2012.

Amortisation of intangible assets for contracts acquired as part of the Acquisition of ICON Ship and Acquisition of ICON Fleet increased by RM2.3 million or 16.3%, from RM14.4 million for the year ended 31 December 2011 to RM16.8 million for the year ended 31 December 2012. The increase in amortisation of intangible assets is due to higher number and value of acquired charter contracts recognised as intangible assets for the year ended 31 December 2012.

Please refer to Section 12.2.5(i)(e) of this Prospectus for further information on the impairment of vessels and amortisation of intangible assets.

(g) Profit from operations

As a result of the foregoing, profit from operations increased by RM22.4 million or 26.7%, from RM84.0 million for the year ended 31 December 2011 to RM106.5 million for the year ended 31 December 2012. Our profit from operations margin decreased by 0.6% from 37.1% for the year ended 31 December 2011 to 36.5% for the year ended 31 December 2012.

(h) Finance costs

Finance costs decreased by RM4.2 million or 7.1%, from RM58.3 million for the year ended 31 December 2011 to RM54.1 million for the year ended 31 December 2012, primarily due to the payment of interest of RM5.1 million on advances from the former holding company of ICON Ship, Tanjung Offshore, and a one-off penalty charge of RM6.7 million relating to ICON Ship's restructuring of certain of its borrowings into term loan for the year ended 31 December 2011. The decrease in finance costs was partially offset by the increase in the interest/profit rate of RCCPS, RCCSLs and RCPS-i of RM1.4 million, as well as an increase in term loan interest of RM5.8 million or 16.9%, from RM34.2 million for the year ended 31 December 2011 to RM40.0 million for the year ended 31 December 2012 due to drawdown of new borrowings to finance our fleet expansion.

(i) Profit before taxation

As a result of the foregoing, our profit before taxation increased by RM26.6 million or 103.4%, from RM25.7 million for the year ended 31 December 2011 to RM52.3 million for the year ended 31 December 2012. Profit before taxation margin increased by 6.5%, from 11.4% for the year ended 31 December 2011 to 17.9% for the year ended 31 December 2012.

(j) Taxation

Taxation increased by RM11.9 million or 432.4%, from RM2.8 million for the year ended 31 December 2011 to RM14.7 million for the year ended 31 December 2012, primarily as a result of an increase in deferred taxation by RM11.4 million from RM1.3 million for the year ended 31 December 2011 to RM12.7 million for the year ended 31 December 2012. The increase in deferred taxation is primarily due to adjustments made to the deferred tax assets of ICON Ship subsequent to the finalisation of the actual tax computation in the year ended 31 December 2012 due to the under-provision of income tax expenses in the year ended 31 December 2011.

12. FINANCIAL INFORMATION (Cont'd)

(k) Profit after taxation

As a result of the foregoing, our profit after taxation increased by RM14.7 million or 63.9%, from RM23.0 million in the year ended 31 December 2011 to RM37.6 million in the year ended 31 December 2012. Profit after taxation margin increased by 2.8% from 10.1% for the year ended 31 December 2011 to 12.9% for the year ended 31 December 2012.

12.2.6 Adjustments to selected financial information

We have presented selected adjusted financial information or components of our consolidated statements of comprehensive income for the years ended 31 December 2011, 2012 and 2013, adjusting for certain exceptional items as described below ("**Adjustments**") which arose as a result of the following events:

- (i) the Acquisition of ICON Ship which was completed on 20 July 2012 and the Acquisition of ICON Fleet which was completed on 28 September 2012;
- (ii) the Strategic Consolidation and review of our business plan in consequence of the Strategic Consolidation; and
- (iii) the Internal Reorganisation which was completed on 31 December 2013,

in order to provide a better and fairer understanding of our financial performance as well as the trends relating thereto:

- (i) adjustments relating to the Acquisition of ICON Ship and Acquisition of ICON Fleet
 - (a) Amortisation of intangible assets relating to acquired charter contracts

ICON is required to recognise all the identifiable assets and liabilities of ICON Fleet and ICON Ship, based on a purchase price allocation exercise as at the acquisition date of the Acquisition of ICON Ship and Acquisition of ICON Fleet. The purchase price allocation exercise includes measurement of the assets and liabilities that were not previously recognised by ICON Ship and ICON Fleet such as intangible assets and also to measure the identifiable assets and liabilities at their respective fair values.

Based on the purchase price allocation exercise for the Acquisition of ICON Ship and Acquisition of ICON Fleet, the charter contracts of ICON Ship and ICON Fleet have been separately identified and measured at fair value, and have also been recognised as intangible assets on the respective acquisition dates. The fair value of the charter contracts is the present value of the net cash flows from the remaining contract period of the respective charter contracts as at the acquisition date after deducting the corresponding estimated operation costs. The acquired charter contracts have a finite useful life and the recognised fair value of these contracts is required to be amortised using a straight-line method over the remaining contract periods which range from one year to four years.

12. FINANCIAL INFORMATION (Cont'd)

The amount of amortisation of intangible assets for the years ended 31 December 2011 and 2012 of RM14.4 million and RM16.8 million as shown in Section 12.2.5(i)(e) of this Prospectus, is on pro forma basis on the assumption that our Group has been in existence since 1 January 2011. However, as our Group was only in place in 2012, we only recognised RM10.6 million in our audited financial statements for the year ended 31 December 2012 and RM19.4 million in our audited financial statements for the year ended 31 December 2013.

We do not expect to recognise additional intangible assets pursuant to these acquisitions. Also, given that the acquired charter contracts have a finite useful life, the carrying amount of the intangible assets relating to the acquired charter contracts of RM14.9 million as at 31 December 2013 will be fully amortised by the 1Q 2016.

(b) RCPS-i profit rate

As set out in Section 7.4 of this Prospectus, the RCPS-i were issued after the completion of the Acquisition of ICON Ship and according to the terms of the RCPS-i, the RCPS-i will only be redeemed at 110% of its issue price if our Listing does not happen within two years from the date of issuance. In other words, the actual RCPS-i profit rate will only be payable in the event the RCPS-i are redeemed. Since all the RCPS-i were mandatorily converted into our Shares on 23 May 2014 following the receipt of all relevant authorities' approvals for our Listing, the profit rate on the RCPS-i will not be payable in cash in the future.

The RCPS-i profit rate for the years ended 31 December 2011 and 2012 of RM10.7 million and RM11.3 million as shown in Section 12.2.5(i)(f) of this Prospectus, is on pro forma basis on the assumption that our Group has been in existence since 1 January 2011 and that the RCPS-i were issued on the same day. However, as the RCPS-i were only issued on 20 September 2012, the RCPS-i profit rate recognised in our audited financial statements for the year ended 31 December 2012 is only RM4.6 million. For the year ended 31 December 2013, we recognised RM11.0 million RCPS-i profit rate in our audited financial statements.

The accrued amount of the RCPS-i profit rate recognised in our audited financial statements will be reversed and reclassified to equity following the conversion of all the RCPS-i into our Shares on 23 May 2014.

(ii) adjustments relating to the Strategic Consolidation and review of our business plan in consequence of the Strategic Consolidation

In consequence of the Strategic Consolidation, we undertook an overall review of our fleet whereupon we decided to focus on newer and higher specification OSVs (being vessels with at least 5,000 BHP and above, and/or equipped with at least a DP2 system) which led to the divestment of our non-OSV, lower specification and older OSVs as well as an impairment assessment of these vessels and their related assets where an analysis was performed to assess whether the carrying amounts of these vessels and their related assets are higher or lower than their recoverable amounts, as follows:

12. FINANCIAL INFORMATION (Cont'd)

(a) Gain on disposal of a non-OSV

Pursuant to the review of our business plan, we had disposed one non-OSV which gave rise to a gain on disposal and two lower specification OSVs comprising one UV and one AHT at no loss no gain.

(b) Impairment of assets

We recognised an impairment of RM3.3 million for the year ended 31 December 2012 for the impairment of well testing equipments as well as RM48.8 million for the year ended 31 December 2013 for the impairment of two OSVs and well testing equipments that we had disposed of during the year totalling RM10.3 million. The remaining impairment of assets of RM38.5 million for the year ended 31 December 2013 is in respect of our other lower specification and older OSVs, which represents approximately 3.1% of the total carrying amount of our property, plant and equipment of RM1,242.1 million as at 31 December 2013 prior to the impairment.

Currently, we have no plans to undertake an exercise similar to the Strategic Consolidation in the foreseeable future.

(iii) adjustment relating to the Internal Reorganisation

As mentioned in Section 7.4 of this Prospectus, we undertook the Internal Reorganisation which was completed on 31 December 2013 as part of our strategy which entailed, among others, the transfer of 16 of our vessels to newly-incorporated Labuan subsidiaries. The said transfer gave rise to a net tax credit of RM111.4 million for the year ended 31 December 2013.

12.2.6.1 Adjusted results of operations

The following tables show the Adjustments to selected financial information or components of our consolidated statements of comprehensive income for the years ended 31 December 2011, 2012 and 2013:

(a) Year ended 31 December 2011

	<u>Pro forma</u> <u>Consolidated</u> <u>(RM'000)</u>	<u>Adjustments</u> <u>(RM'000)</u>	<u>Adjusted</u> <u>Consolidated</u> <u>(RM'000)</u>
Revenue	226,487		226,487
Cost of sales	(112,447)		(112,447)
Gross profit	114,040		114,040
Other income	990		990
Administrative expenses	(16,562)		(16,562)
Other expenses ⁽¹⁾	(14,437)	14,437	-
Profit from operations	84,031		98,468
Finance costs ⁽¹⁾	(58,313)	10,700	(47,613)
Profit before taxation	25,718		50,855
Taxation ⁽¹⁾	(2,760)	(3,609)	(6,369)
Profit after taxation	22,958		44,486

12. FINANCIAL INFORMATION (Cont'd)

(b) Year ended 31 December 2012

	<u>Pro forma</u> <u>Consolidated</u> (RM'000)	<u>Adjustments</u> (RM'000)	<u>Adjusted</u> <u>Consolidated</u> (RM'000)
Revenue	291,705		291,705
Cost of sales	(142,619)		(142,619)
Gross profit	149,086		149,086
Other income	1,235		1,235
Administrative expenses	(23,785)		(23,785)
Other expenses ⁽¹⁾	(20,069)	20,069	-
Profit from operations	106,467		126,536
Finance costs ⁽¹⁾	(54,145)	11,300	(42,845)
Profit before taxation	52,322		83,691
Taxation ⁽¹⁾	(14,693)	(4,197)	(18,890)
Profit after taxation	37,629		64,801

(c) Year ended 31 December 2013

	<u>Audited</u> <u>Consolidated</u> (RM'000)	<u>Adjustments</u> (RM'000)	<u>Adjusted</u> <u>Consolidated</u> (RM'000)
Revenue	334,863		334,863
Cost of sales	(162,890)		(162,890)
Gross profit	171,973		171,973
Other income	2,205	(1,361)	844
Administrative expenses	(30,943)		(30,943)
Other expenses ⁽¹⁾	(68,172)	68,172	-
Profit from operations	75,063		141,874
Finance costs ⁽¹⁾	(57,508)	11,000	(46,508)
Profit before taxation	17,555		95,366
Taxation ⁽¹⁾	96,046	(101,839)	(5,793)
Profit after taxation	113,601		89,573

Note:

⁽¹⁾ The components of the Adjustments for the years ended 31 December 2011, 2012 and 2013 are as follows:

<u>Item</u>	<u>Description</u>	<u>Year ended 31 December</u>		
		<u>2011</u> (RM'000)	<u>2012</u> (RM'000)	<u>2013</u> (RM'000)
Other income	- Gain on disposal of a non-OSV	-	-	(1,361)
Other expenses	- Impairment of assets	-	3,283	48,784
	- Amortisation of intangible assets	14,437	16,786	19,388
Finance costs	- RCPS-i profit rate	10,700	11,300	11,000
Taxation	Tax effect relating to:			
	- Amortisation of intangible assets	(3,609)	(4,197)	(4,847)
	- Transfer of vessels to Labuan subsidiaries	-	-	(111,383)
	- Disposal of a non-OSV	-	-	11,025
	- Disposal of lower specification vessels	-	-	3,366

12. FINANCIAL INFORMATION (Cont'd)

Giving effect to the Adjustments, our profit and EBITDA margins for the years ended 31 December 2011, 2012 and 2013 are as follows:

	Year ended 31 December		
	2011	2012	2013
Adjusted profit from operations margin ^{*(1)} (%)	43.5	43.4	42.4
Adjusted profit before taxation margin ^{*(2)} (%)	22.5	28.7	28.5
Adjusted profit after taxation margin ^{*(3)} (%)	19.6	22.2	26.7
Adjusted EPS ⁽⁴⁾ (sen)	3.78	5.50	7.61
Adjusted EBITDA ^{*(5)}	136,010	166,928	190,867
Adjusted EBITDA margin ⁽⁶⁾ (%)	60.1	57.2	57.0

Notes:

* Adjusted EBITDA, adjusted profit from operations, adjusted profit before taxation and adjusted profit after taxation as well as the related ratios presented in this Prospectus are supplemental measures of our performance, liquidity and profitability and are not required by or presented in accordance with the MFRS and IFRS. Please refer to the "Presentation of Financial and Other Information" section of this Prospectus for a discussion of the limitations of using EBITDA and Adjusted EBITDA as measures of our performance.

⁽¹⁾ Computed based on adjusted profit from operations over revenue.

⁽²⁾ Computed based on adjusted profit before taxation over revenue.

⁽³⁾ Computed based on adjusted profit after taxation over revenue.

⁽⁴⁾ Computed based on adjusted profit after taxation over the enlarged number of Shares in issue of 1,177,185,100, after taking into account the Subdivision of Shares, Conversion of RCPS-i and Public Issue.

⁽⁵⁾ The table below sets out a reconciliation of our Group's profit after taxation to Adjusted EBITDA:

	Year ended 31 December		
	2011	2012	2013
	(RM'000)	(RM'000)	(RM'000)
Profit after taxation	22,958	37,629	113,601
Taxation	2,760	14,693	(96,046)
Profit before taxation	25,718	52,322	17,555
Finance costs	58,313	54,145	57,508
Depreciation	37,542	40,392	48,993
Amortisation of intangible assets	14,437	16,786	19,388
EBITDA	136,010	163,645	143,444
Gain on disposal of non-OSV	-	-	(1,361)
Impairment of assets	-	3,283	48,784
Adjusted EBITDA	136,010	166,928	190,867

⁽⁶⁾ Computed based on Adjusted EBITDA over revenue.

Year ended 31 December 2013 compared to year ended 31 December 2012

Profit from operations

Our adjusted profit from operations increased by RM15.3 million or 12.1%, from RM126.5 million in the year ended 31 December 2012 to RM141.9 million in the year ended 31 December 2013 primarily due to the increase in our revenue. Adjusted profit from operations margin decreased by 1.0% from 43.4% for the year ended 31 December 2012 to 42.4% for the year ended 31 December 2013 due to the increase in our administrative expenses.

12. FINANCIAL INFORMATION (Cont'd)

Profit before taxation

Our adjusted profit before taxation increased by RM11.7 million or 14.0% from RM83.7 million in the year ended 31 December 2012 to RM95.4 million in the year ended 31 December 2013. Adjusted profit before taxation margin decreased slightly by 0.2% from 28.7% for the year ended 31 December 2012 to 28.5% for the year ended 31 December 2013 primarily due to the increase in our administrative expenses, but has been partially offset by lower finance costs.

Profit after taxation

Our adjusted profit after taxation increased by RM24.8 million or 38.2%, from RM64.8 million for the year ended 31 December 2012 to RM89.6 million for the year ended 31 December 2013 whilst our adjusted profit after taxation margin increased by 4.5% from 22.2% for the year ended 31 December 2012 to 26.7% for the year ended 31 December 2013. Pursuant to the Internal Reorganisation, 16 of our vessels were transferred to newly-incorporated Labuan subsidiaries on 31 December 2013 and as a result, the deferred taxation on the temporary differences between the carrying amounts of these 16 vessels in our financial statements and their respective tax bases at balance sheet date ("**Temporary Differences**") will no longer be applicable. The Temporary Differences have resulted in the incurrence of deferred tax expense for our Group in the year ended 31 December 2012, but none in the year ended 31 December 2013 due to the change in tax regime pursuant to the Internal Reorganisation. The absence of the deferred tax expense for these 16 vessels in the year ended 31 December 2013 contributed to the increase in our adjusted profit after taxation margin for the year ended 31 December 2013. Please refer to Section 12.2.5(i)(g) of this Prospectus for further information on Labuan tax regime.

Adjusted EBITDA

Adjusted EBITDA increased by RM23.9 million or 14.3%, from RM166.9 million for the year ended 31 December 2012 to RM190.9 million for the year ended 31 December 2013, primarily as a result of the increase in our revenue by RM43.2 million. Adjusted EBITDA margin decreased by 0.2% from 57.2% for the year ended 31 December 2012 to 57.0% for the year ended 31 December 2013 primarily due to the increase in our administrative expense.

Year ended 31 December 2012 compared to year ended 31 December 2011**Profit from operations**

Our adjusted profit from operations increased by RM28.1 million or 28.5%, from RM98.5 million in the year ended 31 December 2011 to RM126.5 million in the year ended 31 December 2012 primarily due to the increase in our revenue of RM65.2 million. Adjusted profit from operations margin remained relatively stable at 43.5% for the year ended 31 December 2011 and 43.4% for the year ended 31 December 2012, as the increase in gross profit margin has been offset by increase in administrative expenses.

12. FINANCIAL INFORMATION (Cont'd)

Profit before taxation

Our adjusted profit before taxation increased by RM32.8 million or 64.6%, from RM50.9 million in the year ended 31 December 2011 to RM83.7 million for the year ended 31 December 2012. Adjusted profit before taxation margin increased by 6.2% from 22.5% for the year ended 31 December 2011 to 28.7% for the year ended 31 December 2012, primarily due to the lower finance costs incurred during the year ended 31 December 2012 as explained in Section 12.2.5(iii)(h) of this Prospectus.

Profit after taxation

Our adjusted profit after taxation increased by RM20.3 million or 45.7%, from RM44.5 million in the year ended 31 December 2011 to RM64.8 million in the year ended 31 December 2012. Adjusted profit after taxation margin increased by 2.6% from 19.6% for the year ended 31 December 2011 to 22.2% for the year ended 31 December 2012, primarily due to the increase in profit before taxation margin of 6.2% which has been partially offset by increase in taxation.

Adjusted EBITDA

Adjusted EBITDA increased by RM30.9 million or 22.7%, from RM136.0 million for the year ended 31 December 2011 to RM166.9 million for the year ended 31 December 2012, primarily as a result of the increase in our revenue by RM65.2 million. Adjusted EBITDA margin decreased by 2.9% from 60.1% for the year ended 31 December 2011 to 57.2% for the year ended 31 December 2012 primarily due to the increase in our administrative expense and cost of sales (net of depreciation expense).

12.2.7 Liquidity and capital resources

Our liquidity requirements primarily relate to funding working capital, capital expenditure, debt service and maintaining cash reserves. Going forward, we expect to incur significant capital expenditure related to the expansion, diversification and renewal of our fleet, as described in Section 7.7 of this Prospectus.

Our primary sources of liquidity have historically been cash generated from operations, shareholders advances and borrowings. Going forward, other than the proceeds from the Public Issue, we expect that cash flows from operations and borrowings will be our primary sources of liquidity. We may therefore be required to incur additional indebtedness in the future. As at 31 December 2013, we have cash and cash equivalents of RM40.1 million and unused credit facilities of approximately RM73.0 million for working capital and capital expenditure.

(i) Working capital

Our working capital is funded through cash generated from operations and credit lines. After taking into consideration our existing level of cash and cash equivalents, available credit lines, expected cash flows from operations and the proceeds from the Public Issue allocated for working capital purposes, our Board is of the opinion that our Group will have adequate working capital for a period of at least 12 months from the date of this Prospectus.

12. FINANCIAL INFORMATION (Cont'd)

(ii) Borrowings

Our total borrowings, all of which are interest/profit rate-bearing, as at 31 December 2013 are as follows:

Description	Interest/profit rate terms	Currency		Total ⁽⁴⁾
		(USD denominated) (RM'000)	(RM'000)	(RM'000)
Short-term:				
Secured:				
Term loans ⁽¹⁾	Fixed rate depending on timing of disbursement	-	45,321	45,321
	Variable floating rate based on cost of funds	⁽³⁾ 2,726	78,456	81,182
Revolving credit	Variable floating rate based on cost of funds	-	40,467	40,467
Finance lease liabilities	Fixed rate of 2.5% per annum	-	72	72
Unsecured:				
RCPS-I ⁽²⁾	Fixed rate of 5.0% per annum	-	235,600	235,600
Long-term:				
Secured:				
Term loans ⁽¹⁾	Fixed rate depending on timing of disbursement	-	198,944	198,944
	Variable floating rate based on cost of funds	⁽³⁾ 9,908	491,651	501,559
Finance lease liabilities	Fixed rate of 2.5% per annum	-	107	107
Total		12,634	1,090,618	1,103,252

Notes:

⁽¹⁾ Comprises of five facilities where the respective financing agreements require ECSB to remain as our single largest shareholder (directly or indirectly), where applicable, subject to the successful implementation of our Listing. The total principal amount outstanding of these facilities amount to RM455.2 million as at the LPD.

⁽²⁾ Mandatorily converted into our Shares on 23 May 2014 following the receipt of all approvals from the relevant authorities for our Listing.

⁽³⁾ Total term loans denominated in USD is USD3.8 million, with USD0.8 million being secured short-term portion and USD3.0 million as secured long-term portion. The USD denominated term loans were converted to RM at an exchange rate of RM3.2755 to USD1.00, being the middle rate as published by BNM as at 5.00 p.m. on 31 December 2013.

⁽⁴⁾ Represents the carrying amount of the borrowings.

As at the LPD, we have five facilities comprising bank guarantees, overdrafts and a foreign exchange facility, where the respective financing agreements require ECSB to remain as our single largest shareholder (directly or indirectly), where applicable, subject to the successful implementation of our Listing. The overdrafts have a facility amount of RM14.0 million. As at the LPD, the amount outstanding is RM0.1 million.

12. FINANCIAL INFORMATION (Cont'd)

In addition, most of the banking facilities (such as vessel financing and revolving credit) which are provided to our subsidiaries would also require a corporate guarantee from either ICON or ICON Fleet. As at the LPD, the total amount of the corporate guarantee extended amount to RM574.9 million. We may also be required to provide up to another RM150.0 million in the form of corporate guarantee as security for financing facilities (such as vessel financing and revolving credit) to be obtained by our subsidiaries during the period from 25 May 2014 up to our Listing.

The table below sets forth the maturity profile of our borrowings as at 31 December 2013:

	<u>As at 31 December 2013</u> (RM'000)
On demand or within 1 year	⁽¹⁾ 402,642
1 to 2 years	143,421
2 to 5 years	384,365
More than 5 years	172,824
Total borrowings	<u><u>⁽¹⁾1,103,252</u></u>

Note:

⁽¹⁾ Includes RM235.6 million in RCPS-i (inclusive of its accrued profit rate) which were mandatorily converted into our Shares on 23 May 2014 following the receipt of all relevant authorities' approvals for our Listing.

The table below sets forth our borrowings by fixed and floating interest/profit rate terms as at 31 December 2013:

	<u>As at 31 December 2013</u> (RM'000)
Fixed rate	⁽¹⁾ 480,044
Floating rate	623,208
Total borrowings	<u><u>⁽¹⁾1,103,252</u></u>

Note:

⁽¹⁾ Includes RM235.6 million in RCPS-i (inclusive of its accrued profit rate) which were converted into our Shares on 23 May 2014 following the receipt of all relevant authorities' approvals for our Listing.

We have not defaulted on interest or profit rate payments or principal sums on any of our borrowings throughout the year ended 31 December 2013.

As at the LPD, we are not in breach of any terms and conditions or covenants associated with our borrowings which can materially affect our financial position and results or business operations, or the investments by holders of our securities.

(iii) Cash flows

The following table sets forth our audited consolidated cash flow statements for the year ended 31 December 2013:

12. FINANCIAL INFORMATION (Cont'd)

	(RM'000)
Net cash generated from operating activities	192,453
Net cash used in investing activities	(214,542)
Net cash generated from financing activities	15,567
Exchange gains on cash and bank balances	135
Net decrease in cash and cash equivalents	(6,387)
Cash and cash equivalents at beginning of financial year	46,498
Cash and cash equivalents at end of financial year	40,111

As at 31 December 2013, we had cash and cash equivalents of RM40.1 million. Majority of our cash and cash equivalents are held in RM.

Certain of our subsidiaries have entered into facility agreements which restrict their ability to transfer funds to our Company in the form of cash dividends without the consent of the lenders. Other than these restrictions, our Board is of the opinion that there are no legal, financial or economic restrictions on our subsidiaries' ability to transfer funds to our Company in the form of cash dividends, subject to availability of distributable reserves and/or loans or advances to meet the cash obligations of our Company. Please refer to Section 5.3.4 of this Prospectus on factors that could affect our ability to pay dividends.

Net cash generated from operating activities

Our net cash generated from operating activities for the year ended 31 December 2013 was RM192.5 million. This primarily resulted from the collection of our trade receivables of RM335.3 million which was partially offset by payments for our cost of sales including crew cost, consumables and ship operations, payroll for onshore staff and operating expenses of RM139.4 million and tax paid of RM3.4 million.

Net cash used in investing activities

Our net cash used in investing activities for the year ended 31 December 2013 was RM214.5 million which was primarily due to the acquisition of new vessels of RM274.6 million, partially offset by proceeds from the disposal of vessels of RM60.1 million.

Net cash generated from financing activities

Our net cash generated from financing activities for the year ended 31 December 2013 was RM15.6 million, primarily due to drawdown of borrowings of RM214.7 million, partially offset by repayment of borrowings of RM146.8 million and the payment of interest/profit rate on our borrowings of RM49.9 million.

(iv) Capital expenditures

In line with our fleet expansion plan, we had invested a total of RM127.6 million, RM268.9 million and RM284.1 million for the years ended 31 December 2011, 2012 and 2013, respectively, mainly for the purchase and construction of new vessels as well as for drydocking expenditure. We have historically funded our capital expenditure through shareholders' advances, borrowings and cash flows from operations.

The following table sets forth the breakdown of our total capital expenditure for the years ended 31 December 2011, 2012 and 2013 and planned capital expenditure for the years ending 31 December 2014 and 2015:

12. FINANCIAL INFORMATION (Cont'd)

	Year ended 31 December				
	2011	2012	2013	2014 ⁽¹⁾	2015 ⁽¹⁾
	(RM'000)				
Vessels	119,839	250,895	268,949	330,349	130,687
Drydocking expenditure	7,355	15,788	13,565	10,000	19,500
Others ⁽²⁾	369	2,169	1,571	1,800	1,000
Total capital expenditure	127,563	268,852	284,085	342,149	151,187

Notes:

⁽¹⁾ Estimated.

⁽²⁾ Includes office equipment, computers, motor vehicles, furnitures and fittings.

Our planned capital expenditure for the years ending 31 December 2014 and 2015 relates to the purchase of new vessels through our shipbuilding programme based on progress payment commitments, planned drydocking expenses, purchase of office equipment, computers, motor vehicles, furnitures and fittings. We anticipate that our capital expenditures for the years ending 31 December 2014 and 2015 will be financed via a combination of both existing and new borrowings from financial institutions, expected cash flows from operations and proceeds from the Public Issue.

As at the LPD, we have already spent RM16.7 million on capital expenditures as discussed above.

Our actual capital expenditures may vary from these planned amounts due to various factors, including, among others, changes in macroeconomic conditions, unplanned cost overruns, our ability to generate sufficient cash flows from operations and our ability to obtain adequate external financing for these planned capital expenditures and other factors that are beyond our control.

(v) Material commitments

The following table shows our capital commitments as at the LPD:

	(RM'000)
Approved and contracted capital expenditure commitments	429,141
Approved but uncontracted capital expenditure commitments	87,430
Total	516,571

The majority of our material commitments is related to purchase and construction of new vessels.

Except as disclosed above, there is no material capital commitments incurred or known to be incurred by us as at the LPD that have not been provided for which, upon becoming enforceable, may have a material impact on our financial results or financial position. We expect to meet our material commitments through a combination of both existing and new borrowings from financial institutions, expected cash flows from operations and proceeds from the Public Issue.

12. FINANCIAL INFORMATION (Cont'd)**(vi) Off-balance sheet arrangements**

As at the LPD, outstanding bank guarantees, tender bonds and bid bonds amounting to RM26.1 million were issued by financial institutions on our requests primarily due to the tendering of new contracts and as financial guarantee for the performance of our charter contracts by our subsidiaries. Subsequent to the LPD up to 25 May 2014, additional bank guarantees amounting to RM2.75 million were issued by financial institutions on our requests as financial guarantee for the performance of our charter contracts by our subsidiaries. We may be required to procure bank guarantees amounting up to RM6.3 million to be issued post 25 May 2014 up to our Listing. In addition, we have been and may continue to be required to issue corporate guarantees to suppliers as guarantees for payment of supplies.

The provision of such bank guarantees, tender bonds, bid bonds and corporate guarantee to suppliers are within our ordinary course of business.

Save as disclosed above, we do not have any off-balance sheet arrangements as at the date of this Prospectus that upon becoming enforceable would be reasonably likely to have a material adverse effect on our results of operations or financial condition.

(vii) Contingent liabilities

As at the LPD, we do not have any contingent liabilities which upon becoming enforceable, may have a material adverse impact on our results of operations and financial condition.

(viii) Material divestitures

Save as disclosed below, there has not been any material divestitures undertaken by us during the years ended 31 December 2011, 2012 and 2013 and up to the LPD:

- (a) the disposal of a non-OSV (which includes its well testing equipments) and two lower specification OSVs (one UV and one AHT) in the year ended 31 December 2013; and
- (b) the disposal of a low specification AHT on 25 March 2014.

The aggregate disposal consideration for items (a) and (b) amounted to RM72.5 million. The disposal of the abovementioned vessels are a consequence of the review of our business plan in consequence of the Strategic Consolidation.

As at the LPD, we do not have any uncompleted material divestitures.

(ix) Key financial ratios

The following table sets out certain key financial ratios of our Group for the years indicated. The selected pro forma consolidated financial data used in computing the key financial ratios for the years ended 31 December 2011 and 2012 are based on the assumption that our Group has been in existence since 1 January 2011 whilst the selected historical consolidated financial data used in computing the key financial ratios for the year ended 31 December 2013 are based on our audited consolidated financial statements for the year ended 31 December 2013.

12. FINANCIAL INFORMATION (Cont'd)

The pro forma consolidated statement of financial position as at 31 December 2011 and 2012 have been prepared based on the aggregation of the audited financial statements of ICON Ship and the ICON Fleet Group and adjusted for (i) the effects of fair value adjustments on the net identifiable assets and liabilities and the related tax effects based on the purchase price allocation exercise pursuant to the Acquisition of ICON Ship and Acquisition of ICON Fleet; and (ii) the issuance of RCPS-i by ICON.

	Pro forma		Audited
	Year ended 31 December		
	2011	2012	2013
Trade receivables turnover days ⁽¹⁾	239	147	75
Trade payables turnover days ⁽²⁾	66	119	34
Current ratio ⁽³⁾ (times)	0.91	0.72	0.28
Adjusted current ratio ⁽⁴⁾ (times)	0.91	0.72	0.53
Net gearing ratio ⁽⁵⁾ (times)	3.27	3.13	2.78
Adjusted net gearing ratio ⁽⁶⁾ (times)	1.34	1.35	1.33
Gearing ratio ⁽⁷⁾ (times)	3.32	3.30	2.91
Adjusted gearing ratio ⁽⁸⁾ (times)	1.37	1.44	1.41

Notes:

⁽¹⁾
$$\frac{\text{Trade receivables}}{\text{Revenue}} \times \text{Number of days in the year}$$

⁽²⁾
$$\frac{\text{Trade payables}^*}{\text{Cost of sales}} \times \text{Number of days in the year}$$

* Excludes trade payables relating to capital expenditure

⁽³⁾ Current assets over current liabilities.

⁽⁴⁾ Current assets over current liabilities (excluding the RCPS-i and its accrued profit rate).

⁽⁵⁾ Total borrowings less cash and bank balances over shareholders' equity.

⁽⁶⁾ Total borrowings less cash and bank balances over shareholders' equity assuming the RCPS-i have been converted into our Shares.

⁽⁷⁾ Total borrowings over shareholders' equity.

⁽⁸⁾ Total borrowings over shareholders' equity, assuming the RCPS-i have been converted into our Shares.

(a) Trade receivables turnover days

Our trade receivables consist primarily of amounts receivable from our customers. The normal credit term provided is 30 to 60 days.

Our trade receivables turnover days decreased from 239 days in the year ended 31 December 2011 to 147 days in the year ended 31 December 2012 due to the improvement in collection from our major end-customer. The upgrading of its billing system in 2011 had resulted in significant delays in our collection in 2011, but with the completion of the billing system upgrade in 2012, our trade receivables turnover days has decreased to 75 days in the year ended 31 December 2013.

The longer turnover days as compared to our normal credit term was primarily due to the slower collection from certain of our customers, as they require longer verification and payment processing period and/or have requested for extended credit period.

The ageing analysis for our trade receivables as at 31 December 2013 is as follows:

12. FINANCIAL INFORMATION (Cont'd)

	Current	Past due			Impaired	Total
		1 month	2 – 6 months	> 6 months		
Trade receivables (RM'000)	49,902	9,156	9,329	-	4,564	72,951
% of trade receivables	68.4	12.6	12.7	-	6.3	100
Collection as at the LPD (RM'000)	48,624	4,724	5,494	-	2,251	61,093

As at the LPD, 83.7% of our total trade receivables as of 31 December 2013 have been fully settled and we undertake continuous and concerted effort to collect the balance outstanding from the respective customers. We have made impairments on our trade receivables of RM4.6 million as there was doubt on the collectability of the outstanding amount and efforts are being made to recover these balances.

Our impairment policy for trade receivables is to make a provision for specific long outstanding balances where there is doubt on the collectability of such balances, after necessary measures have been taken by us to recover these outstanding amounts.

Based on our experience and the review of the trade receivables aging analysis, we believe that adequate impairment for doubtful debts has been made as at 31 December 2013 and the remaining balance of the trade receivables is recoverable.

(b) Trade payables turnover days

Our trade payables consist primarily of amounts payable to shipyards and suppliers for our ship operations as well as costs of charter-in vessels. Our credit period for trade payables is generally 30 days.

Our trade payables turnover days for the years ended 31 December 2011 to 2013 are longer than our normal credit period primarily due to our longer trade receivables turnover days. We manage our working capital cycle via, among others, negotiating for extended credit period for certain trade payables in order to match our trade receivables collection.

Our trade payables turnover days increased from 66 days in the year ended 31 December 2011 to 119 days in the year ended 31 December 2012 as the longer trade receivables turnover days in 2011 has resulted in longer trade payables turnover days in 2012. Subsequently, due to the improvement in the collection of our trade receivables and our payment period in the years ended 31 December 2012 and 2013, our trade payables turnover days have also decreased accordingly, from 119 days in the year ended 31 December 2012 to 34 days for the year ended 31 December 2013.

12. FINANCIAL INFORMATION (Cont'd)

The ageing analysis for our trade payables as at 31 December 2013 is as follows:

	Current	Past due			Total
		1 month	2 – 6 months	> 6 months ⁽¹⁾	
Trade payables (RM'000)	⁽¹⁾ 15,537	1,399	608	2,758	20,302
% of trade payables	76.5	6.9	3.0	13.6	100.0
Payment as at the LPD (RM'000)	14	1,372	120	114	1,620

Note:

⁽¹⁾ Inclusive of RM5.0 million payable to shipyards.

Certain of our trade payables as at 31 December 2013 are more than six months past due as it includes payables which we have negotiated for extended credit period and/or has corresponding receivables which exceeds the payables amounts. As at the LPD, 8.0% of our trade payables as at 31 December 2013 have been fully paid.

(c) Current ratio and adjusted current ratio

Our current ratio decreased from 0.91 times as at 31 December 2011 to 0.72 times as at 31 December 2012 primarily due to the increase in short-term borrowings as a result of the acquisition of new vessels in the year ended 31 December 2012 and the restructuring of certain of ICON Ship's facilities into term loan. As we incurred further borrowings for the acquisition of vessels in the year ended 31 December 2013, coupled with the reclassification of the RCPS-i as current liabilities as at 31 December 2013, our short term borrowings increased and resulted in a further decline in our current ratio from 0.72 times as at 31 December 2012 to 0.28 times as at 31 December 2013.

Assuming the RCPS-i have been converted into our Shares as at 31 December 2013, our current ratio would improve to 0.53 times. All of the RCPS-i were mandatorily converted into our Shares on 23 May 2014 following the receipt of all relevant authorities' approvals for our Listing.

(d) Net gearing ratio and adjusted net gearing ratio

Our net gearing ratio decreased from 3.27 times as at 31 December 2011 to 3.13 times as at 31 December 2012 due to the increase in our retained earnings and, cash and bank balances. Further increase in our retained earnings as at 31 December 2013 resulted in the decrease of our net gearing ratio from 3.13 times as at 31 December 2012 to 2.78 times as at 31 December 2013.

Had the RCPS-i been converted into our Shares, our adjusted net gearing ratio as at 31 December 2011, 2012 and 2013 would be 1.34 times, 1.35 times and 1.33 times, respectively. We plan to utilise a portion of the proceeds from the Public Issue to repay our borrowings. Arising therefrom, we expect to have interest/profit rate savings of approximately RM8.10 million per annum, based on the respective rates of our bank borrowings to be repaid. Please refer to Section 4.9 of this Prospectus on the utilisation of proceeds from the Public Issue.

12. FINANCIAL INFORMATION (Cont'd)

(e) Gearing ratio and adjusted gearing ratio

Our gearing ratio decreased slightly from 3.32 times as at 31 December 2011 to 3.30 times as at 31 December 2012 as our retained earnings increased. Further increase in our retained earnings in the year ended 31 December 2013 resulted in the decrease of our gearing ratio from 3.30 times as at 31 December 2012 to 2.91 times as at 31 December 2013.

Had the RCPS-i been converted into our Shares, our adjusted net gearing ratio as at 31 December 2011, 2012 and 2013 would be 1.37 times, 1.44 times and 1.41 times, respectively.

12.2.8 Financial risk management

Our overall financial risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on our financial performance. Financial risk management is carried out through risk reviews, internal control systems and adherence to our financial risk management policies. Our Directors regularly review these risks and approve the policies which cover the management of these risks. Our Board has overall responsibility for the oversight of financial risk management, including the identification of operational and strategic risk, and subsequent action plans to manage these risks. Our management is responsible for identifying, monitoring and managing our risk exposures.

We are exposed to various types of market risks in the ordinary course of business, including fluctuations in interest/profit rates and foreign exchange rates, credit risk and liquidity risk.

Our key financial risks are as follows:

(i) Interest/profit rate risk

We are exposed to fluctuations in interest/profit rates. Our bank borrowings consist of variable rate debt obligations linked to applicable bank rates and profit rates. Bank rates are typically reviewed and adjusted periodically in accordance with prevailing interest/profit rates. Increases in interest/profit rates would increase expenses relating to our outstanding floating rate borrowings and increase the cost of new debt. Fluctuations in interest/profit rates can also lead to significant fluctuations in our debt obligations. Out of our total borrowings of RM1,103.3 million as at 31 December 2013 (or RM867.7 million excluding the RCPS-i and its accrued profit rate thereon), RM480.0 million (or RM244.4 million excluding the RCPS-i and accrued profit rate) bore interest/profit rate at a fixed rate and RM623.2 million bore interest at a floating rate. Our annual interest/profit rate exposure to every 10 basis point move in interest/profit rates is RM6.2 million as at 31 December 2013.

We regularly review the interest/profit rates applicable to our borrowings against the prevailing and anticipated market interest rates in order to determine if refinancing or early repayment is warranted.

12. FINANCIAL INFORMATION (Cont'd)

(ii) Exchange rate risk

Our reporting and functional currency is RM. We are exposed to fluctuations in the exchange rate between RM and USD, primarily arising from the purchase of vessels, materials, spare parts and other services relating to the maintenance of our vessels. We also occasionally enter into contracts where the charter rate is denominated in USD. Furthermore, we had RM12.6 million in USD denominated debt outstanding as at 31 December 2013. We occasionally enter into forward contracts for USD in order to manage our exposure to fluctuations in the exchange rate between RM and USD.

(iii) Credit risk

Credit risk arises when sales are made on credit terms. We subject our customers to credit checks and outstanding accounts are followed up on a timely basis. We manage our credit risk concentration by monitoring the performance of our customers and actively engaging with customers to ensure payments are settled on time. Our major direct customers for the years ended 31 December 2011, 2012 and 2013 are TOS, representing 63.0%, 68.4% and 65.5% of our revenue, Libra, representing 4.6%, 15.9% and 2.3% of our revenue, and PETRONAS Carigali, representing 10.5% of our revenue for the year ended 31 December 2013 respectively.

Most of our contracts are on long-term basis. We are exposed to the risk that the financial position of our customers may change during the contracted period and that they will not be able to meet their obligations under the terms of the contract. Given the limited number of our major customers and the significant portion of our revenue they represent, the inability by one or more of our major customers to make full payment on any of our contracts may have a material adverse effect on our results of operations and financial condition. To mitigate this risk, we assess the credit quality of potential customers by taking into account their current financial position, past experience and other factors before entering into a contract. This evaluation includes a thorough examination of the counterparty's default rates as well as their credit quality. We also closely monitor outstanding receivables in order to pursue full recovery.

(iv) Liquidity risk

We are subject to liquidity risk which is the risk that we will encounter difficulty in meeting financial obligations due to shortage of funds. As at 31 December 2013, we are in a net current liabilities position of RM356.6 million. Excluding RCPS-i and its accrued profit rate, our net current liabilities position as at 31 December 2013 is RM121.0 million. In addition, we carry out regular review of our cash flows to ensure that our business operations have sufficient funds available to meet our obligations as and when they fall due. Historically, treasury management has proven that we have the ability to meet our obligations as and when they fall due and we have not defaulted on any obligations due or payable to financial institution or creditors. We maintain a level of current assets deemed adequate by the management to ensure, as far as possible, that we will have sufficient liquidity to meet its liabilities when they fall due. We actively manage our operating cash flows so as to ensure that all repayment and funding requirements are met.

12. FINANCIAL INFORMATION (Cont'd)

12.2.9 Treasury policies and objectives

Our treasury objectives are to maintain sufficient working capital to finance our operations and meet our anticipated commitments arising from operational expenditure and financial liabilities by maintaining adequate liquidity and credit facilities.

We manage our liquidity to help ensure access to sufficient funding at acceptable costs to meet our business needs and financial obligations throughout our business cycles. Our liquidity and funding plans are designed to meet our funding requirements under normal and stretch scenarios, which include primarily crew costs, consumables and ship operation costs, payroll, interest and principal payments on outstanding borrowings and general obligations such as operating expenses. We have historically relied on cash generated from our operations and external sources, including shareholders' advance and borrowings from financial institutions. Our funding objective is to obtain the most suitable type of financing and favourable cost of funding as our financing needs arise.

12.2.10 Inflation

We do not believe that inflation has had a material impact on our business, financial condition or results of operations. Any increase in the inflation rate may adversely affect our business and results of operations to the extent that we are unable to pass on the higher cost to our customers through higher charter rates or other fees.

12.2.11 Government/Economic/Fiscal/Monetary Policies

Risks relating to government, economic, fiscal or monetary policies or factors which may materially affect our Group's operations are set out in Sections 5 and 12.2.3 of this Prospectus.

12.2.12 Prospects

The results of our operations and financial condition for the year ending 31 December 2014 have so far been and/or are expected to be mainly influenced by the following factors in addition to the factors included in Sections 5 and 12.2.3 of this Prospectus:

- (a) Level of domestic, regional and global trade and globalisation;
- (b) Domestic, regional and global competition;
- (c) Our operational efficiency;
- (d) Our ability to control operational and capital expenditures;
- (e) Our ability to maintain our market share and grow our revenue; and
- (f) Our ability to manage our operating costs.

Save as disclosed above and in Sections 5 and 12.2.3 of this Prospectus, to the best of our Board's knowledge, there are no other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our financial condition and results of operations, and our Board expects our performance for the year ending 31 December 2014 to be satisfactory.

12. FINANCIAL INFORMATION (Cont'd)

12.3 Capitalisation and indebtedness

The information in this table should be read in conjunction with the Accountants' Report together with its accompanying notes set out in Section 13 of this Prospectus, as well as the Reporting Accountants' letter on our pro forma consolidated financial information as set out in Section 12.4 of this Prospectus. The pro forma consolidated financial information below does not represent our Group's actual capitalisation and indebtedness as at 31 December 2013 and is provided for illustrative purposes only. The total indebtedness of our Group is not guaranteed by any third party.

	<u>Audited</u>	<u>Pro forma</u>
	<u>As at</u>	<u>After the</u>
	<u>31 December 2013</u>	<u>Subdivision of</u>
	<u>(RM'000)</u>	<u>Shares,</u>
		<u>Conversion of</u>
		<u>RCPS-i, our IPO</u>
		<u>and utilisation of</u>
		<u>proceeds</u>
		<u>(RM'000)</u>
Cash and bank balances⁽¹⁾	47,303	91,681
Indebtedness		
Short-term debt		
<u>Secured</u>		
Term loans	126,503	102,861
Revolving credit	40,467	20,467
Finance lease liabilities	72	72
<u>Unsecured</u>		
RCPS-i	235,600	-
Total short-term debt	402,642	123,400
Long-term debt		
<u>Secured</u>		
Term loans	700,503	620,145
Finance lease liabilities	107	107
Total long-term debt	700,610	620,252
Total indebtedness⁽²⁾	1,103,252	743,652
Total shareholders' equity/capitalisation	379,364	1,002,192
Total capitalisation and indebtedness	1,482,616	1,745,844
Net gearing ratio (times)⁽³⁾	2.78	0.65
Gearing ratio (times)⁽⁴⁾	2.91	0.74

Notes:

⁽¹⁾ Cash and bank balances include deposits with licenced banks, bank balances and cash in hand.

⁽²⁾ Total indebtedness includes short-term debt and long-term debt.

⁽³⁾ Computed based on total borrowings less cash and bank balances over shareholders' equity.

⁽⁴⁾ Computed based on total indebtedness over shareholders' equity.

12. FINANCIAL INFORMATION (Cont'd)

12.4 Reporting Accountants' letter on the pro forma consolidated financial information



The Board of Directors
 Icon Offshore Berhad
 Level 21, Suite 21.01,
 The Gardens South Tower,
 Mid Valley City,
 Lingkaran Syed Putra,
 592000 Kuala Lumpur

23 May 2014

PwC/YWY/SKF/EC/sw/0116C

Dear Sirs,

Icon Offshore Berhad ('ICON' or 'the Company')
Report on the Compilation of Pro Forma Consolidated Financial Information

- 1 We have completed our assurance engagement to report on the compilation of the Pro Forma Consolidated Financial Information of ICON that comprises the Pro Forma Consolidated Statement of Financial Position as at 31 December 2013 and the Pro Forma Consolidated Statements of Comprehensive Income for the two financial years ended 31 December 2011 and 31 December 2012 together with the Notes thereon (collectively known as 'Pro Forma Consolidated Financial Information'). The Pro Forma Consolidated Financial Information which is set out in the Appendix (which we have stamped for the purpose of identification), have been compiled by the Directors of the Company for inclusion in the Prospectus to be issued by the Company in connection with the initial public offering of ordinary shares in ICON ('IPO') and the listing of and quotation for the entire enlarged issued and paid-up share capital of ICON on the Main Market of Bursa Malaysia Securities Berhad ('Proposal').
- 2 The applicable criteria on the basis of which the Directors have compiled the Pro Forma Consolidated Financial Information are described in Notes 2.1 and 3.1 of the Appendix and are specified in the Prospectus Guidelines issued by the Securities Commission Malaysia ('Prospectus Guidelines').
- 3 The Pro Forma Consolidated Financial Information has been compiled by the Directors, for illustrative purposes only, to show the effects of the Proposal on the Consolidated Statement of Financial Position presented had the Proposal been effected at the date stated, and the effects on the Consolidated Statements of Comprehensive Income ('Consolidated Financial Information') presented had the acquisitions of Icon Ship Management Sdn Bhd ('ICON Ship') and Icon Fleet Sdn Bhd ('ICON Fleet') been effected at the commencement of the period reported. As part of this process, information about the Company's financial position and financial performance has been extracted by the Directors from the financial statements of the Company, ICON Ship and ICON Fleet for the three financial years ended 31 December 2013, on which audit reports have been published.

.....
 PricewaterhouseCoopers (AF 1146), Chartered Accountants,
 Level 10, 1 Sentral, Jalan Travers, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
 T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my

12. FINANCIAL INFORMATION (Cont'd)



The Board of Directors
Icon Offshore Berhad
 PwC/YWY/SKF/EC/sw/0116C
 23 May 2014

The Directors' Responsibility for the Pro Forma Consolidated Financial Information

- 4 The Directors are responsible for compiling the Pro Forma Consolidated Financial Information on the basis set out in Notes 2.1 and 3.1 of the Appendix and in accordance with the requirements of the Prospectus Guidelines.

Our Responsibilities

- 5 Our responsibility is to express an opinion as required by the Prospectus Guidelines, about whether the Pro Forma Consolidated Financial Information has been properly compiled by the Directors on the basis set out in Notes 2.1 and 3.1 of the Appendix using financial statements prepared in accordance with Malaysian Financial Reporting Standards ('MFRS') and International Financial Reporting Standards ('IFRS'), and in a manner consistent with both the format of the financial statements and the accounting policies of ICON group, and whether each material adjustment made to the information used in the compilation of the Pro Forma Consolidated Financial Information is appropriate for the purposes of compiling such financial information.
- 6 We conducted our engagement in accordance with International Standard on Assurance Engagements ('ISAE') 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Consolidated Financial Information on the basis set out in Notes 2.1 and 3.1 of the Appendix.
- 7 For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any financial information used in compiling the Pro Forma Consolidated Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Financial Information. In providing this opinion, we do not accept any responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.
- 8 The purpose of the Pro Forma Consolidated Financial Information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

12. FINANCIAL INFORMATION (Cont'd)



The Board of Directors
Icon Offshore Berhad
PwC/YWY/SKF/EC/sw/o116C
23 May 2014

Our Responsibilities (continued)

- 9 A reasonable assurance engagement to report on whether the Pro Forma Consolidated Financial Information has been compiled in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Consolidated Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:
- The related pro forma adjustments give appropriate effect to those criteria; and
 - The Pro Forma Consolidated Financial Information reflects the proper application of those adjustments to the unadjusted financial information.
- 10 The procedures selected depend on our judgment, having regard to our understanding of the nature of the Company and its subsidiaries, the event or transaction in respect of which the Pro Forma Consolidated Financial Information has been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Financial Information.
- 11 We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

- 12 In our opinion:
- (a) the Pro Forma Consolidated Financial Information have been compiled, in all material respects, on the basis set out in Notes 2.1 and 3.1 of the Appendix, using financial statements prepared in accordance with MFRS and IFRS and in a manner consistent with both the format of the financial statements and the accounting policies of ICON group; and
 - (b) each material adjustment made to the information used in the preparation of the Pro Forma Consolidated Financial Information is appropriate for the purposes of preparing such financial information.

12. FINANCIAL INFORMATION (Cont'd)



The Board of Directors
Icon Offshore Berhad
PwC/YWY/SKF/EC/sw/0116C
23 May 2014

Other Matter

- 13 This report is issued for the sole purpose of inclusion in the Prospectus in connection with the Proposal and should not be used or relied upon for any other purpose. We accept no duty of responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any transaction other than the Proposal.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Pricewaterhousecoopers', written in a cursive style.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Yee Wai Yin', written in a cursive style.

YEE WAI YIN
(No. 2081/08/14 (J))
Chartered Accountant

12. FINANCIAL INFORMATION (Cont'd)

APPENDIX

Page 1

ICON OFFSHORE BERHAD

PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

1 INTRODUCTION

The Pro Forma Consolidated Financial Information comprises the following:

- Section 2.0 : Pro Forma Consolidated Statements of Financial Position as at 31 December 2013 which have been prepared based on the assumption that the Completed Transactions as set out in Note 1.1 and the Proposal as set out in Note 1.2 was effected on 31 December 2013; and
- Section 3.0 : Pro Forma Consolidated Statements of Comprehensive Income for the financial years ended 31 December 2011 and 31 December 2012 on the assumption that ICON and its subsidiaries ('ICON Group') had been in existence since 1 January 2011 and throughout the financial years under review.

The Pro Forma Consolidated Financial Information together with the notes thereon, for which the Directors are solely responsible, have been prepared for illustrative purposes only for the purpose of inclusion in the Prospectus in connection with the initial public offering of ordinary shares in ICON ('IPO') and listing of and quotation for the entire enlarged issued and paid-up share capital of ICON on the Main Market of Bursa Malaysia Securities Berhad ('Bursa Securities').

1.1 Completed Transactions

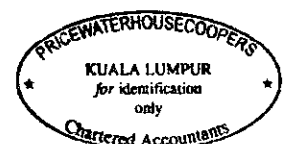
ICON had undertaken the following transactions in connection with the listing of and quotation for the entire enlarged issued and paid-up capital of ICON on the Main Market of Bursa Securities ('Listing').

(a) Subdivision of shares

ICON implemented and completed a subdivision of every one ordinary share of RM1.00 each into two subdivided shares of RM0.50 each in the Company ('Shares') on 22 May 2014. Upon completion of the subdivision of shares, the conversion ratio for ICON's Islamic Redeemable Convertible Preference Shares of RM0.01 each ('RCPS-i') was adjusted from a ratio of 1 RCPS-i for one new ordinary share of RM1.00 each in ICON to a ratio of one RCPS-i for two new ordinary shares of RM0.50 each in ICON.

(b) Conversion of RCPS-i

Upon obtaining approvals from all the relevant authorities for the Listing, ICON issued, pursuant to the conversion in full of all the outstanding RCPS-i, 440,000,000 new ordinary shares of RM0.50 each to the RCPS-i holders on 23 May 2014.



ICON OFFSHORE BERHAD**PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)****1 INTRODUCTION (CONTINUED)**

I.2 The Proposal

(a) IPO

(i) Public Issue

Public issue of 221,745,000 new ordinary shares of RM0.50 each in ICON ('Issue Shares'), representing approximately 18.8% of the enlarged issued and paid-up share capital of ICON, at the issue price of RM1.85 per ordinary share for total gross proceeds of RM410,228,250, payable in full upon application. For illustrative purposes, the Pro Forma Consolidated Statement of Financial Position has been prepared on the assumption that the price payable by the institutional investors to be determined by way of bookbuilding exercise and the final price payable by the retail investors ('Final Retail Price') is RM1.85 per ordinary share ('Retail Price').

(ii) Offer for Sale

Offer for Sale of up to 289,022,000 ordinary shares of RM0.50 each in ICON ('Offer Shares'), representing approximately 24.6% of the enlarged issued and paid-up share capital of ICON, at the offer price of RM1.85 per ordinary share.

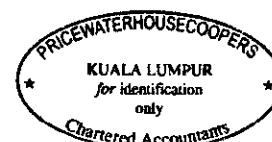
(b) Utilisation of proceeds from Public Issue

The gross proceeds from the Public Issue of RM410.2 million as stated in Note 1.2 (a) (i) are expected to be utilised as follows:

	RM
Expansion of vessel fleet	166,200,000
Repayment of bank borrowings	124,000,000
Repayment of amount due to immediate holding company*	54,454,000
Working capital	42,574,250
Estimated listing expenses**	23,000,000
	410,228,250

* ICON intends to fully repay the amount due to immediate holding company and the interest payable up to the date of repayment on 30 June 2014 which are estimated to be RM54.5 million. For the purpose of the pro forma consolidated statement of financial position, the repayment is illustrated as RM52.6 million being the carrying amount as at 31 December 2013.

** The estimated listing expenses totaling RM23.0 million to be borne by ICON comprise of brokerage, underwriting and placement fees, professional fees and miscellaneous expenses. The selling shareholders will bear their own professional fees and miscellaneous expenses in respect of the Offer for Sale. A total of RM9.7 million is assumed to be directly attributable to the Public Issue and as such will be debited against the share premium account whereas the remaining IPO expenses of RM13.3 million are assumed to be attributable to the Listing and as such, will be charged to the income statement.



12. **FINANCIAL INFORMATION** (Cont'd)APPENDIX
Page 3**ICON OFFSHORE BERHAD****PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)****1 INTRODUCTION (CONTINUED)**

1.3 Employees' share scheme ('ESS')

In conjunction with the Listing, ICON proposes to establish an employees' share scheme comprising the grant of employees' share options ('ESOS Options') to the eligible employees of ICON Group and employees' share grant plan for the grant of ICON Shares to be issued and/or transferred ('EGSP Shares') to the eligible executive Directors or senior management employees of the ICON Group, subject to such persons fulfilling the performance targets recommended by the ESS committee.

The impact of the ESOS Options and EGSP Shares that will be made available, if any, is not illustrated as they will only be granted subsequent to the Listing.



12. FINANCIAL INFORMATION (Cont'd)

APPENDIX

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ICON OFFSHORE BERHAD

PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

2 PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

The Pro Forma Consolidated Statements of Financial Position ('SOFP') as at 31 December 2013 have been prepared for illustrative purposes only to show the effects on the audited Consolidated SOFP as at 31 December 2013 based on the assumption that the Completed Transactions as set out in Note 1.1 and the Proposal as set out in Note 1.2 had been effected on 31 December 2013, and should be read in conjunction with the notes in this Section.

	Audited	Completed Transactions	Pro Forma I Consolidated SOFP after Subdivision of shares and Conversion of RCPS-i	Proposal IPO and utilisation of proceeds	Pro Forma II Consolidated SOFP after Pro Forma I, IPO and utilisation of proceeds
	RM	RM	RM	RM	RM
<u>Non-Current Assets</u>					
Property, plant and equipment	1,203,594,345	-	1,203,594,345	166,200,000	1,369,794,345
Intangible assets	195,534,015	-	195,534,015	-	195,534,015
Deferred tax assets	41,304,539	-	41,304,539	-	41,304,539
	<u>1,440,432,899</u>	<u>-</u>	<u>1,440,432,899</u>	<u>166,200,000</u>	<u>1,606,632,899</u>
<u>Current Assets</u>					
Inventories	1,376,028	-	1,376,028	-	1,376,028
Trade and other receivables	86,573,415	-	86,573,415	-	86,573,415
Tax recoverable	32,156	-	32,156	-	32,156
Cash and bank balances	47,302,793	-	47,302,793	44,378,150	91,680,943
	<u>135,284,392</u>	<u>-</u>	<u>135,284,392</u>	<u>44,378,150</u>	<u>179,662,542</u>
<u>Less: Current Liabilities</u>					
Trade and other payables	33,855,806	-	33,855,806	-	33,855,806
Amount due to immediate holding company	52,650,100	-	52,650,100	(52,650,100)	-
Borrowings	402,642,169	(235,600,000)	167,042,169	(43,642,595)	123,399,574
Taxation	2,750,326	-	2,750,326	-	2,750,326
	<u>491,898,401</u>	<u>(235,600,000)</u>	<u>256,298,401</u>	<u>(96,292,695)</u>	<u>160,005,706</u>
Net Current (Liabilities)/Assets	<u>(356,614,009)</u>	<u>235,600,000</u>	<u>(121,014,009)</u>	<u>140,670,845</u>	<u>19,656,836</u>
<u>Less: Non-Current Liabilities</u>					
Trade and other payables	1,582,775	-	1,582,775	-	1,582,775
Borrowings	700,609,805	-	700,609,805	(80,357,405)	620,252,400
Deferred tax liabilities	2,262,333	-	2,262,333	-	2,262,333
	<u>704,454,913</u>	<u>-</u>	<u>704,454,913</u>	<u>(80,357,405)</u>	<u>624,097,508</u>
NET ASSETS	<u>379,363,977</u>	<u>235,600,000</u>	<u>614,963,977</u>	<u>387,228,250</u>	<u>1,002,192,227</u>



12. FINANCIAL INFORMATION (Cont'd)

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ICON OFFSHORE BERHAD

PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

2 PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
31 DECEMBER 2013 (CONTINUED)

	Audited	Completed Transactions	Pro Forma I Consolidated SOFP after Subdivision of shares and Conversion of RCPS-i	Proposal IPO and utilisation of proceeds	Pro Forma II Consolidated SOFP after Pro Forma I, IPO and utilisation of proceeds
	RM	RM	RM	RM	RM
<u>Equity attributable to equity holders of the Company</u>					
Share capital	257,720,050	220,000,000	477,720,050	110,872,500	588,592,550
Share premium	-	-	-	289,656,750	289,656,750
Retained earnings	121,643,927	15,600,000	137,243,927	(13,301,000)	123,942,927
Shareholders' equity	<u>379,363,977</u>	<u>235,600,000</u>	<u>614,963,977</u>	<u>387,228,250</u>	<u>1,002,192,227</u>
Number of ordinary shares of RM1.00 each	257,720,050		N/A*		N/A
Number of ordinary shares of RM0.50 each [^]	515,440,100		955,440,100		1,177,185,100
Net assets attributable to equity holders of the Company [#]	379,363,977		614,963,977		1,002,192,227
Net assets attributable to equity holders of the Company per ordinary share of RM1.00 each (RM) ^{##}	<u>1.47</u>		<u>N/A</u>		<u>N/A</u>
Net assets attributable to equity holders of the Company per ordinary share of RM0.50 each (RM) ^{##}	<u>0.74</u>		<u>0.64</u>		<u>0.85</u>

[^] Number of ordinary shares illustrated is assumed to be retrospectively adjusted after completion of the subdivision of 257,720,050 shares of every one (1) ordinary share of RM1.00 each into two (2) subdivided shares of RM0.50 each.

[#] Net assets attributable to equity holders of the Company = Equity attributable to equity holders of the Company

^{##} Net assets attributable to equity holders of the Company per ordinary share = Equity attributable to equity holders of the Company divided by the number of ordinary shares

* N/A denotes 'Not applicable'



12. FINANCIAL INFORMATION (Cont'd)

APPENDIX

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ICON OFFSHORE BERHAD

PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

2 PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013 (CONTINUED)

2.1 Basis of preparation

The Pro Forma Consolidated SOFP as at 31 December 2013 have been prepared based on the audited Consolidated SOFP of ICON Group as at 31 December 2013 which was prepared in accordance with MFRS and IFRS and in a manner consistent with the format of the financial statements and accounting policies of ICON Group.

The Pro Forma Consolidated SOFP as at 31 December 2013 have been prepared for illustrative purposes only to show the effects of the Proposal on the audited Consolidated SOFP as at 31 December 2013 on the assumption that the Completed Transactions as set out in Note 1.1 and the Proposal as set out in Note 1.2 had been effected on 31 December 2013, and should be read in conjunction with the notes in this Section. Such information, because of its nature, does not give a true picture of the effects of the Completed Transactions and the Proposal on the financial information presented had the transaction or event occurred on 31 December 2013. Further, such information does not purport to predict ICON Group's financial position.

Our audit report on the audited financial statements of ICON Group for the financial year ended 31 December 2013 used in the preparation of the Pro Forma Consolidated SOFP was not subject to any qualification.

2.2 Effects of the Completed Transactions as set out in Note 1.1 and the Proposal as set out in Note 1.2 above on the Pro Forma Consolidated SOFP

Pro Forma I

Pro Forma I incorporates the effects of the Subdivision of shares and Conversion of RCPS-i as set out in Notes I.1 (a) and (b).

Pro Forma II

Pro Forma II incorporates the effects of Pro Forma I, the IPO and utilisation of proceeds as set out in Notes I.2 (a) and (b).



12. FINANCIAL INFORMATION (Cont'd)

APPENDIX

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ICON OFFSHORE BERHAD

PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

3 PRO FORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

The Pro Forma Consolidated Statements of Comprehensive Income for the financial years ended 31 December 2011 and 31 December 2012 have been prepared on the assumption that ICON Group had been in existence since 1 January 2011 and throughout the financial years under review, and should be read in conjunction with the notes in this Section.

	Pro Forma	
	Financial years ended	
	31 December	
	2011	2012
	RM	RM
Revenue	226,486,610	291,705,326
Cost of sales	(112,446,838)	(142,619,135)
Gross profit	114,039,772	149,086,191
Other income	990,138	1,235,031
Administrative expenses	(16,562,351)	(23,785,478)
Other expenses	(14,437,000)	(20,069,268)
Profit from operations	84,030,559	106,466,476
Finance costs	(58,312,589)	(54,145,321)
Profit before taxation	25,717,970	52,321,155
Taxation	(2,760,332)	(14,692,948)
Profit for the financial year	22,957,638	37,628,207
Other comprehensive income	-	-
Total comprehensive income for the financial year	22,957,638	37,628,207
Attributable to:		
Equity holders of the Company	22,957,638	37,628,207

3.1 Basis of preparation

3.1.1 The Pro Forma Consolidated Statements of Comprehensive Income have been prepared:

- (a) Based on the:
- (i) Audited financial statements of ICON for the financial period ended 31 December 2012;
 - (ii) Audited financial statements of Icon Ship Management Sdn Bhd ('ICON Ship') for the financial years ended 31 December 2011 and 31 December 2012; and
 - (iii) Audited financial statements of Icon Fleet Sdn Bhd ('ICON Fleet') and its subsidiaries ('ICON Fleet Group') for the financial years ended 31 December 2011 and 31 December 2012; and
- (b) In a manner consistent with the format of the financial statements and accounting policies of ICON Group.

The audited financial statements of ICON Ship and financial statements of ICON Fleet Group for the financial year ended 31 December 2011 were prepared in accordance with Financial Reporting Standards ('FRS'), the MASB Approved Accounting Standards for Entities Other than Private Entities.

12. **FINANCIAL INFORMATION (Cont'd)**

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ICON OFFSHORE BERHAD**PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)****3 PRO FORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)**

3.1 Basis of preparation (continued)

- 3.1.1 ICON Ship and ICON Fleet Group adopted MFRS on 1 January 2012 with a transition date of 1 January 2011. These standards were applied retrospectively by the directors to the comparative information in the financial statements, including the statements of financial position as at 31 December 2011 and 1 January 2011, and the statements of comprehensive income, changes in equity and cash flows for the financial year ended 31 December 2011 and related disclosures.

Consequently, the comparative information in the financial statements of ICON Ship for the financial year ended 31 December 2012 was restated and adjusted for the effects of adoption of MFRS upon its transition from FRS to MFRS in accordance with the transitional elections in MFRS 1 'First-time adoption of Malaysian Reporting Standards' ('MFRS 1') as set out in the Accountants' Report. There was no significant impact on adoption of MFRS which requires restatement to the financial statements for the financial year ended 31 December 2011 for ICON Fleet. The financial statements of ICON Ship and ICON Fleet Group for the financial year ended 31 December 2011 were also adjusted for prior year adjustments/reclassifications as disclosed in the Accountants' Report.

The financial statements of ICON, ICON Ship and ICON Fleet Group for the financial year ended 31 December 2012 were prepared in accordance with MFRS and IFRS.

The financial statements of ICON Ship and ICON Fleet Group for the financial year ended 31 December 2012 were adjusted for prior year adjustments/reclassifications as disclosed in the Accountants' Report.

The auditors' reports on the financial statements of ICON, ICON Ship and ICON Fleet Group used in the preparation of the Pro Forma Consolidated Statements of Comprehensive Income for the financial years ended 31 December 2011 and 31 December 2012 were not subject to any qualification.

- 3.1.2 ICON was only incorporated on 30 March 2012 and ICON Group was formed following the acquisition of ICON Ship and ICON Fleet Group by ICON during the financial period ended 31 December 2012. The Pro Forma Consolidated Statements of Comprehensive Income have been prepared based on the assumption that ICON was incorporated on 1 January 2011 and the acquisition of ICON Ship and ICON Fleet Group by ICON were completed on 1 January 2011 and ICON Group had been in existence throughout the financial years under review.

The Pro Forma Consolidated Statements of Comprehensive Income have been prepared based on the aggregation of the audited financial statements of ICON, ICON Ship and ICON Fleet Group and adjusted for (i) the effects of fair value adjustments on the net identifiable assets and liabilities and the related tax effects upon acquisition of ICON Ship and ICON Fleet based on the purchase price allocation exercise and (ii) the issuance of RCPS-i by ICON as set out in Note 3.1.3.

Fair value adjustments arising on the net identifiable assets, liabilities and the related tax effects are assumed to be identical to those adjustments that arose when the actual acquisition was completed in July and September 2012 for ICON Ship and ICON Fleet respectively.



12. FINANCIAL INFORMATION (Cont'd)

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ICON OFFSHORE BERHAD

PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

3 PRO FORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

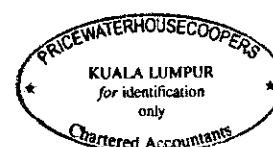
3.1 Basis of preparation (continued)

- 3.1.3 The acquisition of ICON Ship by ICON for a total cash consideration of RM220.0 million, was funded via a shareholders' advance from E-Cap (Internal) One Sdn. Bhd. ('E-Cap 1') ('Shareholders' Advance') ('Acquisition of ICON Ship'). After the completion of the Acquisition of ICON Ship, E-Cap I had instructed ICON to issue 220,000,000 RCPS-i at the issue price of RM1.00 each where the consideration for the issuance of the 220,000,000 RCPS-i was to be set off against the Shareholders' Advance.

Based on the existing terms of the RCPS-i, all the outstanding RCPS-i will be mandatorily converted into new ordinary shares in ICON on the business day following the receipt of the last regulatory approval for the IPO and Listing. In the event that the approvals are not obtained, all outstanding RCPS-i will be redeemed by ICON at 110% of the issue price. With the Conversion of RCPS-i, the profit rate of the RCPS-i will not be payable in cash and will be reclassified to equity.

The Pro Forma Consolidated Statements of Comprehensive Income illustrate the effects of issuance of RCPS-i on the assumption that the ICON Group had been in existence since 1 January 2011 and the RCPS-i was issued on the same day. For the salient terms of the RPCS-i, refer to Note 8.17 (ii) of Section I to the Accountants' Report.

- 3.1.4 Pursuant to an internal reorganisation, ICON Group had transferred 16 vessels to newly incorporated Labuan companies which are subsidiaries of ICON Fleet and disposed of a non-offshore support vessel. The said transfer and disposal gave rise to a net tax credit of RM100.4 million for the financial year ended 31 December 2013. The effects of this adjustment on taxation are not illustrated in the Pro Forma Consolidated Statements of Comprehensive Income for the financial years ended 31 December 2011 and 2012 as the transfer of the vessels and disposal of the non-offshore support vessel were only made in 2013.
- 3.1.5 The Pro Forma Consolidated Statements of Comprehensive Income have been prepared for illustrative purposes only. Such information, because of its nature, does not give a true picture of the actual results of the ICON Group. Further, such information does not purport to predict ICON Group's future financial results.



12. FINANCIAL INFORMATION (Cont'd)

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ICON OFFSHORE BERHAD

PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

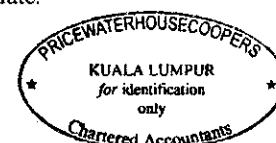
3 PRO FORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

3.2 The Pro Forma Consolidated Statement of Comprehensive Income for the financial year ended 31 December 2011 is made up as follows:

	ICON Financial year ended 31 December 2011	ICON Ship Financial year ended 31 December 2011	ICON Fleet Financial year ended 31 December 2011	Sub-total Financial year ended 31 December 2011	Adjustments (Note 3.2.1)	Pro Forma Financial year ended 31 December 2011
	RM	RM	RM	RM	RM	RM
Revenue	-	126,261,638	100,224,972	226,486,610	-	226,486,610
Cost of sales	-	(58,236,460)	(56,386,028)	(114,622,488)	2,175,650	(112,446,838)
Gross profit	-	68,025,178	43,838,944	111,864,122	2,175,650	114,039,772
Other income	-	732,240	257,898	990,138	-	990,138
Administrative expenses	-	(7,109,901)	(9,452,450)	(16,562,351)	-	(16,562,351)
Other expenses	-	-	-	-	(14,437,000)	(14,437,000)
Profit from operations	-	61,647,517	34,644,392	96,291,909	(12,261,350)	84,030,559
Finance costs	-	(34,871,077)	(12,741,512)	(47,612,589)	(10,700,000)	(58,312,589)
Profit before taxation	-	26,776,440	21,902,880	48,679,320	(22,961,350)	25,717,970
Taxation	-	(4,044,847)	(1,780,823)	(5,825,670)	3,065,338	(2,760,332)
Profit for the financial year	-	22,731,593	20,122,057	42,853,650	(19,896,012)	22,957,638
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the financial year	-	22,731,593	20,122,057	42,853,650	(19,896,012)	22,957,638
Attributable to:						
Equity holders of the Company	-	22,731,593	20,122,057	42,853,650	(19,896,012)	22,957,638

3.2.1 The adjustments to the Pro Forma Consolidated Statement of Comprehensive Income for the financial year ended 31 December 2011 are as follows:

- (a) Effects of fair value adjustments on net identifiable assets, liabilities and the related tax effects upon acquisition of ICON Ship and ICON Fleet on 1 January 2011 based on the purchase price allocation exercise:
- Reduction in depreciation charge of RM2.2 million due to net write-down in fair value of property, plant and equipment ('PPE') of ICON Ship and ICON Fleet;
 - Amortisation of intangible assets of RM14.4 million in respect of ICON Ship and ICON Fleet's acquired charter contracts recognised. The charter contracts are amortised over the remaining contract periods. The amortisation of intangible assets for 2011 as disclosed above is based on the assumption that ICON Group was formed since 1 January 2011;
 - Deferred tax credit of RM3.6 million arising from item (ii) offset by deferred tax expense of RM0.5 million arising from item (i) above; and
- (b) Profit rate on the RCPS-i of RM10.7 million. This profit rate represents the premium on redemption of the RCPS-i. The RCPS-i profit rate for 2011 as disclosed above is based on the assumption that the RCPS-i was issued on 1 January 2011 as if the ICON Group was formed since that date.



12. FINANCIAL INFORMATION (Cont'd)

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ICON OFFSHORE BERHAD

PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

3 PRO FORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

3.3 The Pro Forma Consolidated Statement of Comprehensive Income for the financial year ended 31 December 2012 is made up as follows:

	ICON Financial period ended 31 December 2012	ICON Ship Financial year ended 31 December 2012	ICON Fleet Financial year ended 31 December 2012	Sub-total Financial year ended 31 December 2012	Adjustments (Note 3.3.1)	Pro Forma Financial year ended 31 December 2012
	RM	RM	RM	RM	RM	RM
Revenue	-	156,085,137	135,620,189	291,705,326	-	291,705,326
Cost of sales	-	(74,520,802)	(69,828,756)	(144,349,558)	1,730,423	(142,619,135)
Gross profit	-	81,564,335	65,791,433	147,355,768	1,730,423	149,086,191
Other income	405,136	513,580	721,451	1,640,167	(405,136)	1,235,031
Administrative expenses	(1,455,000)	(9,292,050)	(13,038,428)	(23,785,478)	-	(23,785,478)
Other expenses	-	(3,283,268)	-	(3,283,268)	(16,786,000)	(20,069,268)
Profit from operations	(1,049,864)	69,502,597	53,474,456	121,927,189	(15,460,713)	106,466,476
Finance costs	(5,005,136)	(27,424,010)	(15,421,311)	(47,850,457)	(6,294,864)	(54,145,321)
Profit before taxation	(6,055,000)	42,078,587	38,053,145	74,076,732	(21,755,577)	52,321,155
Taxation	-	(14,700,502)	(3,756,340)	(18,456,842)	3,763,894	(14,692,948)
Profit for the financial year	(6,055,000)	27,378,085	34,296,805	55,619,890	(17,991,683)	37,628,207
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the financial year	(6,055,000)	27,378,085	34,296,805	55,619,890	(17,991,683)	37,628,207
Attributable to: Equity holders of the Company	(6,055,000)	27,378,085	34,296,805	55,619,890	(17,991,683)	37,628,207

3.3.1 The adjustments to the Pro Forma Consolidated Statement of Comprehensive Income for the financial year ended 31 December 2012 are as follows:

- (a) Effects of fair value adjustments on net identifiable assets, liabilities and the related tax effects upon acquisition of ICON Ship and ICON Fleet on 1 January 2011 based on the purchase price allocation exercise:
- Reduction in depreciation charge of RM1.7 million due to net write-down in fair value of PPE of ICON Ship and ICON Fleet;
 - Amortisation of intangible assets of RM16.8 million in respect of ICON Ship and ICON Fleet's acquired charter contracts recognised. The charter contracts are amortised over the remaining contract periods. The amortisation of intangible assets for the financial year ended 31 December 2012 as disclosed above is based on the assumption that ICON Group was formed since 1 January 2011. The actual amortisation of intangible assets recognised in the financial statements of ICON Group for the financial period ended 31 December 2012 was RM10.6 million;
 - Deferred tax credit of RM4.2 million arising from item (ii) offset by deferred tax expense of RM0.4 million arising from item (i) above; and
- (b) Profit rate on the RCPS-i is RM6.7 million. This profit rate represents part of the premium on redemption of the RCPS-i. The actual profit rate recognised in the financial statements of ICON Group for the financial period ended 31 December 2012 was RM4.6 million; and
- (c) Elimination of intercompany transactions within ICON Group of RM0.4 million.

12. FINANCIAL INFORMATION (Cont'd)

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ICON OFFSHORE BERHAD

PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

4 APPROVAL BY BOARD OF DIRECTORS

Approved and adopted by the Board of Directors of Icon Offshore Berhad in accordance with resolution dated 23 May 2014.

On behalf of the Board



Dr. Jamal bin Yusof @ Gordon Duclos
Director



Dato' Abdul Rahman bin Ahmad
Director

Kuala Lumpur



12. FINANCIAL INFORMATION (Cont'd)

12.5 Dividend policy

As our Company is a holding company, our income, and therefore our ability to pay dividends, is dependent upon the dividends that we receive from our subsidiaries. The payment of dividends by our subsidiaries will depend upon their distributable reserves, operating results, financial condition, capital expenditure plans, debt servicing and any other obligations or business plans and applicable laws or agreements restricting their ability to pay dividends or make other distributions.

Currently, we do not have any fixed dividend policy. We intend to adopt a policy of active capital management and any dividends that our Board may recommend or declare in respect of any particular financial year or period will take into account various factors including:

- (i) the level of our cash, gearing, debt profile and retained earnings;
- (ii) our expected financial performance;
- (iii) our projected levels of capital expenditure and other investment plans; and
- (iv) our working capital requirements.

The actual dividend that our Board may recommend or declare in respect of any particular financial year or period will be subject to the factors above and the absence of any circumstances which may affect or restrict our ability to pay dividends as well as any other factors deemed relevant by our Board.

Please refer to Section 5.3.4 of this Prospectus for factors which may affect or restrict our ability to pay dividends.

No inference should be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future.

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13. ACCOUNTANTS' REPORT



The Board of Directors
 Icon Offshore Berhad
 Level 21, Suite 21.01
 The Gardens South Tower
 Mid Valley City
 Lingkaran Syed Putra
 59200 Kuala Lumpur

23 May 2014

PwC/YWY/SKF/EC/py/0106C

Dear Sirs,

**ICON OFFSHORE BERHAD
 ACCOUNTANTS' REPORT**

INTRODUCTION

This Accountants' Report ("the Report") on Icon Offshore Berhad ("ICON") and its subsidiaries (collectively known as "ICON Group") has been prepared by PricewaterhouseCoopers, an approved company auditor for the purpose of inclusion in the Prospectus of ICON in connection with its initial public offering and listing of and quotation for the entire enlarged issued and paid-up share capital of ICON on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and should not be relied on for any other purposes.

Content of this Report

This Accountants' Report includes the following sections:

Section	Content
I Icon Offshore Berhad ("ICON")	Historical financial information for the financial period from its date of incorporation on 30 March 2012 to 31 December 2012 and for the financial year ended 31 December 2013
II Icon Ship Management Sdn. Bhd. ("ICON Ship")	Historical financial information for the financial years ended 31 December 2011, 31 December 2012 and 31 December 2013
III Icon Fleet Sdn. Bhd. ("ICON Fleet")	Historical financial information for the financial years ended 31 December 2011, 31 December 2012 and 31 December 2013

*PricewaterhouseCoopers (AF 1146), Chartered Accountants,
 Level 10, 1 Sentral, Jalan Travers, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
 T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my*

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

SECTION I

ICON OFFSHORE BERHAD

Historical financial information for the financial period from its date of incorporation on 30 March 2012 to 31 December 2012 and for the financial year ended 31 December 2013

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD

1 GENERAL INFORMATION

1.1 Background

ICON was incorporated in Malaysia as a private limited company on 30 March 2012 under the name of Kota Bayu Ekuiti Sdn. Bhd. On 12 July 2012, ICON was converted to a public company and assumed the name of Kota Bayu Ekuiti Berhad. The company changed to its present name on 25 October 2012.

ICON is an investment holding company. The principal activities of ICON Group are vessel owning/leasing and provision of vessel chartering and ship management services to oil and gas related industries.

The immediate holding company is Hallmark Odyssey Sdn. Bhd and the ultimate holding foundation is Yayasan Ekuiti Nasional.

The address of the registered office of ICON is:

Level 21, Suite 21.01, The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

The address of the principal place of business of ICON is:

Level 12A, East Wing, The Icon
No. 1, Jalan 1/68F
Off Jalan Tun Razak
55000 Kuala Lumpur

1.2 Details of the Listing Scheme

In conjunction with and as an integral part of the listing of and quotation for the entire enlarged issued and paid-up share capital of ICON on the Main Market of Bursa Securities, ICON is undertaking the following listing scheme:

- Pre-listing exercise

Subdivision of Shares

ICON has implemented and completed a subdivision of every one existing ordinary share of RM1.00 each into two ordinary shares of RM0.50 each. The subdivision of shares was completed on 22 May 2014.

- Initial public offering ("IPO")

Upon completion of the pre-listing exercise, ICON will undertake the IPO of 510,767,000 ICON shares representing up to approximately 43.49% of the enlarged issued and paid-up share capital of ICON, comprising the Offer for Sale of up to 289,022,000 Offer Shares and the Public Issue of 221,745,000 Issue Shares.

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD

1 GENERAL INFORMATION

1.2 Details of the Listing Scheme (continued)

In conjunction with and as an integral part of the listing of and quotation for the entire enlarged issued and paid-up capital of ICON on the Main Market of Bursa Securities, ICON is undertaking the following listing scheme: (continued)

- **Listing**
Upon completion of all of the above, ICON will seek the listing of and quotation for its entire enlarged issued and paid-up share capital comprising 1,177,185,100 ICON shares on the Main Market of Bursa Securities.
- **Employees' share scheme ("ESS")**
In conjunction with the Listing, ICON will establish an employees' share scheme comprising the grant of employees' share options to the eligible employees of ICON Group and employees' share grant plan for the grant of ICON Shares to be issued and/or transferred to the eligible Executive Directors or senior management employees of the ICON Group, subject to such persons fulfilling the performance targets recommended by the ESS committee.

1.3 Share capital

A summary of the authorised and issued and paid-up share capital of ICON since its incorporation on 30 March 2012 is as follows:

(i) Authorised share capital

<u>Date of creation</u>	<u>Type of share</u>	<u>Par value</u> RM/share	<u>Number of</u> <u>ordinary shares</u>	<u>Cumulative</u> <u>authorised</u> <u>share capital</u> RM
At date of incorporation	Ordinary	1.00	100,000	100,000
20 July 2012	Ordinary	1.00	596,900,000	597,000,000
20 July 2012	RCPS-i	0.01	300,000,000	3,000,000

(ii) Issued and paid-up share capital

<u>Date of issue</u>	<u>Number of</u> <u>ordinary shares</u>	<u>Par value</u> RM/share	<u>Premium</u> RM	<u>Terms</u> <u>of issue</u>	<u>Cumulative</u> <u>issued and</u> <u>paid-up</u> <u>share capital</u> RM
<u>Ordinary Shares</u>					
At date of incorporation	2	1.00	Nil	Cash	2
20 July 2012	30,000,000	1.00	Nil	Cash	30,000,002
19 November 2012	227,720,048	1.00	Nil	Otherwise than cash	257,720,050
22 May 2014	515,440,100	0.50	Nil	N/A*	257,720,050
23 May 2014	440,000,000	0.50	Nil	N/A*	477,720,050

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

1 GENERAL INFORMATION (CONTINUED)

1.3 Share capital (continued)

(ii) Issued and paid-up share capital (continued)

Islamic Redeemable Cumulative Preference Share ("RCPS-i")

<u>Date of issue</u>	<u>Number of RCPS-i</u>	<u>Par value RM/share</u>	<u>Premium RM</u>	<u>Terms of issue</u>	<u>Cumulative issued and paid-up share capital RM</u>
20 September 2012	220,000,000	0.01	0.99	Cash	220,000,000
23 May 2014	(220,000,000)	0.01	0.99	N/A*	-

*Not applicable

1.4 Subsidiaries

The details of ICON's subsidiaries which are incorporated in Malaysia, are as follows:

<u>Names of subsidiaries</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>ICON's effective interest</u>	
			<u>2012</u> %	<u>2013</u> %
<u>Direct subsidiaries</u>				
Icon Ship Management Sdn. Bhd.	Malaysia	Vessel owner and ship management services to the oil and gas and related industries	100	100
Icon Fleet Sdn. Bhd. ^	Malaysia	Investment holding	100	100
Icon Offshore Group Sdn. Bhd. ^**	Malaysia	Ship management, vessel operations and provision of related services	100	100
<u>Indirect subsidiaries</u>				
Omni Marine Sdn. Bhd. ^	Malaysia	Vessel owner, operator and provision of vessel services for the oil and gas industry	100	100
Omni Triton Sdn. Bhd. ^	Malaysia	Vessel owner, operator and provision of vessel services for the oil and gas industry	100	100
Omni Power Sdn. Bhd. ^	Malaysia	Vessel owner, operator and provision of vessel services for the oil and gas industry	100	100
Omni Ventures Sdn. Bhd. ^	Malaysia	Vessel owner, operator and provision of vessel services for the oil and gas industry	100	100
Omni Offshore (L) Inc. ^#	Malaysia	Leasing of vessels	100	100
Omni Emery (L) Inc. ^#	Malaysia	Leasing of vessels	100	100

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

1 GENERAL INFORMATION (CONTINUED)

1.4 Subsidiaries (continued)

The details of ICON's subsidiaries which are incorporated in Malaysia, are as follows: (continued)

<u>Names of subsidiaries</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>ICON's effective interest</u>	
			<u>2012</u> %	<u>2013</u> %
<u>Indirect subsidiaries</u> (continued)				
Omni Flotilla (L) Inc.^#	Malaysia	Leasing of vessels	100	100
Omni Victory (L) Inc.^#	Malaysia	Leasing of vessels	100	100
Omni Marissa (L) Inc.^#	Malaysia	Leasing of vessels	100	100
Omni Stella (L) Inc.^#	Malaysia	Leasing of vessels	100	100
Icon Azra (L) Inc.^#	Malaysia	Leasing of vessels	100	100
Icon Samudera (L) Inc.^#	Malaysia	Leasing of vessels	100	100
Icon Ikhlas (L) Inc.*#	Malaysia	Leasing of vessels	-	100
Icon Zara (L) Inc.*#	Malaysia	Leasing of vessels	-	100
Icon Waja (L) Inc.*#&	Malaysia	Leasing of vessels	-	100
Icon Corridor (L) Inc.*#	Malaysia	Leasing of vessels	-	100
Icon Ocean (L) Inc.*#	Malaysia	Leasing of vessels	-	100
Icon Puteri 1 (L) Inc.*#@	Malaysia	Leasing of vessels	-	100
Icon Puteri 2 (L) Inc.*#@	Malaysia	Leasing of vessels	-	100
Icon Dawai (L) Inc.*#@	Malaysia	Leasing of vessels	-	100
Icon Huma (L) Inc.*#@	Malaysia	Leasing of vessels	-	100
Icon Sari (L) Inc.*#@	Malaysia	Leasing of vessels	-	100
Icon Biru 1 (L) Inc.*#@	Malaysia	Leasing of vessels	-	100
Icon Biru 2 (L) Inc.*#@	Malaysia	Leasing of vessels	-	100
Icon Dahan 1 (L) Inc.*#@	Malaysia	Leasing of vessels	-	100
Icon Dahan 2 (L) Inc.*#@	Malaysia	Leasing of vessels	-	100
Icon Pinang 1 (L) Inc.*#@	Malaysia	Leasing of vessels	-	100

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

1 GENERAL INFORMATION (CONTINUED)

1.4 Subsidiaries (continued)

The details of ICON's subsidiaries which are incorporated in Malaysia, are as follows: (continued)

<u>Names of subsidiaries</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>ICON's effective interest</u>	
			<u>2012</u> %	<u>2013</u> %
<u>Indirect subsidiaries</u> (continued)				
Icon Pinang 2 (L) Inc.*#@	Malaysia	Leasing of vessels	-	100
Icon Pinang 3 (L) Inc.*#@	Malaysia	Leasing of vessels	-	100
Icon Pinang 4 (L) Inc.*#@	Malaysia	Leasing of vessels	-	100
Icon Piai 1 (L) Inc.*#@	Malaysia	Leasing of vessels	-	100
Icon Piai 2 (L) Inc.*#&	Malaysia	Leasing of vessels	-	100
Icon Gaya (L) Inc.*#@	Malaysia	Leasing of vessels	-	100
Icon Aliza (L) Inc.*#&	Malaysia	Leasing of vessels	-	100
Icon Tigris (L) Inc.*#@	Malaysia	Leasing of vessels	-	100
Icon Lotus (L) Inc.*#@	Malaysia	Leasing of vessels	-	100
Icon Sophia (L) Inc.*#@	Malaysia	Leasing of vessels	-	100
Icon Kayra (L) Inc.*#&	Malaysia	Leasing of vessels	-	100
ICON - FOB Holdings (L) Inc.*#&~	Malaysia	Leasing of vessels	-	100
ICON - FOB 1 (L) Inc.*#&	Malaysia	Leasing of vessels	-	100
Icon Maritime Training Centre Sdn. Bhd. (formerly known as Omni Technologies Sdn. Bhd.)^	Malaysia	Maritime training	100	100
Omni Gulf Sdn. Bhd.^\$	Malaysia	Dormant	100	100
Omni Fleet Sdn. Bhd.^+	Malaysia	Dormant	100	100

13. ACCOUNTANTS' REPORT (Cont'd)

**I ICON OFFSHORE BERHAD (CONTINUED)****1 GENERAL INFORMATION (CONTINUED)****1.4 Subsidiaries (continued)**

The details of ICON's subsidiaries which are incorporated in Malaysia, are as follows: (continued)

- ^ Audited by a firm other than PricewaterhouseCoopers for the financial period ended 31 December 2012.
- ** Icon Offshore Group Sdn. Bhd. was a direct subsidiary of ICON Fleet in financial year ended 31 December 2012. Following the internal group reorganisation during the financial year ended 31 December 2013, Icon Offshore Group Sdn. Bhd. is now a direct subsidiary of ICON.
- # Incorporated in the Federal Territory of Labuan, under the Labuan Companies Act, 1990.
- * Incorporated during the financial year ended 31 December 2013.
- & These entities have yet to commence operations.
- @ These entities have yet to commence operations as of 31 December 2013 and only commenced operations subsequent to the financial year end.
- \$ This entity is in the process of de-registration from the Companies Commission of Malaysia ("CCM").
- + Omni Fleet Sdn. Bhd. was de-registered on 29 April 2014.
- ~ ICON Fleet has entered into a joint venture agreement with FOB Swath Malaysia AS on 27 January 2014 and upon fulfillment of the conditions precedent in the agreement, has transferred 49% of its interest in ICON - FOB Holdings (L) Inc to FOB Swath Malaysia AS on 30 April 2014.

1.5 Dividends

No dividend has been paid or declared by ICON since its date of incorporation.

2 FINANCIAL STATEMENTS AND AUDITORS

We were appointed as the statutory auditors of ICON Group from the financial period ended 31 December 2012, other than for subsidiaries indicated in Note 1.4 of Section I to this Report.

We have audited the consolidated financial statements of ICON Group, which comprise the statements of financial position as at 31 December 2012 and 31 December 2013 and the statements of comprehensive income, changes in equity and cash flows of ICON Group for the respective financial period and year ended 31 December 2012 and 31 December 2013 and have issued our unqualified reports thereon dated 19 June 2013 and 3 March 2014 respectively. We have reported that the respective consolidated financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS") so as to give a true and fair view of the financial position of ICON Group as at 31 December 2012 and 31 December 2013 and its financial performance and cash flows for the financial period and year then ended.

We have considered the financial statements and the auditors' reports of the subsidiaries of which we have not acted as auditors for the financial period ended 31 December 2012.

The auditors' reports on the financial statements of ICON and its subsidiaries for the respective financial period and year ended 31 December 2012 and 31 December 2013 were not subject to any qualification.

No audited financial statements have been prepared in respect of any period subsequent to 31 December 2013.

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

3 BASIS OF PREPARATION OF THE HISTORICAL FINANCIAL STATEMENTS IN THIS REPORT

Section I to this Report has been prepared using the audited consolidated financial statements of ICON Group for the financial period ended 31 December 2012 and the financial year ended 31 December 2013.

The financial statements of ICON Group have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below and are presented in Ringgit Malaysia ("RM").

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported financial period/year. It also requires the Directors to exercise their judgement in the process of applying ICON's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 6 of Section I to this Report.

As at 31 December 2013, ICON Group recorded net current liabilities of RM356,614,009 (2012: RM30,421,367). The net current liabilities includes RCPS-i of RM235,600,000 which is convertible to ordinary shares. ICON Group carries out cash flows review for the next twelve (12) months to ensure that the business operations have sufficient funds available to operate as a going concern. Historically treasury management has proven that ICON Group has the ability to meet its obligations as and when they fall due and ICON Group has not defaulted on any obligations due or payable to financial institutions or creditors.

The Directors are of the opinion that ICON Group will be able to operate profitably in the foreseeable future, obtain continuing financial support from the lenders and therefore continue as a going concern and accordingly, realise its assets and discharge its liabilities in the normal course of business.

In view of the foregoing, the Directors consider that it is appropriate to prepare the financial statements of ICON Group on a going concern basis, and accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to amounts and classification of liabilities that may be necessary should the going concern basis for the preparation of the financial statements of ICON Group be not appropriate.

Standards, amendments to published standards and interpretations, which are applicable and adopted by ICON Group are as follows:

Financial year beginning on/after 1 January 2013

- MFRS 13 "Fair Value Measurement" aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across MFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The enhanced disclosure requirements are similar to those in MFRS 7, "Financial Instruments: Disclosures", but apply to all assets and liabilities measured at fair value, not just financial ones.
- Amendment to MFRS 101 "Presentation of Items of Other Comprehensive Income" requires entities to separate items presented in "other comprehensive income" ("OCI") in the statement of comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future.

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

3 BASIS OF PREPARATION OF THE HISTORICAL FINANCIAL STATEMENTS IN THIS REPORT (CONTINUED)

Standards, amendments to published standards and interpretations, which are applicable and adopted by ICON Group are as follows: (continued)

Financial year beginning on/after 1 January 2013 (continued)

- Amendment to MFRS 7 “Financial Instruments: Disclosures” requires more extensive disclosures focusing on quantitative information about recognised financial instruments that are offset in the statement of financial position and those that are subject to master netting or similar arrangements irrespective of whether they are offset.

Standards early adopted by ICON Group:

ICON Group has early adopted the amendments to MFRS 136 which are effective for annual periods beginning on or after 1 January 2014. The amendments remove the unintended requirement to disclose the recoverable amount for a cash generating unit (containing goodwill or indefinite lived intangible assets) when no impairment loss has been recognised or reversed during the period. It clarifies that recoverable amount is required to be disclosed only when an impairment loss is recognised or reversed.

Standards, amendments to published standards and interpretations to existing standards that are applicable to ICON Group but not yet effective:

ICON Group will apply the new standards, amendments to standards and interpretations in the following financial years:

- (i) Financial year beginning on/after 1 January 2014
 - Amendment to MFRS 132 “Financial Instruments: Presentation” does not change the current offsetting model in MFRS 132. It clarifies the meaning of ‘currently has a legally enforceable right of set-off’ that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. It clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria.
- (ii) Effective date yet to be determined by Malaysian Accounting Standards Board
 - MFRS 9 “Financial Instruments – Classification and Measurement of Financial Assets and Financial Liabilities” replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity’s business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. ICON Group has yet to assess MFRS 9’s full impact. ICON Group will also consider the impact of the remaining phases of MFRS 9 when completed by the Board.

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

3 BASIS OF PREPARATION OF THE HISTORICAL FINANCIAL STATEMENTS IN THIS REPORT (CONTINUED)

Standards, amendments to published standards and interpretations to existing standards that are applicable to ICON Group but not yet effective: (continued)

ICON Group is currently reviewing these new standards, amendments to published standards and IC interpretations to determine the likely future impact of these pronouncements. Based on ICON Group's preliminary assessment, there is no significant impact expected on adoption of these standards, amendments and interpretations.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

4.1 Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which ICON Group has control. ICON Group controls an entity when ICON Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to ICON Group. They are deconsolidated from the date that control ceases.

ICON Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by ICON Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. ICON Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

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 successive acquisition dates at each stage, and the changes in fair value taken through profit or loss.

Profit or loss and each component of other comprehensive income of the subsidiaries are attributed to the parent and the non-controlling interest, even if this results in the non-controlling interest having a deficit balance.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. Refer to Note 4.6 of Section I to this Report on the accounting policy for goodwill.

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.1 Basis of consolidation (continued)

(i) Subsidiaries (continued)

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by ICON Group.

(ii) Transactions with non-controlling interests

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Change in control

Upon the loss of control of a subsidiary, ICON Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other component of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If ICON Group retains any interest in the subsidiary, then such interest is measured at the fair value at the date the control is lost. Subsequently the subsidiary is accounted for as equity accounted investee or available for sale financial asset depending on the level of influence retained.

4.2 Property, plant and equipment

Property, plant and equipment are initially stated at cost. Cost includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Refer to Note 4.21 of Section I to this Report on the accounting policy for borrowing costs.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between knowledgeable willing parties in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices of similar items when available and replacement cost where appropriate.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that future economic benefits associated with the cost will flow to ICON Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. All other repairs and maintenance of property, plant and equipment are recognised in the profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which ICON Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

13. ACCOUNTANTS' REPORT (Cont'd)



- I **ICON OFFSHORE BERHAD (CONTINUED)**
- 4 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**
- 4.2 Property, plant and equipment (continued)

Property, plant and equipment are depreciated on a straight-line basis to allocate the cost of each asset to their residual values over their estimated useful lives, summarised as follows:

Vessels	25 years
Vessel parts	10 - 14 years
Drydocking expenditure	5 years
Building	50 years
Motor vehicles	4 - 5 years
Office equipment	5 - 10 years
Computers	5 years
Furniture and fittings	10 years
Renovation	10 years

Depreciations on vessels under commissioning and work in progress commence when the vessels are ready for their intended use.

Drydocking expenditure represents major inspection and overhaul costs and are depreciated to reflect the consumption of benefits, which are to be replaced or restored by the subsequent drydocking generally every five years. ICON Group has included these drydocking costs as a separate component of the vessels' costs.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

At the end of the reporting period, ICON Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see accounting policy Note 4.3 of Section I to this Report).

- 4.3 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use ("VIU"). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash generating units"). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.4 Assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

4.5 Leases

(i) Finance leases

Leases of property, plant and equipment where ICON Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

(ii) Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on the straight-line basis over the lease period. Initial direct costs incurred by ICON Group in negotiating and arranging operating leases are recognised in profit or loss when incurred.

4.6 Intangible assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over ICON Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value-in-use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(ii) Acquired charter contracts

Charter contracts acquired in a business combination are recognised at fair value at the acquisition date. Charter contracts have a finite useful life and amortisation is calculated using the straight-line method to allocate the fair value of the contract over their contract periods which range from 1 to 4 years.

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents includes cash in hand, bank balances, deposits held at call with banks less restricted cash, other short-term, highly liquid investments with original maturities of three months or less, and bank overdrafts.

4.8 Inventories

Inventories which represent fuel oil on vessels are valued at lower of cost or net realisable value.

Cost is determined based on the first-in, first-out method for fuel oil.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

4.9 Financial assets

(i) Classification

ICON Group classifies their financial assets in the following categories: at fair value through profit or loss, loans and receivables, available-for-sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification at initial recognition. ICON Group's financial assets are loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. ICON Group's loans and receivables comprise receivables and cash and bank balances in the statements of financial position.

(ii) Recognition and initial measurement

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit or loss.

(iii) Subsequent measurement – gains and losses

Financial assets at fair value through profit or loss and available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

(iv) Subsequent measurement – impairment of financial assets

Assets carried at amortised cost

ICON Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 Financial assets (continued)

(iv) Subsequent measurement – impairment of financial assets (continued)

Assets carried at amortised cost (continued)

The criteria that ICON Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- ICON Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- Disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - (a) adverse changes in the payment status of borrowers in the portfolio; and
 - (b) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If loans and receivables have a variable rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, ICON Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent financial year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the customers' credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

(v) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and ICON Group has transferred substantially all risks and rewards of ownership.

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

4.11 Current and deferred income tax

The tax expense for the financial year comprises current and deferred taxes. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where ICON Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

4.12 Provisions

Provisions are recognised when ICON Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Where ICON Group expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

13. ACCOUNTANTS' REPORT (Cont'd)

**I ICON OFFSHORE BERHAD (CONTINUED)****4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****4.12 Provisions (continued)**

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as finance cost expense.

4.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds from drawdown (net of transaction costs) amount and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

4.14 Compound financial instruments

Compound financial instruments issued by ICON Group comprises Islamic Redeemable Convertible Preference Shares ("RCPS-i") that can be converted to share capital at the option of the holder, and the number of shares issued does not vary with changes in fair value. The terms of the RCPS-i are disclosed in Note 8.17 of Section I to this Report.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction cost is allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method until extinguished on conversion or maturity of the compound instrument. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except when the compound instrument is redeemed or repurchased before maturity.

Upon conversion of the convertible instrument into equity shares, the amount credited to equity is the aggregate of the carrying amounts of the liability components classified within liability and equity at the time of conversion. No gain or loss is recognised.

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.15 Employee benefits

(i) Short-term employee benefits

Salaries, overtime and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of ICON Group.

(ii) Defined contribution plans

ICON Group makes contributions to the Employees Provident Fund ("EPF") as required by law in Malaysia. Obligations for contributions to defined contribution plans are recognised as an expense in the profit or loss as incurred.

4.16 Share capital

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premiums are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

Preference share capital is classified as equity if they are non-redeemable, or redeemable but only at ICON's option, and any dividends are discretionary.

Distribution to holders of a financial instrument classified as an equity instrument is charged directly to equity.

4.17 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

4.18 Foreign currency

(i) Functional and presentation currency

Items included in the financial statements of each of ICON Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is ICON Group's functional and presentation currency.

(ii) Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.19 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to ICON Group and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Chartering and hiring of vessels

Charter hire income from vessels is recognised upon rendering of services to customers, over the term of the charter hire contract. For income from the hire of third party vessels, it is assessed whether ICON Group is acting as a principal or an agent. Where it has been assessed that ICON Group is acting as an agent, income is recognised net of charter costs.

4.20 Interest income

ICON Group earns interest income from deposits placed with licensed banks. Interest income is recognised on an accrual basis.

4.21 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing costs are recognised in profit or loss in the financial year in which they are incurred.

4.22 Prepayments

Prepayments are amounts paid in advance for goods or services yet to be received. Prepayments are recognised as an expense in profit or loss when the goods or services are subsequently received.

4.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance on operating segments, has been identified as ICON Group's Executive Committee that makes strategic decisions.

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.24 Contingent liabilities and assets

ICON Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of ICON Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstances where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of ICON Group. ICON Group discloses the existence of contingent assets where inflows of economic benefits are probable, but not virtually certain.

4.25 Earnings per share

ICON Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic earnings per share of ICON Group are calculated by dividing the profit attributable to ordinary equity holders of ICON by the weighted average number of ordinary shares in issue during the financial year.

Diluted earnings per share of ICON Group is calculated by adjusting the profit attributable to ordinary equity holders of ICON and weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

5 FINANCIAL RISK MANAGEMENT

ICON Group's overall financial risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of ICON Group. Financial risk management is carried out through risk reviews, internal control systems and adherence to ICON Group's financial risk management policies. The Directors of ICON regularly review these risks and approve the policies, which cover the management of these risks.

ICON Group is exposed to credit and counterparty risk, liquidity risk, interest/profit rate risk, foreign currency exchange risk, and capital risk.

(i) Credit and counterparty risk

Credit risk arises when sales are made on credit terms. Customers are subject to credit checks and outstanding accounts are followed up on a timely basis. Credit risk concentration is monitored by monitoring the performance of our customers and actively engaging with customers to ensure payments are settled on time.

Most contracts are on a long-term basis. ICON Group is exposed to the risk that the financial position of ICON Group's customers may change during the contracted period and that they will not be able to meet their obligations under the terms of the contract. Given the limited number of major customers and the significant portion they represent of revenue, the inability by one or more of ICON Group's major customers to make full payment on any contracts may have a material adverse effect on the financial position. To mitigate this risk, credit quality of potential customers is assessed by taking into account their current financial position, past experience and other factors before entering into a contract. This evaluation includes a thorough examination of the counterparty's default rates as well as their credit quality. Outstanding receivables are closely monitored in order to pursue full recovery.

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit and counterparty risk (continued)

The credit quality of financial assets that are not impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	<u>As at 31 December</u>	
	<u>2012</u>	<u>2013</u>
	RM	RM
Cash and bank balances (except for cash in hand)		
<i>Counterparties with external credit rating ("RAM")*</i>		
AAA	26,636,948	21,139,352
AA2	-	3,050,860
AA3	7,470,378	8,615,713
A1	17,945,484	12,339,171
	<u> </u>	<u> </u>
Cash and bank balances (except for cash in hand)		
(continued)		
<i>Counterparties with external credit rating ("MARC")**</i>		
AA+	1,867,925	2,120,450
	<u> </u>	<u> </u>
Trade and other receivables		
<i>Counterparties without external credit rating</i>		
Group 2	118,891,739	83,393,398
	<u> </u>	<u> </u>

ICON Group classifies its receivables into the following groups:

Group 1 – new customers/related parties (less than six (6) months).

Group 2 – existing customers/related parties (more than six (6) months) with no defaults in the past.

Group 3 – existing customers/related parties (more than six (6) months) with some defaults in the past. All defaults were fully recovered.

* RAM represents Rating Agency Malaysia.

** MARC represents Malaysian Rating Corporation Berhad.

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ü) Liquidity risk

Liquidity risk is the risk that ICON Group will encounter difficulty in meeting financial obligations due to shortage of funds. As at 31 December 2013, ICON Group has net current liabilities of RM356,614,009 (2012: RM30,421,367). The net current liabilities includes RCPS-i of RM235,600,000 which is convertible to ordinary shares. ICON Group carries out cash flows review regularly to ensure that the business operations have sufficient funds available to meet its obligations as and when they fall due. Historically, treasury management has proven that ICON Group has the ability to meet its obligations as and when they fall due and ICON Group has not defaulted on any obligations due or payable to financial institutions or creditors.

The table below summarises the maturity profile of ICON Group's liabilities (including interest on borrowings) at the reporting date based on contractual undiscounted repayment obligations.

	<u>Within 1 year</u> RM	<u>Between 1 and 2 years</u> RM	<u>Between 2 and 5 years</u> RM	<u>Over 5 years</u> RM	<u>Total</u> RM
<u>At 31 December 2012</u>					
Borrowings	180,813,629	254,995,232	382,930,544	126,345,386	945,084,791
Finance lease liabilities	109,286	163,904	21,035	-	294,225
Trade and other payables	57,413,594	3,814,986	-	-	61,228,580
Amounts due to immediate and intermediate holding companies	<u>43,685,136</u>	<u>--</u>	<u>-</u>	<u>-</u>	<u>43,685,136</u>
	<u>282,021,645</u>	<u>258,974,122</u>	<u>382,951,579</u>	<u>126,345,386</u>	<u>1,050,292,732</u>
<u>At 31 December 2013</u>					
Borrowings	445,727,617	179,153,079	448,453,095	209,020,692	1,282,354,483
Finance lease liabilities	95,733	109,551	38,517	-	243,801
Trade and other payables	33,855,806	2,222,345	-	-	36,078,151
Amount due to immediate holding company	<u>52,650,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,650,100</u>
	<u>532,329,256</u>	<u>181,484,975</u>	<u>448,491,612</u>	<u>209,020,692</u>	<u>1,371,326,535</u>

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Interest/profit rate risk

Interest/profit rate risk arises from fluctuations in interest/profit rates. Bank borrowings consist of variable rate debt obligations linked to applicable bank rates. Bank rates are typically reviewed and adjusted periodically in accordance with prevailing interest rates. Increases in interest/profit rates would increase interest expenses relating to ICON Group's outstanding floating rate borrowings and increase the cost of new debt. Interest/profit rates applicable to borrowings are regularly reviewed against the prevailing and anticipated market interest/profit rates in order to determine if refinancing or early repayment is warranted. The table below sets forth the carrying amounts of borrowings, by floating interest/profit rate terms.

	<u>As at 31 December</u>	
	<u>2012</u> RM	<u>2013</u> RM
Floating rate loans (unhedged)	571,010,697	623,207,936

Impact on profit for the financial period/year and equity:

	<u>As at 31 December</u>	
	<u>2012</u> RM	<u>2013</u> RM
1.0% increase in interest/profit rate	(5,710,107)	(6,232,079)
1.0% decrease in interest/profit rate	5,710,107	6,232,079

(iv) Foreign currency exchange risk

ICON Group's foreign currency exchange risk arises primarily from the purchase of vessels, materials, spare parts and other services relating to the maintenance of vessels and borrowings. ICON Group also occasionally enters into contracts for which the charter rate is denominated in US Dollars ("USD"). ICON Group occasionally enters into forward contracts for USD in order to manage their exposure to fluctuations in the exchange rate between the RM and USD.

The impact on profit before taxation for the financial period/year is mainly as a result of translation of USD bank balances and borrowings held by companies within ICON Group, for which their functional currencies are not USD.

Impact on profit for the financial period/year and equity:

	<u>As at 31 December</u>	
	<u>2012</u> RM	<u>2013</u> RM
10.0% increase in USD exchange rate	(744,062)	(477,335)
10.0% decrease in USD exchange rate	744,062	477,335

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)
5 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Foreign currency exchange risk (continued)

Cash and bank balances are denominated in the following currencies:

	<u>As at 31 December</u>	
	<u>2012</u>	<u>2013</u>
	RM	RM
Ringgit Malaysia	47,698,122	39,442,386
US Dollar	6,253,740	7,860,407
	<u>53,951,862</u>	<u>47,302,793</u>

Borrowings are denominated in the following currencies:

	<u>As at 31 December</u>	
	<u>2012</u>	<u>2013</u>
	RM	RM
Ringgit Malaysia	1,020,167,783	1,090,618,215
US Dollar	13,694,356	12,633,759
	<u>1,033,862,139</u>	<u>1,103,251,974</u>

(v) Capital risk management

ICON Group regards capital as share capital, borrowings and retained earnings as presented in the statements of financial position. ICON Group's objectives when managing capital are to safeguard ICON Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, ICON Group may return capital to shareholders, issue new shares or sell assets to reduce debt. ICON Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the statements of financial position) less cash and bank balances. Total equity is calculated as shareholders' equity as shown in the statements of financial position.

13. ACCOUNTANTS' REPORT (Cont'd)



I **ICON OFFSHORE BERHAD (CONTINUED)**
 5 **FINANCIAL RISK MANAGEMENT (CONTINUED)**

(v) Capital risk management (continued)

	<u>As at 31 December</u>	
	<u>2012</u> RM	<u>2013</u> RM
Finance lease liabilities	220,939	179,531
Borrowings*	1,033,641,200	1,103,072,443
Debt	1,033,862,139	1,103,251,974
Less: Cash and bank balances	(53,951,862)	(47,302,793)
Net debt	<u>979,910,277</u>	<u>1,055,949,181</u>
Total equity	<u>265,762,913</u>	<u>379,363,977</u>
Gearing ratio (times)	<u>3.69</u>	<u>2.78</u>

* Includes RCPS-i which will be converted into ICON shares following receipt of all relevant authorities' approvals for ICON's initial public offering and listing on the Main Market of Bursa Securities (Note 8.17 (ii) (c)).

The gearing ratio excluding the RCPS-i is as follows:

	<u>As at 31 December</u>	
	<u>2012</u> RM	<u>2013</u> RM
Net debt (excluding RCPS-i)	755,310,277	820,349,181
Gearing ratio (times)	<u>2.84</u>	<u>2.16</u>

The subsidiaries of ICON are required by external lenders to maintain certain financial covenant ratios such as gearing ratio, interest cover and finance service cover ratio. As part of its capital management, ICON Group monitors these covenants on a monthly basis. These covenants have been complied with for each of the financial years presented.

(vi) Fair values

The carrying value of the balances disclosed in the financial statements approximates its fair values except as disclosed in the notes to the financial statements.

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

ICON Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Key assumptions and sources estimation of uncertainty

The following are key assumptions concerning the future and other key sources estimation of uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Impairment of goodwill

ICON Group tests goodwill for impairment annually in accordance with its accounting policy in Note 4.6(i) of Section I to this Report.

For the purposes of assessing impairment, goodwill is allocated to cash-generating units that are expected to benefit from the future earnings of the business activities in which the goodwill arose.

Significant judgement is required in the estimation of the present value of future cash flows generated by the cash-generating units, which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of ICON Group's impairment of goodwill. The key assumptions used are disclosed in Note 8.10 of Section I to this Report.

(ii) Useful lives and residual value of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives after deducting its residual value. Management exercises their judgement in estimating the useful lives and the residual value of the depreciable assets. ICON Group assesses annually the useful lives and the residual value of the property, plant and equipment and if the expectation differs from the original estimate, such difference will impact the depreciation in the financial year in which such estimate has been charged.

(iii) Impairment of receivables

At each reporting date, ICON Group assesses whether there is objective evidence that receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collection expenses. Such provisions are adjusted periodically to reflect the actual and anticipated impairment.

(iv) Fair value of assets and liabilities acquired

ICON acquired a 100% interest in ICON Ship and ICON Fleet during the financial period ended 31 December 2012. The amount of goodwill initially recognised is dependent on the allocation of the purchase price to the fair value of the identifiable assets and liabilities is based, to the considerable extent, on management's judgement. The fair values of the assets and liabilities are disclosed in Note 8.20 of Section I to this Report.

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Key assumptions and sources estimation of uncertainty (continued)

(v) Impairment review of carrying value of vessels

ICON Group reviews periodically whether vessels have suffered any impairment in accordance with the accounting policy stated in Note 4.3 of Section I to this Report. The recoverable amounts of each vessel, being defined as a cash generating unit, have been determined based on the higher of fair value less cost to sell and VIU calculations. The VIU calculations are based on contracted cash flows and estimates of uncontracted cash flows for the useful lives of each vessel, including scrap values discounted by an appropriate discount rate.

The impairment testing for cash generating units requires estimates and judgement to determine the net present value of future cash flows such as revenue growth, cost escalation, utilisation rates based on historical trends and discount rate amongst others.

As at 31 December 2013, the Directors have evaluated the carrying amounts of vessels against their recoverable amounts as a result of their review of the business plan which includes divestment of non-offshore support vessel ("OSV"), lower specification OSVs as well as older OSVs, and to focus on newer and higher specification OSVs which reflects ICON Group's strategy to consolidate their leading position in shallow water operations within the OSV space with selective expansion into deep water operations. Following the assessment, an impairment charge of RM46,774,361 was recognised in the financial year ended 31 December 2013.

If the estimated pre-tax discount rate used in determining VIU had been 1% higher than management's estimates, ICON Group would have recognised an additional impairment charge against vessels of RM3,716,447.

The pre-tax discount rate used for the recoverable amounts was 13.9%.

(vi) Deferred tax assets

Deferred tax assets are recognised for all unutilised tax losses and unutilised capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital 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.

Assumptions about generation of future taxable profits depend on management's estimates of future profitability. These depend on estimates of future revenue, operating costs, capital expenditure, and other working capital transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and capital allowances.

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

7 HISTORICAL FINANCIAL STATEMENTS

7.1 Consolidated Statements of Comprehensive Income

	Note	Financial period from 30 March 2012 (date of incorporation) to 31 December 2012 RM	Financial year ended 31 December 2013 RM
Revenue	8.1	108,599,622	334,863,365
Cost of sales		(53,452,603)	(162,890,065)
Gross profit		55,147,019	171,973,300
Other income		529,967	2,205,092
Administrative expenses		(11,442,857)	(30,942,820)
Other expenses		(13,884,601)	(68,172,361)
Profit from operations		30,349,528	75,063,211
Finance costs	8.2	(18,371,233)	(57,508,370)
Profit before taxation	8.3	11,978,295	17,554,841
Taxation	8.6	(3,935,432)	96,046,223
Profit for the financial period/year/ Total comprehensive income for the financial period/year		8,042,863	113,601,064
Attributable to: Equity holders		8,042,863	113,601,064
Earnings per share (expressed in RM per share)			
Basic	8.7	0.15	0.44
Diluted	8.7	0.09	0.26

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

7 HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

7.2 Consolidated Statements of Financial Position

	Note	As at 31 December	
		2012 RM	2013 RM
NON-CURRENT ASSETS			
Property, plant and equipment	8.9	1,036,703,162	1,203,594,345
Intangible assets	8.10	214,922,015	195,534,015
Deferred tax assets	8.11	-	41,304,539
		<u>1,251,625,177</u>	<u>1,440,432,899</u>
CURRENT ASSETS			
Inventories		471,434	1,376,028
Trade and other receivables	8.12	121,786,444	86,573,415
Tax recoverable		54,359	32,156
Cash and bank balances	8.14	53,951,862	47,302,793
		<u>176,264,099</u>	<u>135,284,392</u>
ASSETS HELD FOR SALE	8.13	39,825,081	-
CURRENT LIABILITIES			
Trade and other payables	8.15	57,413,594	33,855,806
Amounts due to immediate and intermediate holding companies	8.16	43,685,136	52,650,100
Borrowings	8.17	145,121,457	402,642,169
Taxation		290,360	2,750,326
		<u>246,510,547</u>	<u>491,898,401</u>
NET CURRENT LIABILITIES		<u>(30,421,367)</u>	<u>(356,614,009)</u>
NON-CURRENT LIABILITIES			
Trade and other payables	8.15	3,814,986	1,582,775
Borrowings	8.17	888,740,682	700,609,805
Deferred tax liabilities	8.11	62,885,229	2,262,333
		<u>955,440,897</u>	<u>704,454,913</u>
NET ASSETS		<u>265,762,913</u>	<u>379,363,977</u>
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF ICON			
Share capital	8.18	257,720,050	257,720,050
Retained earnings		8,042,863	121,643,927
TOTAL EQUITY		<u>265,762,913</u>	<u>379,363,977</u>

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)
 7 HISTORICAL FINANCIAL STATEMENTS (CONTINUED)
 7.3 Consolidated Statements of Changes in Equity

	Note	Attributable to equity holders of ICON			
		Issued and fully paid ordinary shares of RM1 each Number of shares	Share capital RM	Retained earnings RM	Total equity RM
At the incorporation date		2	2	-	2
Total comprehensive income for the financial period		-	-	8,042,863	8,042,863
<u>Transactions with owners</u>					
Issuance of ordinary shares	8.18	257,720,048	257,720,048	-	257,720,048
At 31 December 2012		<u>257,720,050</u>	<u>257,720,050</u>	<u>8,042,863</u>	<u>265,762,913</u>
At 1 January 2013		257,720,050	257,720,050	8,042,863	265,762,913
Total comprehensive income for the financial year		-	-	113,601,064	113,601,064
At 31 December 2013		<u>257,720,050</u>	<u>257,720,050</u>	<u>121,643,927</u>	<u>379,363,977</u>

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)
 7 HISTORICAL FINANCIAL STATEMENTS (CONTINUED)
 7.4 Consolidated Statements of Cash Flows

	Note	Financial period from 30 March 2012 (date of incorporation) to 31 December 2012 RM	Financial year ended 31 December 2013 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		11,978,295	17,554,841
Adjustments for:			
Amortisation of intangible assets		10,601,333	19,388,000
Depreciation of property, plant and equipment		15,750,096	48,992,701
Gain on disposal of assets held for sale		-	(1,360,520)
(Gain)/loss on disposal of property, plant and equipment		(300,627)	446,717
Impairment of assets held for sale		3,283,268	2,010,000
Impairment of property, plant and equipment		-	46,774,361
Impairment of receivables		1,920,573	4,208,119
Interest expense		18,371,233	57,508,370
Interest income		(646,429)	(469,069)
Property, plant and equipment written off		434,932	60,921
Unrealised loss on foreign exchange		164,568	756,214
Reversal of impairment of receivables		(112,564)	(1,745,393)
Operating profit before working capital changes		61,444,678	194,125,262
Changes in working capital:			
Inventories		(109,588)	(904,594)
Receivables		(31,708,858)	32,885,483
Payables		1,839,764	(30,253,912)
Cash generated from operations		31,465,996	195,852,239
Tax paid		(1,279,452)	(3,399,043)
Net cash generated from operating activities		30,186,544	192,453,196
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(62,318,054)	(274,637,416)
Proceeds from disposal of assets held for sale		-	39,175,601
Proceeds from disposal of property, plant and equipment		657,583	20,919,448
Acquisition of subsidiaries, net of cash and cash equivalents acquired		(223,025,118)	-
Net cash used in investing activities		(284,685,589)	(214,542,367)

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)
 7 HISTORICAL FINANCIAL STATEMENTS (CONTINUED)
 7.4 Consolidated Statements of Cash Flows (continued)

	Note	Financial period from 30 March 2012 (date of incorporation) to 31 December 2012 RM	Financial year ended 31 December 2013 RM
CASH FLOWS FROM FINANCING ACTIVITIES			
Advances from immediate and intermediate holding company		43,280,000	12,200,000
Drawdown of borrowings (net of transaction cost)		97,893,750	214,668,539
Interest received		646,429	469,069
Proceeds from issuance of RCPS-i		220,000,000	-
Proceeds from issuance of ordinary shares		30,000,000	-
Repayments of Redeemable Cumulative Convertible Secured Loan Stocks - Series B		(15,000,000)	-
Repayments of Redeemable Cumulative Convertible Preferences Shares Series A ("RCCPS Series A")		-	(11,722,022)
Repayments of Redeemable Cumulative Convertible Secured Loan Stocks		(17,000,000)	-
Repayments of finance lease liabilities		(129,701)	(12,000)
Repayments of borrowings		(25,419,684)	(146,751,908)
Repayments of amounts due to intermediate holding company		(12,586,660)	(3,600,000)
Interest paid		(21,668,315)	(49,946,796)
Decrease in fixed deposits pledged		981,815	261,874
Net cash generated from financing activities		<u>300,997,634</u>	<u>15,566,756</u>
Exchange gains on cash and bank balances		-	135,220
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		46,498,589	(6,387,195)
CASH AND CASH EQUIVALENTS AT DATE OF INCORPORATION/BEGINNING OF THE FINANCIAL PERIOD/YEAR		<u>2</u>	<u>46,498,591</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD/YEAR	8.14	<u><u>46,498,591</u></u>	<u><u>40,111,396</u></u>

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS

8.1 Revenue

	Financial period from 30 March 2012 (date of incorporation) to <u>31 December 2012</u> RM	Financial year ended <u>31 December 2013</u> RM
Chartering and hiring of vessels	108,599,622	334,863,365

8.2 Finance costs

	Financial period from 30 March 2012 (date of incorporation) to <u>31 December 2012</u> RM	Financial year ended <u>31 December 2013</u> RM
Term loan interest/profit	15,904,275	45,312,148
Profit rate on RCPS-i*	4,600,000	11,000,000
Interest on amount due to immediate holding company	405,136	2,420,164
Revolving credit	-	2,396,923
Interest on Redeemable Cumulative Convertible Preference Shares Series A	3,261	1,669,768
Finance lease interest	8,370	10,774
Bank overdraft interest	12,043	27,381
Other finance charges	349,064	39,586
Total finance costs	21,282,149	62,876,744
Less: Amount capitalised to qualifying assets (Note 8.9)	(2,910,916)	(5,368,374)
Finance costs	18,371,233	57,508,370

* No profit rate on RCPS-i will be payable in cash once it is converted into ICON shares following receipt of all relevant authorities' approvals for ICON's initial public offering and listing on the Main Market of Bursa Securities (Note 8.17 (ii) (c)).

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.3 Profit before taxation

Profit before taxation is stated after charging/(crediting):

	Financial period from 30 March 2012 (date of incorporation) to <u>31 December 2012</u>	Financial year ended <u>31 December 2013</u>
	RM	RM
Amortisation of intangible assets	10,601,333	19,388,000
Auditors' remuneration	242,350	562,500
Consumable cost	7,061,846	7,616,949
Depreciation of property, plant and equipment	15,750,096	48,992,701
Employee benefits expense (Note 8.4)	18,120,837	55,926,951
(Gain)/loss on disposal of property, plant and equipment	(300,627)	446,717
Impairment of assets held for sale	3,283,268	2,010,000
Impairment of property, plant and equipment	-	46,774,361
Impairment of receivables	1,920,573	4,208,119
Insurance	2,406,944	4,228,561
Property, plant and equipment written off	434,932	60,921
Professional fees	1,544,008	2,008,576
Rental of premises	262,560	1,091,768
Ship operation and charter hire costs	50,239,052	67,518,979
Unrealised loss on foreign exchange	164,568	756,214
Gain on disposal of assets held for sale	-	(1,360,520)
Interest income	(646,429)	(469,069)
Realised gain on foreign exchange	(161,301)	(838,671)
Reversal of impairment of receivables	(112,564)	(1,745,393)
	<u> </u>	<u> </u>

8.4 Employee benefits expense

	Financial period from 30 March 2012 (date of incorporation) to <u>31 December 2012</u>	Financial year ended <u>31 December 2013</u>
	RM	RM
Wages and salaries	16,256,340	50,580,474
Social security costs	551,889	319,312
Defined contribution plan	1,312,608	5,027,165
	<u> </u>	<u> </u>
	18,120,837	55,926,951
	<u> </u>	<u> </u>

Included in employee benefits expense of ICON Group are the Executive Directors' remuneration amounting to RM1,082,900 (2012: RM853,075) as further disclosed in Note 8.5 of Section I to this Report.

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.5 Directors' remuneration

	Financial period from 30 March 2012 (date of incorporation) to <u>31 December 2012</u> RM	Financial year ended <u>31 December 2013</u> RM
Executive Directors:		
- Salaries and bonuses	720,155	910,000
- Defined contribution plan	132,920	172,900
Total Executive Directors' remuneration (excluding benefits-in-kind)	<u>853,075</u>	<u>1,082,900</u>

Benefits-in-kind received by the Directors of ICON Group amounted to RM7,200 (2012: RM56,000).

8.6 Taxation

	Financial period from 30 March 2012 (date of incorporation) to <u>31 December 2012</u> RM	Financial year ended <u>31 December 2013</u> RM
Current income tax		
- Current financial year	735,550	6,107,875
- Over provision of tax in prior financial year	-	(226,663)
Deferred tax relating to the origination and reversal of temporary timing differences (Note 8.11)	3,199,882	(101,927,435)
Tax expense/(credit) for the financial period/year	<u>3,935,432</u>	<u>(96,046,223)</u>

The Malaysian corporate statutory tax rate for the year of assessment 2013 is 25% (2012: 25%).

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. Subsidiaries of ICON being Malaysian tax residents incorporated in Labuan under the Labuan Companies Act, 1990 are taxed at 3% of profit before taxation or RM20,000 in accordance with the Labuan Business Activity Act, 1990.

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.6 Taxation (continued)

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

	Financial period from 30 March 2012 (date of incorporation) to <u>31 December 2012</u> RM	Financial year ended <u>31 December 2013</u> RM
Profit before taxation	11,978,295	17,554,841
Taxation at Malaysian statutory tax rate at 25%	2,994,574	4,388,710
Deferred tax assets not recognised during the year*	12,177	5,381,482
Effects of changes in tax rate	-	942,010
Effects of different tax rate in Labuan	(1,796,298)	(3,122,137)
Tax effect of disposal of assets held for sale*	-	11,025,000
Tax effect of expenses that are not deductible for tax purposes	2,797,469	5,874,593
Tax effect of income not subject to tax	(72,490)	(708,159)
Tax effect of disposal of vessels*	-	(116,764,286)
Over provision of tax in prior financial year	-	(3,063,436)
Tax expense/(credit) for the financial period/year	3,935,432	(96,046,223)

* Pursuant to the internal reorganisation, ICON Group had transferred certain vessels from its wholly owned subsidiaries, ICON Ship, and Omni Triton Sdn. Bhd. to newly incorporated Labuan subsidiaries of ICON Fleet and disposed of a non-offshore support vessel. The transfer and disposal of the vessels gave rise to a net tax credit of RM100,357,804 for financial year ended 31 December 2013.

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.7 Earnings per share

(i) Basic EPS

The basic EPS has been calculated based on the consolidated profit for the financial period/year attributable to equity holders of ICON and divided by the weighted number of ordinary shares in issue.

	Financial period from 30 March 2012 (date of incorporation) to <u>31 December 2012</u> RM	Financial year ended <u>31 December 2013</u> RM
Profit attributable to equity holders (RM)	8,042,863	113,601,064
Weighted average number of ordinary shares in issue	52,479,140	257,720,050
Basic EPS	0.15	0.44

(ii) Diluted EPS

The diluted EPS has been calculated based on the consolidated profit for the financial period/year attributable to equity holders of ICON and divided by the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. ICON Group has one category of dilutive potential ordinary shares, which is RCPS-i. The convertible preference shares are assumed to have been converted into ordinary shares and the net profit is adjusted to eliminate the interest expense less tax effect.

	Financial period from 30 March 2012 (date of incorporation) to <u>31 December 2012</u> RM	Financial year ended <u>31 December 2013</u> RM
Profit attributable to equity holders (RM)	8,042,863	113,601,064
Profit rate on RCPS-i (RM)	4,600,000	11,000,000
Profit used to determine diluted EPS (RM)	12,642,863	124,601,064
Weighted average number of ordinary shares in issue	52,479,140	257,720,050
Adjustment for:		
- Assumed conversion of RCPS-i	81,304,348	220,000,000
Weighted average number of ordinary shares for diluted EPS	133,783,488	477,720,050
Diluted EPS	0.09	0.26

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.8 Segment reporting

(i) Reportable Segment

ICON Group is organised as a single integrated business operations comprising the vessel owning/leasing activities and provision of vessel chartering and ship management services to oil and gas and related industries. These integrated activities are known as the offshore support vessel operations. ICON Group as a whole is regarded as an operating segment. In making decisions about resource allocation and performance assessment, the CODM regularly reviews the financial results of ICON Group as a whole. Hence, the information that is regularly provided to the CODM is consistent with that presented in the financial statements.

(ii) Geographical Information

ICON Group's operations are carried out predominantly in Malaysia. Revenue earned by the Icon Group analysed by the location of its external customers is as follows:

Revenue	%	Financial period from 30 March 2012 (date of incorporation) to 31 December 2012		Financial year ended 31 December 2013	
		RM	%	RM	RM
Malaysia	92	100,022,355	92	306,872,327	
Others	8	8,577,267	8	27,991,038	
Total	10	108,599,622	10	334,863,365	

All vessels are Malaysian-flagged and operate primarily in Malaysia.

(iii) Major Customers

ICON Group has a few single customers which have generated revenue amounting to 10 percent or more of ICON Group's total revenue:

	%	Financial period from 30 March 2012 (date of incorporation) to 31 December 2012		Financial year ended 31 December 2013	
		RM	%	RM	RM
Customer 1	6	73,791,422	69	232,329,765	
Customer 2	16	16,918,152	2	7,781,415	
Total	84	90,709,574	71	240,111,180	

(iv) Services

Breakdown of revenue is as follows:

Analysis of revenue by category:	Financial period from 30 March 2012 (date of incorporation) to 31 December 2012		Financial year ended 31 December 2013	
	RM	RM	RM	RM
- Charter hire of own vessels	93,202,292		276,094,183	
- Charter hire of forerunner vessels	11,779,557		41,996,218	
- Other revenue	3,617,773		16,772,964	
	108,599,622		334,863,365	

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.9 Property, plant and equipment

At 31 December 2012

Cost	Vessels under commissioning RM	Vessels RM	Vessel parts RM	Drydocking expenditure RM	Building RM	Motor vehicles RM	Office equipment RM	Computers RM	Furniture and fittings RM	Renovation RM	Work in progress RM	Total RM
At the incorporation date	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition through business combinations (Note 8.20)	87,444,850	920,175,756	3,715,301	16,259,176	797,909	499,906	746,691	471,968	437,626	575,342	-	1,031,124,525
Transfer to assets held for sale (Note 8.13)	-	(43,108,349)	-	-	-	-	-	-	-	-	-	(43,108,349)
Additions	56,066,032	232,195	-	4,882,418	-	-	172,229	354,520	145,000	1,231,426	2,145,150	65,228,970
Disposals	-	-	-	-	-	(356,956)	-	-	-	-	-	(356,956)
Write-offs	-	-	-	-	-	-	(15,655)	(6,599)	(89,121)	(343,559)	-	(454,934)
End of the financial period	143,510,882	877,299,602	3,715,301	21,141,594	797,909	142,950	903,265	819,889	493,505	1,463,209	2,145,150	1,052,433,256
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Change for the financial period	-	13,435,723	120,796	1,900,335	7,141	9,371	51,423	80,241	23,076	121,990	-	15,750,996
Write-offs	-	-	-	-	-	-	(6,310)	(4,543)	(6,077)	(3,072)	-	(20,002)
End of the financial period	-	13,435,723	120,796	1,900,335	7,141	9,371	45,113	75,698	16,999	118,918	-	15,730,994
Net book value	143,510,882	863,863,879	3,594,505	19,241,259	790,768	133,579	858,152	744,191	476,506	1,344,291	2,145,150	1,036,703,162

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.9 Property, plant and equipment (continued)

At 31 December 2013

Cost	Vessels under commissioning RM	Vessels RM	Vessel parts RM	Drydocking expenditure RM	Building RM	Motor vehicles RM	Office equipment RM	Computers RM	Furniture and fittings RM	Renovation RM	Work in progress RM	Total RM
Beginning of the financial year	143,510,882	877,299,602	3,715,301	21,141,594	797,909	142,950	903,265	819,889	493,505	1,463,209	2,145,150	1,052,433,256
Additions	54,320,320	201,311,314	740,237	13,564,881	-	209,391	33,977	1,095,048	32,698	199,706	12,577,759	284,085,331
Disposals	-	(29,555,476)	(507,941)	(1,679,206)	-	-	-	(3,222)	-	-	-	(31,745,846)
Reclassifications	(104,297,485)	106,442,635	-	-	-	-	-	-	-	-	(2,145,150)	-
Write-offs	-	-	-	-	-	-	-	(27,895)	(33,026)	-	-	(60,921)
End of the financial year	93,533,717	1,155,498,075	3,947,597	33,027,269	797,909	352,341	937,242	1,883,820	493,177	1,662,915	12,577,759	1,304,711,821
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Beginning of the financial year	-	13,435,723	120,796	1,900,335	7,141	9,371	45,113	75,698	16,999	118,918	-	15,730,094
Charge for the financial year	-	40,031,901	431,449	7,770,310	17,140	53,563	348,318	112,058	66,180	161,782	-	48,992,701
Disposals	-	(1,516,634)	(65,465)	(523,220)	-	-	-	-	-	-	-	(2,105,319)
End of the financial year	-	51,950,990	486,780	9,147,425	24,281	62,934	393,431	187,756	83,179	280,700	-	62,617,476
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	-	-	-
Beginning of the financial year	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the financial year	-	46,774,361	-	-	-	-	-	-	-	-	-	46,774,361
Disposals	-	(8,274,361)	-	-	-	-	-	-	-	-	-	(8,274,361)
End of the financial year	-	38,500,000	-	-	-	-	-	-	-	-	-	38,500,000
Net book value	93,533,717	1,065,047,085	3,460,817	23,879,844	773,628	289,407	543,811	1,696,064	409,998	1,382,215	12,577,759	1,203,594,345

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.9 Property, plant and equipment (continued)

- (i) Included in property, plant and equipment are motor vehicles and office equipment which were acquired by means of finance lease arrangements with net carrying amounts of RM453,105 (2012: RM299,278).
- (ii) Borrowing costs amounting to RM5,368,374 (2012: RM2,910,916) were capitalised as vessels under commissioning during the financial year.
- (iii) All the vessels have been charged to secure against the borrowings granted to ICON Group as disclosed in Note 8.17 of Section I to this Report.
- (iv) The impairment charge on vessels of RM46,774,361 is included in other expenses in the statement of comprehensive income.
- (v) Drydocking expenditure of RM4,079,541 capitalised was accrued as at the financial year ended 31 December 2013.

8.10 Intangible assets

	<u>Goodwill</u> RM	<u>Acquired charter contracts</u> RM	<u>Total</u> RM
<u>At 31 December 2012</u>			
<u>Cost</u>			
At the incorporation date	-	-	-
Acquisition of subsidiaries (Note 8.20)	180,643,348	44,880,000	225,523,348
End of the financial period	<u>180,643,348</u>	<u>44,880,000</u>	<u>225,523,348</u>
<u>Accumulated amortisation</u>			
At the incorporation date	-	-	-
Amortisation charge during the financial period	-	(10,601,333)	(10,601,333)
End of the financial period	<u>-</u>	<u>(10,601,333)</u>	<u>(10,601,333)</u>
<u>Net book value</u>			
End of the financial period	<u>180,643,348</u>	<u>34,278,667</u>	<u>214,922,015</u>
<u>At 31 December 2013</u>			
<u>Cost</u>			
Beginning/end of financial year	180,643,348	44,880,000	225,523,348
<u>Accumulated amortisation</u>			
Beginning of financial year	-	(10,601,333)	(10,601,333)
Amortisation charge during the financial year	-	(19,388,000)	(19,388,000)
End of the financial year	<u>-</u>	<u>(29,989,333)</u>	<u>(29,989,333)</u>
<u>Net book value</u>			
End of the financial year	<u>180,643,348</u>	<u>14,890,667</u>	<u>195,534,015</u>

13. ACCOUNTANTS' REPORT (Cont'd)



- I **ICON OFFSHORE BERHAD (CONTINUED)**
- 8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)
- 8.10 Intangible assets (continued)

Acquired charter contracts

Amortisation of acquired charter contracts is included in other expenses in the statements of comprehensive income.

Goodwill

Goodwill represents the excess of cost of acquisition over the fair value of the net assets of acquisitions of subsidiaries as disclosed in Note 8.20 of Section I to this Report.

The goodwill acquired is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For impairment testing purposes, goodwill is monitored by management based on a group of CGUs which represent ICON Group's overall ship operation business.

ICON Group is expected to benefit from the synergies of the acquisitions and streamlined organisation resulting in cost efficiencies in the areas of procurement, crewing, chartering and shared services functions.

The recoverable amount of ICON Group's CGUs has been determined based on VIU calculations. The VIU calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by the Directors covering a five (5) year period and applying a terminal value multiple using longer-term sustainable growth rates as stated below.

The key assumptions used in the VIU calculations are as follows:

	<u>As at 31 December</u>	
	<u>2012</u>	<u>2013</u>
Terminal growth rate	3.0%	3.0%
Discount rate	13.0%	13.9%

The discount rates used are pre-tax and reflect specific risks relating to the CGUs. The discount rates applied to the cash flow projections are derived from the cost of capital plus a reasonable risk premium at the date of assessment of the CGUs. Management determines budgeted vessel utilisation rates based on past performance and its expectation of market development. The weighted average growth rates used are consistent with forecasts included in industry reports.

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.10 Intangible assets (continued)

Sensitivity to changes in assumptions

Changing the assumptions selected by management could significantly affect ICON Group's results. ICON Group's review includes the sensitivity of key assumptions to the cash flow projections.

Management are of the view that no impairment loss is required during the financial period/year as the recoverable amount is in excess of the carrying amount. The circumstances where a reasonable possible change in key assumptions will result in the recoverable amounts of goodwill on the CGUs to equal the corresponding carrying values, having incorporated the consequential effects on other variables, are as follows:

	<u>As at 31 December</u>	
	<u>2012</u>	<u>2013</u>
Terminal growth rate	0.0%	1.3%
Discount rate	15.0%	14.8%

8.11 Deferred taxation

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position.

	<u>As at 31 December</u>	
	<u>2012</u> RM	<u>2013</u> RM
Deferred tax assets		
- recoverable after more than 12 months	50,693,118	41,333,572
- recoverable within 12 months	32,476,014	6,973,048
Deferred tax liabilities		
- recoverable after more than 12 months	(9,264,414)	(1,310,213)
- recoverable within 12 months	(136,789,947)	(7,954,201)
Deferred tax (liabilities)/asset (net)	<u>(62,885,229)</u>	<u>39,042,206</u>
Subject to income tax:		
<u>Deferred tax assets</u>		
- property, plant and equipment	83,169,132	48,306,620
Offsetting	(83,169,132)	(7,002,081)
Deferred tax assets (after offsetting)	<u>-</u>	<u>41,304,539</u>
<u>Deferred tax liabilities</u>		
- property, plant and equipment	(137,484,796)	(5,541,893)
- intangible assets	(8,569,565)	(3,722,521)
Offsetting	83,169,132	7,002,081
Deferred tax liabilities (after offsetting)	<u>(62,885,229)</u>	<u>(2,262,333)</u>

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.11 Deferred taxation (continued)

The movements during the financial period/year relating to deferred taxation are as follows:

	<u>As at 31 December</u>	
	<u>2012</u>	<u>2013</u>
	RM	RM
At the incorporation date/beginning of the financial year	-	(62,885,229)
At acquisition of subsidiaries (Note 8.20)	(59,685,347)	-
Credited/(Charged) to the profit or loss: (Note 8.6)		
- property, plant and equipment	(5,850,362)	97,080,391
- intangible assets	2,650,480	4,847,044
Deferred tax (liabilities)/assets (after offsetting)	<u>(62,885,229)</u>	<u>39,042,206</u>

The amount of unutilised capital allowances and unutilised tax losses (both of which have no expiry date) of ICON's subsidiary, for which no deferred tax asset is recognised in the statements of financial position as it is not probable that taxable profit will be available against which these temporary differences can be utilised are as follows:

	<u>As at 31 December</u>	
	<u>2012</u>	<u>2013</u>
	RM	RM
Unutilised capital allowances	-	21,416,773
Unutilised tax losses	48,708	109,155

8.12 Trade and other receivables

	<u>As at 31 December</u>	
	<u>2012</u>	<u>2013</u>
	RM	RM
Trade receivables	117,364,500	68,387,229
Other receivables	1,527,239	15,006,169
Prepayments	2,894,705	3,180,017
	<u>121,786,444</u>	<u>86,573,415</u>
<u>Trade receivables</u>		
Trade receivables	119,465,696	72,951,151
Less: Impairment of receivables	(2,101,196)	(4,563,922)
	<u>117,364,500</u>	<u>68,387,229</u>

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.12 Trade and other receivables (continued)

All trade receivables are denominated in Ringgit Malaysia.

The credit term of trade receivables ranges from 30 days to 60 days (2012: 30 days to 60 days).

Included within trade receivables are amounts owing from a former fellow subsidiary of ICON Ship, Tanjung Offshore Services Sdn. Bhd. ("TOS") which represents 36% (2012: 43%) of the total trade receivables.

Ageing analysis of trade and other receivables

As at the end of the financial period/year, the trade receivables ageing is as follows:

	<u>As at 31 December</u>	
	<u>2012</u>	<u>2013</u>
	RM	RM
Neither past due nor impaired	57,224,338	49,901,879
One month past due but not impaired	10,980,564	9,156,537
Two to six months past due but not impaired	45,520,967	9,328,813
More than six months past due but not impaired	3,638,631	-
	<u>117,364,500</u>	<u>68,387,229</u>
Impaired	2,101,196	4,563,922
	<u>119,465,696</u>	<u>72,951,151</u>

Other receivables are neither past due nor impaired.

Trade and other receivables that are neither past due nor impaired

None of ICON Group's trade and other receivables that are neither past due nor impaired have been renegotiated during the financial period/year.

Trade receivables that are past due but not impaired

Based on past experience and no adverse information to date, the Directors of ICON are of the opinion that no impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable.

Trade receivables that are impaired

	<u>As at 31 December</u>	
	<u>2012</u>	<u>2013</u>
	RM	RM
Trade receivables - nominal amounts	2,101,196	4,563,922
Less: Impairment of receivables	(2,101,196)	(4,563,922)
	<u>-</u>	<u>-</u>

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.12 Trade and other receivables (continued)

Trade receivables that are impaired (continued)

	<u>As at 31 December</u>	
	<u>2012</u> RM	<u>2013</u> RM
Movement in impairment of receivables:		
At the incorporation date/beginning of the financial year	-	2,101,196
Acquisition of subsidiaries	293,187	-
Charge during the financial period/year	1,920,573	4,208,119
Reversal during the financial period/year	(112,564)	(1,745,393)
End of the financial period/year	<u>2,101,196</u>	<u>4,563,922</u>

8.13 Assets held for sale

	<u>As at 31 December</u>	
	<u>2012</u> RM	<u>2013</u> RM
At the incorporation date/beginning of the financial year	-	39,825,081
Transfer from property, plant and equipment (Note 8.9)	43,108,349	-
Impairment	(3,283,268)	(2,010,000)
Disposals	-	(37,815,081)
End of the financial period/year	<u>39,825,081</u>	<u>-</u>

Assets held for sale relates to the ICON Ship's well testing vessel and well testing equipment which have been presented as held for sale following the approval of ICON Ship's management and shareholders on 1 September 2012. The disposal of the well testing vessel and well testing equipment was completed on 27 May 2013 and 4 July 2013 respectively. The impairment charge of RM2,010,000 (2012: RM3,283,268) is included in other expenses in the statement of comprehensive income.

8.14 Cash and bank balances

	<u>As at 31 December</u>	
	<u>2012</u> RM	<u>2013</u> RM
Fixed deposits with licensed banks	16,853,271	15,131,852
Bank balances	37,067,464	32,133,694
Cash in hand	31,127	37,247
Cash and bank balances	<u>53,951,862</u>	<u>47,302,793</u>
Less: Deposits pledged as security	(7,453,271)	(7,191,397)
Cash and cash equivalents	<u>46,498,591</u>	<u>40,111,396</u>

The interest rates of deposits of ICON Group at the reporting date range from 2.20% to 3.60% per annum (2012: 2.30% to 3.38%).

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.15 Trade and other payables

	As at 31 December	
	<u>2012</u>	<u>2013</u>
	RM	RM
Current:		
Trade payables	42,521,538	18,719,012
Other payables	3,430,022	3,784,050
Accruals	11,462,034	11,352,744
	<u>57,413,594</u>	<u>33,855,806</u>
Non-current:		
Trade payables	3,814,986	1,582,775
	<u>61,228,580</u>	<u>35,438,581</u>

The total trade and other payables are denominated in Ringgit Malaysia with credit terms of 30 days (2012: 30 days).

8.16 Amounts due to immediate and intermediate holding companies

	As at 31 December	
	<u>2012</u>	<u>2013</u>
	RM	RM
Amount due to immediate holding company:		
Hallmark Odyssey Sdn. Bhd.	40,085,136	52,650,100
Amount due to intermediate holding company:		
E-Cap (Internal) One Sdn. Bhd.	3,600,000	-
	<u>43,685,136</u>	<u>52,650,100</u>

The amount due to Hallmark Odyssey Sdn. Bhd. is unsecured, subject to interest of 5.0% per annum and repayable on demand. The amount due to E-Cap (Internal) One Sdn. Bhd. is unsecured, interest free and repayable on demand. The amounts due to the immediate and intermediate holding companies are in relation to advances made by the immediate and intermediate holding companies to a subsidiary of ICON and subsequently novated to ICON.

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.17 Borrowings

	As at 31 December	
	2012 RM	2013 RM
Current:		
Bank borrowings		
- term loans	114,626,917	126,503,128
- revolving credit (Commodity Murabaha Financing-i)	30,000,000	40,466,802
RCCPS Series A	419,223	-
RCPS-i	-	235,600,000
Finance lease liabilities	75,317	72,239
	<u>145,121,457</u>	<u>402,642,169</u>
Non-current:		
Bank borrowings – term loans	652,273,038	700,502,513
RCCPS Series A	11,722,022	-
RCPS-i	224,600,000	-
Finance lease liabilities	145,622	107,292
	<u>888,740,682</u>	<u>700,609,805</u>
Total borrowings	<u>1,033,862,139</u>	<u>1,103,251,974</u>

The table below shows the carrying amounts and fair value of the borrowings, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs 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).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.17 Borrowings (continued)

The fair value of the borrowings are estimated using the income approach, by discounting the cash flows based on the market interest rates of a comparable instrument. This is a Level 2 fair value measurement.

	Carrying amount as at 31 December		Fair value as at 31 December	
	2012 RM	2013 RM	2012 RM	2013 RM
Fixed rate term loans	225,889,258	244,264,507	228,040,037	244,964,293
RCCPS Series A	12,141,245	-	10,741,012	-
RCPS-i	<u>224,600,000</u>	<u>235,600,000</u>	<u>224,600,000</u>	<u>235,600,000</u>

The range of interest/profit rates (per annum) are as follows:

	As at 31 December	
	2012 %	2013 %
Term loans	4.00 -7.75	4.00 -7.75
Revolving credit	6.15	6.21
RCCPS Series A	7.00	7.00
RCPS-i	<u>4.78</u>	<u>4.78</u>

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.17 Borrowings (continued)

	At 31 December 2012	Interest/profit rate terms	Total carrying amount	Maturity profile			
				< 1 year	1 - 2 years	2 - 5 years	> 5 years
			RM	RM	RM	RM	RM
Secured: - term loans							
Fixed rates depending on disbursement of tranches	225,889,258		43,465,435	44,702,744	105,277,117		32,443,962
Floating rate varying based on cost of funds	421,566,237		52,050,378	57,612,577	192,359,332		119,543,950
Floating rate varying based on Kuala Lumpur Interbank Offer Rate ("KLIBOR")	119,444,460		19,111,104	19,111,104	57,333,312		23,888,940
- revolving credit	30,000,000		30,000,000	-	-	-	-
RCCPS Series A	12,141,245		419,223	11,722,022	-	-	-
RCPS-i	224,600,000		-	224,600,000	-	-	-
	1,033,641,200		145,046,140	357,748,447	354,969,761		175,876,852

13. ACCOUNTANTS' REPORT (Cont'd)



1 ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.17 Borrowings (continued)

	At 31 December 2013	Interest/profit rate terms	Total carrying amount RM	Maturity profile			
				≤ 1 year RM	1 - 2 years RM	2 - 5 years RM	> 5 years RM
Secured:							
- term loans		Fixed rates depending on disbursement of tranches	244,264,507	45,321,439	49,349,283	103,260,981	46,332,804
		Floating rate varying based on cost of funds	582,741,134	81,181,689	93,976,089	281,092,184	126,491,172
- revolving credit		Floating rate varying based on cost of funds	40,466,802	40,466,802	-	-	-
RCPS-i			235,600,000	235,600,000	-	-	-
			<u>1,103,072,443</u>	<u>402,569,930</u>	<u>143,325,372</u>	<u>384,353,165</u>	<u>172,823,976</u>

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.17 Borrowings (continued)

The term loans were secured as follows (either single security or combination of securities):

- (i) Fixed charges over vessels.
- (ii) Assignment of insurance policies for the vessels charged in (i) above.
- (iii) Assignment of charter proceeds for the vessels charged in (i) above.
- (iv) Assignment of ship building contracts for the vessels charged in (i) above.

The term loans facilities were arranged to finance the construction and purchase of vessels for ICON Group.

As at 31 December 2013, ICON has given corporate guarantees of RM228,426,150 to financial institutions for facilities utilised by its subsidiaries.

Finance lease liabilities

	<u>As at 31 December</u>	
	<u>2012</u>	<u>2013</u>
	RM	RM
Minimum lease payment:		
- Not later than 1 year	109,286	95,733
- Later than 1 year and not later than 5 years	184,939	148,068
	<u>294,225</u>	<u>243,801</u>
Future finance charges	(73,286)	(64,270)
Present value of finance lease liabilities	<u>220,939</u>	<u>179,531</u>
Principal portion payables:		
- Not later than 1 year	75,317	72,239
- Later than 1 year and not later than 5 years	145,622	107,292
Present value of finance lease liabilities	<u>220,939</u>	<u>179,531</u>

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.17 Borrowings (continued)

(i) REDEEMABLE CUMULATIVE CONVERTIBLE PREFERENCE SHARES SERIES A ("RCCPS SERIES A")

ICON Fleet has issued the RCCPS Series A on 7 September 2011 to finance the acquisition of the remaining equity interest in Omni Offshore (L) Inc ("OOL"). The salient terms were as follows:

- (a) The RCCPS Series A is at an issue Price of RM1.00 each and par value of RM0.10 each.
- (b) The RCCPS Series A carry a dividend rate of 3% per annum, is cumulative and shall be payable to the holder by the end of each financial year of ICON Fleet. Dividend payment shall be subject to the availability of profit for the financial year.
- (c) ICON Fleet shall have the sole and absolute right to redeem the outstanding RCCPS Series A if ICON Fleet's listing application is rejected by an approved stock exchange. The redemption may take place at a date no earlier than 7 September 2013.
- (d) The holder has the right to require ICON Fleet to redeem the RCCPS Series A if ICON Fleet decides not to participate in a listing exercise or fails to list on an approved stock exchange by 7 September 2014.
- (e) Each RCCPS Series A is convertible at the applicable Conversion Rate into the ordinary shares in the share capital of ICON Fleet at the option of the Series A Shareholder upon ICON Fleet obtaining all the necessary approvals from the relevant authorities for a listing and quotation of the entire issued and paid up share capital of ICON Fleet on an approved stock exchange.
- (f) 1,722,022 RCCPS Series A were issued as part of the consideration paid to acquire non-controlling interest in 2011.

The RCCPS Series A was fully redeemed during the financial year ended 31 December 2013.

(ii) ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i")

ICON had issued the RCPS-i on 20 September 2012. The salient terms were as follows:

- (a) The RCPS-i is at an issue price of RM1.00 each and par value of RM0.01 each.
- (b) ICON shall have the discretion whether to declare any dividend as well as quantum of such dividend subject always to:
 - a. No dividend is payable to RCPS-i if no dividend is declared for the Ordinary Shareholders for the relevant financial year/period; and

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.17 Borrowings (continued)

(ii) ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i") (CONTINUED)

- (b) ICON shall have the discretion whether to declare any dividend as well as quantum of such dividend subject always to: (continued)
- b. Any dividend, if declared, is a non-cumulative preferential dividend, in priority over all ordinary shares, where the dividend rate is equivalent to the dividend rate of ICON's Ordinary Shares declared for the same financial year/period and calculated based on the par value of the RCPS-i.
The right of RCPS-i holders to receive the non-cumulative preferential dividend ceases once the RCPS-i are converted to ICON's ordinary shares.
- (c) Subject to the approvals obtained from all the relevant authorities for the proposed listing of ICON on the Main Market of Bursa Malaysia Securities Berhad via an initial public offering or a reverse take-over ("Listing Exercise") within 2 years from the date of issuance of RCPS-i, the RCPS-i is converted into fully paid-up new ordinary shares of RM1.00 each in ICON. The RCPS-i which have been converted into ordinary shares of ICON will cease to have any preference or priority and the newly issued ordinary shares shall rank pari passu with the ordinary shares of ICON.
- (d) Each RCPS-i is convertible at the conversion price of RM1.00 or equivalent to a conversion ratio of 1 RCPS-i for 1 new ordinary shares of ICON.
- (e) In the event of a bonus issue of ICON's ordinary shares or any other securities by ICON to the Ordinary Shareholders, the RCPS-i holders are entitled to a bonus issue on the same basis as the bonus issue of ICON's ordinary shares and as may be determined by ICON.
- (f) In the event of repayment of capital by ICON, each RCPS-i holder is entitled to participate in such repayment and will rank pari passu with the then existing Ordinary Shareholders.
- (g) In the event that the approvals of the relevant authorities for the Listing Exercise are not obtained or ICON's shares are not admitted to the Official List of Bursa Securities on or before the Maturity Date, then on the Maturity Date, all outstanding RCPS-i will be redeemed by ICON at the Redemption Price (110% of the issue price).
- (h) The RCPS-i shall carry no right to vote at any general meeting of ICON except with regards to any proposal to reduce the capital of ICON, to dispose of the whole of ICON's property, business and undertaking, to wind up ICON, during the winding up of ICON and on any proposal that affects the rights attached to the RCPS-i. In any such case, the RCPS-i Holders are entitled to vote as a separate class of shareholders in matters affecting only the rights of the RCPS-i.

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.17 Borrowings (continued)

(ii) ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i") (CONTINUED)

- (i) The RCPS-i shall rank pari passu amongst themselves. The RCPS-i Holders are also entitled to receive notices, reports and audited financial statements and attend any general meetings of ICON.
- (j) ICON's new shares to be issued upon conversion of the RCPS-i shall upon allotment and issue rank pari passu in all respects with ICON's issued shares including the entitlements to dividends, rights, allotments or other distributions except they shall not be entitled to:
- Any dividend in respect of the financial year preceding that in which ICON's shares are issued; and
 - Rights, allotments and distributions, declared by ICON which entitlement date thereof precedes the relevant allotment date.

8.18 Share capital

	As at 31 December	
	<u>2012</u> RM	<u>2013</u> RM
Authorised:		
<u>Ordinary shares of RM1 each:</u>		
At the incorporation date/beginning of the financial year	100,000	597,000,000
Created during the financial period/year	596,900,000	-
End of the financial period/year	<u>597,000,000</u>	<u>597,000,000</u>
<u>RCPS-i of RM0.01 each:</u>		
At the incorporation date/beginning of the financial year	-	3,000,000
Created during the financial period/year	3,000,000	-
End of the financial period/year	<u>3,000,000</u>	<u>3,000,000</u>

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.18 Share capital (continued)

	As at 31 December	
	2012 RM	2013 RM
Issued and fully paid:		
<u>Ordinary shares of RM1 each:</u>		
At the incorporation date/beginning of the financial year	2	257,720,050
Issuance during the financial period	257,720,048	-
End of the financial period/year	<u>257,720,050</u>	<u>257,720,050</u>
<u>RCPS-i of RM0.01 with a premium of RM0.99:</u>		
At the incorporation date/beginning of the financial year	-	220,000,000
Issuance during the financial period	220,000,000	-
End of the financial period/year	<u>220,000,000</u>	<u>220,000,000</u>

ICON was incorporated on 30 March 2012 with an authorised share capital of RM100,000, divided into 100,000 ordinary shares of RM1.00 each. During the financial period ended 31 December 2012, ICON increased the authorised share capital to RM600,000,000, divided into 597,000,000 ordinary shares of RM1.00 each and 300,000,000 RCPS-i of RM0.01 each.

At the date of incorporation, ICON issued two (2) ordinary shares at par value of RM1.00. The shares have been fully paid in cash. During the financial period ended 31 December 2012, ICON issued 257,720,048 ordinary shares of RM1.00 each and 220,000,000 RCPS-i of RM0.01 with a premium of RM0.99.

8.19 Capital commitments

	As at 31 December	
	2012 RM	2013 RM
Approved and contracted for:		
Property, plant and equipment	<u>196,005,000</u>	<u>237,772,423</u>

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.20 Business combinations

ICON acquired ICON Ship and ICON Fleet during the financial period ended 31 December 2012 to consolidate two groups of OSV companies. The details of the acquisitions are as follows:

(i) Acquisition of ICON Ship

The summary of the consideration paid for ICON Ship, the fair value of assets acquired, liabilities assumed at the acquisition date were as follows:

	Acquirees' carrying amount RM	Fair value RM
Property, plant and equipment	715,187,418	664,060,441
Trade and other receivables	44,862,656	44,862,656
Cash and bank balances	9,519,144	9,519,144
Intangible assets	-	24,496,000
Trade and other payables	(51,383,416)	(51,383,415)
Current taxation	(94,183)	(94,183)
Deferred taxation	(48,118,927)	(41,460,450)
Borrowings	(495,225,899)	(495,225,899)
ICON Group's share of net asset	174,746,793	154,774,294
Goodwill on acquisition		95,225,706
Total business combination cost		250,000,000
Purchase consideration satisfied by:		
Cash		(250,000,000)
Cash and bank balances of ICON Ship acquired		9,519,144
Net cash outflow from ICON Group on acquisition of ICON Ship		(240,480,856)

There were no acquisition-related costs recognised by ICON Group as an expense as these have been paid on behalf by the immediate holding company.

The fair value of trade and other receivables of RM44,862,656 was equal to the gross contractual amount of which all were expected to be collectible.

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.20 Business combinations (continued)

(i) Acquisition of ICON Ship (continued)

The revenue and profit for the financial period from 20 July 2012 to 31 December 2012 contributed by ICON Ship and included in the consolidated statement of comprehensive income was RM72,844,478 and RM15,178,163 respectively.

The consolidated statement of comprehensive income would show a revenue of RM189,701,581 and a profit for the financial period of RM20,242,785 had ICON Ship been acquired on 1 January 2012.

(ii) Acquisition of ICON Fleet

The summary of the consideration paid for ICON Fleet, the fair value of assets acquired, liabilities assumed at the acquisition date were as follows:

	Acquirees' carrying amount RM	Fair value RM
Property, plant and equipment	348,502,058	367,064,084
Inventories	361,846	361,846
Receivables	47,022,938	47,022,938
Cash and bank balances	25,890,824	25,890,824
Intangible assets	-	20,384,000
Payables	(26,692,152)	(26,692,152)
Borrowings	(229,096,495)	(229,096,495)
Current taxation	(685,723)	(685,720)
Deferred taxation	(8,488,387)	(18,224,897)
RCCSLs	(32,000,000)	(32,000,000)
RCCPS Series A	(11,722,022)	(11,722,022)
ICON Group's share of net asset	113,092,887	142,302,406
Goodwill on acquisition		85,417,642
Total business combination cost		<u>227,720,048</u>
Purchase consideration satisfied by:		
- Issuance of new shares		<u>227,720,048</u>
Cash and bank balances of ICON Fleet acquired		25,890,824
Less: Deposits pledged as security		(8,435,086)
Net inflow of cash and cash equivalents to ICON Group on acquisition of ICON Fleet		<u><u>17,455,738</u></u>

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.20 Business combinations (continued)

(ii) Acquisition of ICON Fleet (continued)

There were no acquisition-related costs recognised by ICON Group as an expense as this had been paid on behalf by the immediate holding company.

The fair value of trade and other receivables is RM47,022,938, which includes trade receivables with a fair value of RM45,161,234. The gross contractual amount for trade receivables due is RM45,341,857, of which RM180,623 is expected to be uncollectible.

The revenue and profit for the financial period from 28 September 2012 to 31 December 2012 contributed by ICON Fleet and included in the consolidated statement of comprehensive income was RM35,755,145 and RM6,870,700 respectively.

The consolidated statement of comprehensive income would show a revenue of RM208,464,667 and profit for the financial period of RM35,468,967 had ICON Fleet been acquired on 1 January 2012.

8.21 Contingent liabilities

On 3 August 2010, ICON Ship, a subsidiary of ICON was served a Notice of Claim from a third party for damages caused by one of the vessels owned by ICON Ship. The Kuala Lumpur High Court on 15 October 2012 ruled that the third party is entitled to judgement on liability in terms of its Notice of Claim. The insurers for ICON Ship had subsequently on 22 October 2012 submitted a Notice of Appeal to the Courts as well as an Application for Stay.

As previously disclosed in the financial statements as at 31 December 2012, the Directors were of the view that no provision is required in relation to this claim as legal advice indicated that it is not probable that a liability will arise.

Pursuant to a settlement agreement entered into between the parties on 11 December 2013, the claim by the third party has been fully settled and discontinued. ICON Ship's insurers have made full and final payment to the third party on 16 December 2013 as settlement of the claim.

8.22 Significant related party transactions

Parties are considered related if the party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

ICON Group is controlled by Yayasan Ekuiti Nasional, a foundation incorporated in Malaysia formed by the Malaysian Federal Government.

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.22 Significant related party transactions (continued)

- (i) The related parties and their relationships with ICON, are as follows:

<u>Related parties</u>	<u>Relationship</u>
Yayasan Ekuiti Nasional	Ultimate holding foundation
Hallmark Odyssey Sdn. Bhd.	Immediate holding company
E-Cap (Internal) One Sdn. Bhd.	Intermediate holding company
ICON Ship	Subsidiary
ICON Fleet	Subsidiary

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of ICON either directly or indirectly. The key management personnel of ICON include all the Directors of ICON who make certain critical decisions in relation to the strategic direction of ICON. Remuneration of key management personnel are disclosed in Note 8.5 of Section I to this Report.

- (ii) Significant related party transactions

There were no significant related party transactions other than those mentioned elsewhere in the financial statements. These related party transactions described were carried out on terms and conditions agreed with related parties.

- (iii) Significant related party balances

Included in ICON Group's statements of financial position are the following significant related party balances arising from normal business transactions:

	<u>As at 31 December</u>	
	<u>2012</u>	<u>2013</u>
	RM	RM
Amount due to immediate holding company	40,085,136	52,650,100
Amount due to intermediate holding company	3,600,000	-

The transactions have been entered into in the normal course of business at terms mutually agreed between the parties.

Apart from the transactions disclosed above, ICON Group has entered into transactions that are collectively, but not individually significant with other government-related entities. These transactions include vessel chartering, drydocking expenditure and repairs and maintenance. They are conducted in the ordinary course of ICON Group's business on terms consistently applied in accordance with ICON Group's internal policies and processes.

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.23 Financial instruments by category

Analysis of the financial instruments for ICON Group is as follows:

	<u>As at 31 December</u>	
	<u>2012</u>	<u>2013</u>
	RM	RM
<u>Financial assets - Loans and receivables:</u>		
Trade receivables	117,364,500	68,387,229
Other receivables excluding prepayments	1,527,239	15,006,169
Cash and bank balances	53,951,862	47,302,793
	<u>172,843,601</u>	<u>130,696,191</u>
<u>Financial liabilities at amortised costs:</u>		
Trade payables	46,336,524	20,301,787
Other payables and accruals	14,892,056	15,136,794
Borrowings	1,033,641,200	1,103,072,443
Finance lease liabilities	220,939	179,531
Amount due to immediate holding company	40,085,136	52,650,100
Amount due to intermediate holding company	3,600,000	-
	<u>1,138,775,855</u>	<u>1,191,340,655</u>

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.24 Comparatives

Certain comparatives for the financial year ended 31 December 2013 were reclassified, to better reflect the underlying nature and classification of these transactions. The effects of these reclassifications to the statement of comprehensive income for the financial period ended 31 December 2012 and the statement of financial position as at 31 December 2012 are as follows:

	<u>As previously reported</u> RM	<u>Reclassifications</u> RM	<u>As restated</u> RM
<u>31 December 2012</u>			
Statement of financial position:			
<u>Non-current assets:</u>			
Property, plant and equipment	1,034,558,012	2,145,150	1,036,703,162
<u>Current assets:</u>			
Trade and other receivables	123,931,594	(2,145,150)	121,786,444
<u>Current liabilities:</u>			
Trade and other payables	67,087,119	(9,673,525)	57,413,594
Amounts due to immediate and intermediate holding companies	43,280,000	405,136	43,685,136
Borrowings	143,457,816	1,663,641	145,121,457
<u>Non-current liabilities:</u>			
Trade and other payables	-	3,814,986	3,814,986
Borrowings	884,950,920	3,789,762	888,740,682
	<u>884,950,920</u>	<u>3,789,762</u>	<u>888,740,682</u>
Statement of comprehensive income:			
Revenue	111,554,739	(2,955,117)	108,599,622
Cost of sales	(70,249,051)	16,796,448	(53,452,603)
Other income	3,769,965	(3,239,998)	529,967
Administrative expenses	(14,726,125)	3,283,268	(11,442,857)
Other expenses	-	(13,884,601)	(13,884,601)
	<u>-</u>	<u>(13,884,601)</u>	<u>(13,884,601)</u>

13. ACCOUNTANTS' REPORT (Cont'd)



I ICON OFFSHORE BERHAD (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

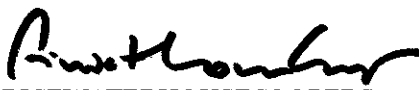
8.25 Subsequent events after the reporting period


- (i) ICON implemented and completed a subdivision of every one ordinary share of RM1.00 each into two subdivided shares of RM0.50 each in the Company on 22 May 2014. Upon completion of the subdivision of shares, the conversion ratio for ICON's RCPS-i of RM0.01 each was adjusted from a ratio of 1 RCPS-i for one new ordinary share of RM1.00 each in ICON to a ratio of one RCPS-i for two new ordinary shares of RM0.50 each in ICON.

Upon obtaining approvals from all the relevant authorities for the Listing, ICON issued, pursuant to the conversion in full of all the outstanding RCPS-i, 440,000,000 new ordinary shares of RM0.50 each to the RCPS-i holders on 23 May 2014.

- (ii) On 21 March 2014, ICON Fleet incorporated four new private limited companies namely Icon Andra (L) Inc, Icon Astrid (L) Inc, Icon Explorer (L) Inc and Icon Pioneer (L) Inc in Labuan, Malaysia. These companies have yet to commence their principal activity of leasing of vessels since the date of incorporation.

Yours faithfully,


PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants


YEE WAI YIN
(No. 2081/08/14 (J))
Chartered Accountant

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

SECTION II

ICON SHIP MANAGEMENT SDN. BHD.

Historical financial information for the financial years ended 31 December 2011, 31 December 2012
and 31 December 2013

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD.

1 GENERAL INFORMATION

1.1 Background

ICON Ship was incorporated in Malaysia as a private limited liability company on 17 September 1994 under the name Tanjung Kapal Services Sdn. Bhd. The company changed to its present name on 20 July 2012.

The principal activities of ICON Ship are vessel owner and ship management services to oil and gas and related industries.

The immediate holding company is Icon Offshore Berhad and the ultimate holding foundation is Yayasan Ekuiti Nasional.

The address of the registered office of ICON Ship is:

Level 21, Suite 21.01, The Gardens South Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

The address of the principal place of business of ICON Ship is:

Level 12A, East Wing, The Icon
No. 1, Jalan 1/68F
Off Jalan Tun Razak
55000 Kuala Lumpur

1.2 Share capital

A summary of the authorised and issued and paid-up share capital of ICON Ship since its incorporation on 17 September 1994 to 31 December 2013 is as follows:

(i) Authorised share capital

<u>Date of creation</u>	<u>Par value</u> RM/share	<u>Number of</u> <u>ordinary</u> <u>shares</u>	<u>Cumulative</u> <u>authorised</u> <u>share capital</u> RM
At date of incorporation	1.00	100,000	100,000
22 August 2005	1.00	9,900,000	10,000,000
13 December 2012	1.00	40,000,000	50,000,000

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

1 GENERAL INFORMATION (CONTINUED)

1.2 Share Capital (continued)

(ii) Issued and paid-up share capital

Ordinary shares

<u>Date of issue</u>	<u>Number of shares</u>	<u>Par value</u> RM/share	<u>Premium</u> RM	<u>Terms of issue</u>	<u>Cumulative issued and paid-up share capital</u> RM
At date of incorporation	2	1.00	Nil	Cash	2
29 July 2005	99,998	1.00	Nil	Cash	100,000
22 August 2005	6,880,000	1.00	Nil	Cash	6,980,000
23 November 2005	3,020,000	1.00	Nil	Cash	10,000,000
13 December 2012	30,000,000	1.00	Nil	Otherwise than cash	40,000,000

1.3 Dividends

No dividend has been paid or declared by ICON Ship during the financial years under review.

2 FINANCIAL STATEMENTS AND AUDITORS

We were appointed as the statutory auditors of ICON Ship from the financial year ended 31 December 2012, and have issued our unqualified reports thereon dated 19 June 2013 and 3 March 2014 respectively. We have reported that the respective financial statements have been properly drawn up in accordance with MFRS and IFRS so as to give a true and fair view of the financial position of ICON Ship as at 31 December 2012 and 31 December 2013 and of its financial performance and cash flows for the financial years then ended.

The financial statements of ICON Ship for the financial year ended 31 December 2011 were audited by AljeffriDean, and the unqualified report was issued on 20 April 2012. AljeffriDean reported that the financial statements have been properly drawn up in accordance with Financial Reporting Standards ("FRS"), the MASB Approved Accounting Standards for Entities Other than Private Entities so as to give a true and fair view of the financial position of ICON Ship as at 31 December 2011 and of its financial performance and cash flows for the financial year then ended.

ICON Ship adopted MFRS on 1 January 2012 with a transition date of 1 January 2011. These standards were applied retrospectively by the Directors to the comparative information in the financial statements, including the statements of financial position as at 31 December 2011 and 1 January 2011, and the statements of comprehensive income, changes in equity and cash flows for the financial year ended 31 December 2011 and related disclosures. Consequently the comparative information in the financial statements for the financial year ended 31 December 2012 was restated and adjusted for the effects of adoption of MFRS upon its transition from FRS to MFRS in accordance with the transitional elections in MFRS 1 "First-time adoption of Malaysian Reporting Standards" ("MFRS 1").

13. ACCOUNTANTS' REPORT (Cont'd)**II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)****2 FINANCIAL STATEMENTS AND AUDITORS (CONTINUED)**

We were not engaged to report on the restated comparative information and hence, we did not report and audit the financial statements for the financial year ended 31 December 2011 in accordance with MFRS. For the purpose of this Report, we have conducted a review on the impact on adoption of MFRS for the financial year ended 31 December 2011. There was no significant impact on adoption of MFRS which requires restatement to the financial statements for the financial year ended 31 December 2011 except as shown in Note 8.23 of Section II to this Report. The financial statements for the financial year ended 31 December 2011 were also adjusted for prior year adjustments as disclosed in Note 8.24 of Section II to this Report.

No audited financial statements have been prepared in respect of any period subsequent to 31 December 2013.

3 BASIS OF PREPARATION OF THE HISTORICAL FINANCIAL STATEMENTS IN THIS REPORT

Section II to this Report was prepared using the audited financial statements of ICON Ship for the financial years ended 31 December 2011, 31 December 2012 and 31 December 2013. The financial statements of ICON Ship for the financial year ended 31 December 2011 included in Section II of this Report is extracted from the comparative amounts presented in the audited financial statements of ICON Ship for the financial year ended 31 December 2012, which have been adjusted for the effects of adoption of MFRS on 1 January 2011 and other prior year adjustments.

The financial statements for the financial year ended 31 December 2012 were the first set of financial statements prepared in accordance with MFRS, including MFRS 1. ICON Ship has consistently applied the same accounting policies in its opening MFRS statement of financial position at 1 January 2011 (transition date) and throughout all financial years presented, as if these policies had always been in effect. The financial statements for the financial year ended 31 December 2011 were restated during the financial year ended 31 December 2012 upon transition from FRS to MFRS in accordance with the transitional elections in MFRS 1 as disclosed in Note 8.23 of Section II to this Report.

The financial statements for the financial year ended 31 December 2011 were also restated during the financial year ended 31 December 2012 to include prior year adjustments as disclosed in Note 8.24 of Section II to this Report.

The financial statements of ICON Ship have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below and are presented in Ringgit Malaysia ("RM"). The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported year. It also requires the Directors to exercise their judgement in the process of applying ICON Ship's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 6 of Section II to this Report.

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

3 BASIS OF PREPARATION OF THE HISTORICAL FINANCIAL STATEMENTS IN THIS REPORT (CONTINUED)

Standards, amendments to published standards and interpretations, which are applicable and adopted by ICON Ship are as follows:

Financial year beginning on/after 1 January 2013

- MFRS 13 “Fair Value Measurement” aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across MFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The enhanced disclosure requirements are similar to those in MFRS 7 “Financial Instruments: Disclosures”, but apply to all assets and liabilities measured at fair value, not just financial ones.
- Amendment to MFRS 101 “Presentation of Items of Other Comprehensive Income” requires entities to separate items presented in “other comprehensive income” (“OCI”) in the statement of comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future.
- Amendment to MFRS 7 “Financial Instruments: Disclosures” requires more extensive disclosures focusing on quantitative information about recognised financial instruments that are offset in the statement of financial position and those that are subject to master netting or similar arrangements irrespective of whether they are offset.

Standards early adopted by ICON Ship:

ICON Ship has early adopted the amendments to MFRS 136 which are effective for annual periods beginning on or after 1 January 2014. The amendments remove the unintended requirement to disclose the recoverable amount for a cash generating unit (containing goodwill or indefinite lived intangible assets) when no impairment loss has been recognised or reversed during the period. It clarifies that recoverable amount is required to be disclosed only when an impairment loss is recognised or reversed.

Standards, amendments to published standards and interpretations to existing standards that are applicable to ICON Ship but not yet effective:

ICON Ship will apply the new standards, amendments to standards and interpretations in the following financial years:

- (i) Financial year beginning on/after 1 January 2014
 - Amendment to MFRS 132 “Financial Instruments: Presentation” does not change the current offsetting model in MFRS 132. It clarifies the meaning of “currently has a legally enforceable right of set-off” that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. It clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria.

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

3 BASIS OF PREPARATION OF THE HISTORICAL FINANCIAL STATEMENTS IN THIS REPORT (CONTINUED)

Standards, amendments to published standards and interpretations to existing standards that are applicable to ICON Ship but not yet effective: (continued)

(ii) Effective date yet to be determined by Malaysian Accounting Standards Board

- MFRS 9 “Financial instruments - Classification and Measurement of Financial Assets and Financial Liabilities” replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity’s business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. ICON Ship has yet to assess MFRS 9’s full impact. ICON Ship will also consider the impact of the remaining phases of MFRS 9 when completed by the Board.

ICON Ship is currently reviewing these new standards, amendments to published standards and IC interpretations to determine the likely future impact of these pronouncements. Based on ICON Ship’s preliminary assessment, there is no significant impact expected on adoption of these standards, amendments and interpretations.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

4.1 Property, plant and equipment

Property, plant and equipment are initially stated at cost. Cost includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Refer to Note 4.18 of Section II to this Report on the accounting policy for borrowing costs.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that future economic benefits associated with the cost will flow to ICON Ship and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. All other repairs and maintenance of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which ICON Ship is obligated to incur when the asset is acquired, if applicable.

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.1 Property, plant and equipment (continued)

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

Property, plant and equipment are depreciated on a straight-line basis to allocate the cost of each asset to their residual values over their estimated useful lives, summarised as follows:

Vessels	25 years
Drydocking expenditure	5 years
Building	50 years
Motor vehicles	4 -5 years
Office equipment	5 -10 years
Computers	5 years
Furniture and fittings	10 years
Renovation	10 years

Depreciation on vessels under commissioning commences when the vessels are ready for their intended use.

Drydocking expenditure represents major inspection and overhaul costs and are depreciated to reflect the consumption of benefits, which are to be replaced or restored by the subsequent drydocking generally every five years. ICON Ship has included these drydocking costs as a separate component of the vessels' costs.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

At the end of the reporting period, ICON Ship assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see accounting policy Note 4.2 of Section II to this Report).

4.2 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use ("VIU"). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash-generating units"). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.3 Assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

4.4 Leases

(i) Finance leases

Leases of property, plant and equipment where ICON Ship has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each financial period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

(ii) Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on the straight line basis over the lease period. Initial direct costs incurred by ICON Ship in negotiating and arranging operating leases are recognised in profit or loss when incurred.

4.5 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents includes cash in hand, bank balances, deposits held at call with banks less restricted cash, other short-term, highly liquid investments with original maturities of three months or less, and bank overdrafts.

4.6 Inventories

Inventories which represent fuel oil on vessels are valued at lower of cost or net realisable value.

Cost is determined based on the first-in, first-out method for fuel oil.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 Financial assets

(i) Classification

ICON Ship classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available-for-sale and held-to-maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification at initial recognition. ICON Ship's financial assets are loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve (12) months after the end of the reporting period. These are classified as non-current assets. ICON Ship's loans and receivables comprise receivables, and cash and bank balances in the statement of financial position.

(ii) Recognition and initial measurement

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit or loss.

(iii) Subsequent measurement – gains and losses

Financial assets at fair value through profit or loss and available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

(iv) Subsequent measurement – impairment of financial assets

Assets carried at amortised cost

ICON Ship assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 Financial assets (continued)

(iv) Subsequent measurement – impairment of financial assets (continued)

Assets carried at amortised cost (continued)

The criteria that ICON Ship uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- ICON Ship, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- Disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - (a) adverse changes in the payment status of borrowers in the portfolio; and
 - (b) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If loans and receivables have a variable rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, ICON Ship may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent financial period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the customers' credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

(v) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and ICON Ship has transferred substantially all risks and rewards of ownership.

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

4.9 Current and deferred income tax

The tax expense for the financial year comprises current and deferred taxes. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where ICON Ship operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

4.10 Provisions

Provisions are recognised when ICON Ship has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Where ICON Ship expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as finance cost expense.

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.11 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds from drawdown (net of transaction costs) amount and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

4.12 Employee benefits

(i) Short-term employee benefits

Salaries, overtime and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of ICON Ship.

(ii) Defined contribution plans

ICON Ship makes contributions to the Employee's Provident Fund ("EPF") as required by law in Malaysia. Obligations for contributions to defined contribution plans are recognised as an expense in the profit or loss as incurred.

4.13 Share capital

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premiums are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

Preference share capital is classified as equity if they are non-redeemable, or redeemable but only at ICON Ship's option, and any dividends are discretionary.

Distribution to holders of a financial instrument classified as an equity instrument is charged directly to equity.

4.14 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.15 Foreign currency

(i) Functional and presentation currency

Items included in the financial statements of ICON Ship are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is ICON Ship's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

4.16 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to ICON Ship and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Chartering and hiring of vessels

Charter hire income from vessels is recognised upon rendering of services to customers, over the term of the charter hire contract. For income from the hire of third party vessels, it is assessed whether ICON Ship is acting as a principal or an agent. Where it has been assessed that ICON Ship is acting as an agent, income is recognised net of charter costs.

4.17 Interest income

ICON Ship earns interest income from deposits placed with licensed banks. Interest income is recognised on an accrual basis.

4.18 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualified asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing costs are recognised in profit or loss in the financial year in which they are incurred.

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.19 Contingent liabilities and assets

ICON Ship does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of ICON Ship or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstances where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of ICON Ship. ICON Ship discloses the existence of contingent assets where inflows of economic benefits are probable, but not virtually certain.

5 FINANCIAL RISK MANAGEMENT

ICON Ship's overall financial risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of ICON Ship. Financial risk management is carried out through risk reviews, internal control systems and adherence to the ICON Ship's financial risk management policies. The Directors of ICON Ship regularly review these risks and approve the policies, which cover the management of these risks.

ICON Ship is exposed to credit and counterparty risk, liquidity risk, interest rate risk, foreign currency exchange risk and capital risk.

(i) Credit and counterparty risk

Credit risk arises when sales are made on credit terms. Customers are subject to credit checks and outstanding accounts are followed up on a timely basis. Credit risk concentration is monitored by monitoring the performance of our customers and actively engaging with customers to ensure payments are settled on time.

Most contracts are on a long-term basis. ICON Ship is exposed to the risk that the financial position of our customers may change during the contracted period and that they will not be able to meet their obligations under the terms of the contract. Given the limited number of major customers and the significant portion they represent of revenue, the inability by one or more of the ICON Ship's major customers to make full payment on any contracts may have a material adverse effect on the financial position. To mitigate this risk, credit quality of potential customers is assessed by taking into account their current financial position, past experience and other factors before entering into a contract. This evaluation includes a thorough examination of the counterparty's default rates as well as their credit quality. Outstanding receivables are closely monitored in order to pursue full recovery.

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit and counterparty risk (continued)

The credit quality of financial assets that are not impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	As at 31 December		
	<u>2011</u>	<u>2012</u>	<u>2013</u>
	RM	RM	RM
Cash and bank balances (except for cash in hand)			
<i>Counterparties with external credit rating ("RAM")*</i>			
AAA	98,062	16,090,896	10,397,239
AA2	-	-	8,615,713
AA3	700,795	2,329,965	-
	<u>700,795</u>	<u>2,329,965</u>	<u>-</u>
Trade and other receivables			
<i>Counterparties without external credit rating</i>			
Group 2	105,899,066	77,643,749	34,203,867
	<u>105,899,066</u>	<u>77,643,749</u>	<u>34,203,867</u>
Amount due from a former fellow subsidiary			
<i>Counterparties without external credit rating</i>			
Group 2	49,728,039	-	-
	<u>49,728,039</u>	<u>-</u>	<u>-</u>
Amount due from immediate holding company			
<i>Counterparties without external credit rating</i>			
Group 2	-	-	2,957,264
	<u>-</u>	<u>-</u>	<u>2,957,264</u>
Amounts due from fellow subsidiaries			
<i>Counterparties without external credit rating</i>			
Group 2	-	-	39,338,790
	<u>-</u>	<u>-</u>	<u>39,338,790</u>
Amounts due from related companies			
<i>Counterparties without external credit rating</i>			
Group 2	-	-	740,568,691
	<u>-</u>	<u>-</u>	<u>740,568,691</u>

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit and counterparty risk (continued)

ICON Ship classifies its receivables into the following groups:

Group 1 – new customers/related parties (less than six (6) months).

Group 2 – existing customers/related parties (more than six (6) months) with no defaults in the past.

Group 3 – existing customers/related parties (more than six (6) months) with some defaults in the past. All defaults were fully recovered.

* RAM represents Rating Agency Malaysia.

(ii) Liquidity risk

Liquidity risk is the risk that ICON Ship will encounter difficulty in meeting financial obligations due to shortage of funds. ICON Ship carries out cash flows review regularly to ensure that the business operations have sufficient funds available to meet its obligations as and when they fall due. Historically, treasury management has proven that ICON Ship has the ability to meet its obligations as and when they fall due and has not defaulted on any obligations due or payable to financial institutions or creditors. ICON Ship maintains a level of current assets deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due. ICON Ship actively manages its debts maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding requirements are met.

The table below summarises the maturity profile of ICON Ship's liabilities (including interest on borrowings) at the reporting date based on contractual undiscounted repayment obligations.

	Within <u>1 year</u> RM	Between <u>1 and 2 years</u> RM	Between 2 <u>and 5 years</u> RM	Over 5 <u>years</u> RM	<u>Total</u> RM
At 31 December 2011					
Borrowings	83,276,581	192,971,953	250,775,948	91,026,945	618,051,427
Finance lease liabilities	104,856	117,108	69,612	-	291,576
Trade and other payables	69,187,699	-	-	-	69,187,699
Amount due to former holding company	<u>43,804,508</u>	-	-	-	<u>43,804,508</u>
	<u>196,373,644</u>	<u>193,089,061</u>	<u>250,845,560</u>	<u>91,026,945</u>	<u>731,335,210</u>
At 31 December 2012					
Borrowings	134,992,191	199,954,606	273,424,362	75,169,937	683,541,096
Finance lease liabilities	76,250	70,208	10,142	-	156,600
Trade and other payables	38,436,195	-	-	-	38,436,195
Amount due to immediate holding company	<u>3,600,000</u>	-	-	-	<u>3,600,000</u>
	<u>177,104,636</u>	<u>200,024,814</u>	<u>273,434,504</u>	<u>75,169,937</u>	<u>725,733,891</u>

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Liquidity risk (continued)

	Within 1 year RM	Between 1 and 2 years RM	Between 2 and 5 years RM	Over 5 years RM	Total RM
<u>At 31 December 2013</u>					
Borrowings	139,867,804	110,219,316	277,229,509	110,751,866	638,068,495
Finance lease liabilities	62,700	76,515	-	-	139,215
Trade and other payables	20,568,431	-	-	-	20,568,431
Amounts due to related companies	23,493,708	-	-	-	23,493,708
	<u>183,992,643</u>	<u>110,295,831</u>	<u>277,229,509</u>	<u>110,751,866</u>	<u>682,269,849</u>

(iii) Interest/profit rate risk

Interest/profit rate risk arises from fluctuations in interest/profit rates. Bank borrowings consist of variable rate debt obligations linked to applicable bank rates. Bank rates are typically reviewed and adjusted periodically in accordance with prevailing interest rates. Increases in interest/profit rates would increase interest expenses relating to ICON Ship's outstanding floating rate borrowings and increase the cost of new debt. Interest/profit rates applicable to borrowings are regularly reviewed against the prevailing and anticipated market interest/profit rates in order to determine if refinancing or early repayment is warranted. The table below sets forth the carrying amounts of borrowings by floating interest/profit rate terms.

	As at 31 December		
	2011 RM	2012 RM	2013 RM
Floating rate loans (unhedged)	<u>371,944,422</u>	<u>488,700,615</u>	<u>456,684,842</u>
Impact on profit for the financial year and equity:			
1.0% increase in interest/profit rate	(3,719,444)	(4,887,006)	(4,566,848)
1.0% decrease in interest/profit rate	<u>3,719,444</u>	<u>4,887,006</u>	<u>4,566,848</u>

(iv) Foreign currency exchange risk

ICON Ship's foreign currency exchange risk arises primarily from the purchase of materials, spare parts and other services relating to the maintenance of vessels. ICON Ship also occasionally enters into contracts for which the charter rate is denominated in US dollars ("USD"). ICON Ship occasionally enters into forward contracts for USD in order to manage their exposure to fluctuations in the exchange rate between the RM and USD.

The impact on profit before taxation for the financial year is mainly as a result of translation of USD bank balances held by ICON Ship, for which the functional currency is not USD.

	As at 31 December		
	2011 RM	2012 RM	2013 RM
Impact on profit for the financial year and equity:			
10.0% increase in USD exchange rate	-	96,268	418,276
10.0% decrease in USD exchange rate	-	(96,268)	(418,276)

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Foreign currency exchange risk (continued)

Cash and bank balances are denominated in the following currencies:

	As at 31 December		
	2011 RM	2012 RM	2013 RM
Ringgit Malaysia	812,770	17,476,553	14,867,340
US Dollar	-	962,683	4,182,758
	<u>812,770</u>	<u>18,439,236</u>	<u>19,050,098</u>

(v) Capital risk management

ICON Ship regards capital as share capital, borrowings and retained earnings as presented in the statement of financial position. ICON Ship's objectives when managing capital are to safeguard ICON Ship's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, ICON Ship may return capital to shareholders, issue new shares or sell assets to reduce debt. ICON Ship monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the statement of financial position) less cash and bank balances. Total equity is calculated as shareholders' equity as shown in the statement of financial position.

	As at 31 December		
	2011 RM	2012 RM	2013 RM
Finance lease liabilities	227,492	97,838	85,838
Borrowings	479,008,854	575,763,347	521,277,472
Debt	479,236,346	575,861,185	521,363,310
Less: Cash and bank balances	(812,770)	(18,439,236)	(19,050,098)
Net debt	<u>478,423,576</u>	<u>557,421,949</u>	<u>502,313,212</u>
Total equity	<u>132,549,801</u>	<u>189,927,886</u>	<u>321,301,647</u>
Gearing ratio (times)	<u>3.61</u>	<u>2.93</u>	<u>1.56</u>

ICON Ship is required by external lenders to maintain certain financial covenant ratios such as gearing ratio and finance service cover ratio. As part of its capital management, ICON Ship monitors these covenants on a monthly basis. These covenants have been complied with for each of the financial years presented.

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

(vi) Fair values

The carrying value of the balances disclosed in the financial statements approximates its fair values except as disclosed in the notes to the financial statements.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

ICON Ship makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Key assumptions and sources estimation of uncertainty

The following are key assumptions concerning the future and other key sources estimation of uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Useful lives and residual value of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives after deducting their residual value. Management exercises their judgement in estimating the useful lives and the residual value of the depreciable assets. ICON Ship assesses annually the useful lives and the residual value of the property, plant and equipment and if the expectation differs from the original estimate, such difference will impact the depreciation in the financial year in which such estimate has been charged.

(ii) Impairment of receivables

At each reporting date, ICON Ship assesses whether there is objective evidence that receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collection expenses. Such provisions are adjusted periodically to reflect the actual and anticipated impairment.

(iii) Impairment review of carrying value of vessels

ICON Ship reviews periodically whether vessels have suffered any impairment in accordance with the accounting policy stated in Note 4.2 of Section II to this Report. The recoverable amounts of each vessel, being defined as a cash-generating unit, have been determined based on the higher of fair value less cost to sell and VIU calculations. The VIU calculations are based on contracted cash flows and estimates of uncontracted cash flows for the useful lives of each vessel, including scrap values discounted by an appropriate discount rate.

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(iii) Impairment review of carrying value of vessels (continued)

The impairment testing for cash-generating units requires estimates and judgement to determine the net present value of future cash flows such as revenue growth, cost escalation, utilisation rates based on historical trends and discount rate amongst others.

As at 31 December 2013, the Directors have evaluated the carrying amounts of vessels against their recoverable amounts as a result of review of the business plan which includes divestment of non-offshore support vessels ("OSV"), lower specification OSVs as well as older OSVs and to focus on newer and higher specification OSVs which reflects ICON Ship's strategy to consolidate their leading position in shallow water operations within the OSV space with selective expansion into deep water operations. Following the assessment, an impairment charge of RM4,889,003 was recognised in the financial year ended 31 December 2013.

If the estimated pre-tax discount rate used in determining VIU had been 1% higher than management's estimates, ICON Ship would have recognised an additional impairment charge against vessels of RM326,000.

The pre-tax discount rate used for the recoverable amounts was 13.9%.

(iv) Deferred tax assets

Deferred tax assets are recognised for all unutilised tax losses and unutilised capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgment 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.

Assumptions about generation of future taxable profits depend on management's estimates of future profitability. These depend on estimates of future revenue, operating costs, capital expenditure, and other working capital transactions. Judgment is also required about application of income tax legislation. These judgments and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statement of financial position and the amount of unrecognised tax losses and capital allowances.

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

7 HISTORICAL FINANCIAL STATEMENTS

7.1 Statement of Comprehensive Income

	Note	Financial year ended 31 December		
		2011 RM	2012 RM	2013 RM
Revenue	8.1	126,261,638	156,085,137	216,970,409
Cost of sales		(58,236,460)	(74,520,802)	(115,701,072)
Gross profit		68,025,178	81,564,335	101,269,337
Other income		732,240	513,580	2,259,203
Administrative expenses		(7,109,901)	(9,292,050)	(24,934,005)
Other expenses		-	(3,283,268)	(6,899,003)
Profit from operations		61,647,517	69,502,597	71,695,532
Finance costs	8.2	(34,871,077)	(27,424,010)	(28,380,804)
Profit before taxation	8.3	26,776,440	42,078,587	43,314,728
Taxation	8.6	(4,044,847)	(14,700,502)	88,059,033
Profit for the financial year/ Total comprehensive income for the financial year		<u>22,731,593</u>	<u>27,378,085</u>	<u>131,373,761</u>
Attributable to: Equity holder of ICON Ship		<u>22,731,593</u>	<u>27,378,085</u>	<u>131,373,761</u>

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

7 HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

7.2 Statement of Financial Position

	Note	As at 31 December		
		2011 RM	2012 RM	2013 RM
NON-CURRENT ASSETS				
Property, plant and equipment	8.7	606,530,012	722,618,064	12,895,752
Deferred tax assets	8.17	-	-	35,016,518
		<u>606,530,012</u>	<u>722,618,064</u>	<u>47,912,270</u>
CURRENT ASSETS				
Inventories		-	-	491,692
Trade and other receivables	8.8	106,180,993	79,969,700	36,376,135
Amount due from immediate holding company	8.14	-	-	2,957,264
Amount due from a former fellow subsidiary	8.8	49,728,039	-	-
Amounts due from fellow subsidiaries	8.9	-	-	39,338,790
Amounts due from related companies	8.10	-	-	740,568,691
Tax recoverable		-	-	32,156
Cash and bank balances	8.11	812,770	18,439,236	19,050,098
		<u>156,721,802</u>	<u>98,408,936</u>	<u>838,814,826</u>
ASSETS HELD FOR SALE	8.12	-	39,825,081	-
CURRENT LIABILITIES				
Trade and other payables	8.13	69,187,699	38,436,195	20,568,431
Amount due to immediate holding company	8.14	-	3,600,000	-
Amount due to former holding company	8.15	43,804,508	-	-
Amounts due to related companies	8.10	-	-	23,493,708
Borrowings	8.16	51,205,754	105,682,805	113,833,545
Taxation		94,183	-	-
		<u>164,292,144</u>	<u>147,719,000</u>	<u>157,895,684</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(7,570,342)</u>	<u>(9,484,983)</u>	<u>680,919,142</u>
NON-CURRENT LIABILITIES				
Borrowings	8.16	428,030,592	470,178,380	407,529,765
Deferred tax liabilities	8.17	38,379,277	53,026,815	-
		<u>466,409,869</u>	<u>523,205,195</u>	<u>407,529,765</u>
NET ASSETS		<u>132,549,801</u>	<u>189,927,886</u>	<u>321,301,647</u>
EQUITY ATTRIBUTABLE TO EQUITY HOLDER OF ICON SHIP				
Share capital	8.18	10,000,000	40,000,000	40,000,000
Retained earnings		<u>122,549,801</u>	<u>149,927,886</u>	<u>281,301,647</u>
TOTAL EQUITY		<u>132,549,801</u>	<u>189,927,886</u>	<u>321,301,647</u>

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

7 HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

7.3 Statement of Changes in Equity

	Note	Attributable to equity holder of ICON Ship			
		Issued and fully paid ordinary shares of RM1 each Number of shares	Share capital RM	Retained earnings RM	Total equity RM
At 1 January 2011		10,000,000	10,000,000	99,818,208	109,818,208
Total comprehensive income for the financial year		-	-	22,731,593	22,731,593
At 31 December 2011		10,000,000	10,000,000	122,549,801	132,549,801
At 1 January 2012		10,000,000	10,000,000	122,549,801	132,549,801
Total comprehensive income for the financial year		-	-	27,378,085	27,378,085
<u>Transactions with owner</u>					
Issuance of ordinary shares	8.18	30,000,000	30,000,000	-	30,000,000
At 31 December 2012		40,000,000	40,000,000	149,927,886	189,927,886
At 1 January 2013		40,000,000	40,000,000	149,927,886	189,927,886
Total comprehensive income for the financial year		-	-	131,373,761	131,373,761
At 31 December 2013		40,000,000	40,000,000	281,301,647	321,301,647

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

7 HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

7.4 Statement of Cash Flows

	Note	Financial year ended 31 December		
		2011 RM	2012 RM	2013 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation		26,776,440	42,078,587	43,314,728
Adjustments for:				
Depreciation of property, plant and equipment	25,358,149		26,240,754	31,251,333
Impairment of assets held for sale	-		3,283,268	2,010,000
Impairment of property, plant and equipment	-		-	4,889,003
Impairment/(Reversal of impairment) of trade receivables	112,564		(112,564)	3,794,667
Interest expense	34,871,077		27,424,010	28,380,804
Property, plant and equipment written off	-		80,841	-
Gain on disposal of assets held for sale	-		-	(1,360,519)
Gain on disposal of property, plant and equipment	-		(125,712)	-
Interest income	(45,670)		(39,098)	(218,105)
Unrealised loss/(gain) on foreign exchange	-		111,364	(107,135)
Operating profit before working capital changes		87,072,560	98,941,450	111,954,776
Changes in working capital:				
Inventories	-		-	(491,692)
Receivables	(55,432,532)		(14,206,030)	39,798,898
Payables	7,847,878		29,098,501	(19,513,922)
Fellow subsidiary balances	-		-	(37,532,299)
Related companies balances	-		-	23,485,647
Cash generated from operations		39,487,906	113,833,921	117,701,408
Tax (paid)/recovered		(80,000)	110,776	(16,456)
Net cash generated from operating activities		39,407,906	113,944,697	117,684,952

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

7 HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

7.4 Statement of Cash Flows (continued)

	Note	Financial year ended 31 December		
		2011 RM	2012 RM	2013 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment		(6,352,136)	(152,457,080)	(44,941,104)
Proceeds from disposal of property, plant and equipment		-	125,712	-
Proceeds from disposal of assets held for sale		-	-	39,175,600
Payments made on behalf of a former fellow subsidiary		(49,697,562)	-	-
Payments made on behalf of immediate holding company, fellow subsidiaries and related companies		-	-	(19,786,773)
Interest received		45,670	39,098	218,105
Net cash used in investing activities		<u>(56,004,028)</u>	<u>(152,292,270)</u>	<u>(25,334,172)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Advances from/(Repayments to) immediate holding company		-	3,600,000	(3,600,000)
Drawdown of borrowings (net of transaction costs)		228,426,700	148,766,250	43,893,750
Repayment of borrowings		(35,358,070)	(51,856,482)	(99,504,530)
Repayment of finance lease liabilities		(65,035)	(136,652)	(12,000)
Repayment of amount due to former holding company		(149,299,913)	(13,804,508)	-
Interest paid		(28,477,282)	(30,483,205)	(32,624,273)
Decrease/(Increase) in fixed deposits pledged		10,000	-	(30,000)
Net cash generated from/(used in) financing activities		<u>15,236,400</u>	<u>56,085,403</u>	<u>(91,877,053)</u>
Exchange (losses)/gains on cash and bank balances		-	(111,364)	107,135
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1,359,722)	17,626,466	580,862
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		2,172,492	812,770	18,439,236
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	8.11	<u>812,770</u>	<u>18,439,236</u>	<u>19,020,098</u>

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS

8.1 Revenue

	Financial year ended 31 December		
	2011 RM	2012 RM	2013 RM
Chartering and hiring of vessels	126,261,638	156,085,137	216,970,409

8.2 Finance costs

	Financial year ended 31 December		
	2011 RM	2012 RM	2013 RM
Term loan interest	23,030,206	30,327,947	31,345,213
Penalty fees on debt refinanced	6,707,724	-	-
Revolving credit	-	-	2,396,923
Finance lease interest	26,373	6,979	7,042
Interest on amount due to former holding company	5,106,774	-	-
Total finance costs	34,871,077	30,334,926	33,749,178
Less: Amount capitalised to qualifying assets (Note 8.7)	-	(2,910,916)	(5,368,374)
Finance costs	34,871,077	27,424,010	28,380,804

8.3 Profit before taxation

Profit before taxation is stated after charging/(crediting):

	Financial year ended 31 December		
	2011 RM	2012 RM	2013 RM
Auditors' remuneration	12,000	170,000	147,000
Consumable cost	3,765,812	5,313,527	4,069,848
Depreciation of property, plant and equipment	25,358,149	26,240,754	31,251,333
Employee benefits expense (Note 8.4)	25,083,269	31,791,204	38,276,901
Impairment of assets held for sale	-	3,283,268	2,010,000
Impairment of property, plant and equipment	-	-	4,889,003
Impairment/(Reversal of impairment) of trade receivables	112,564	(112,564)	3,794,667
Insurance	2,171,562	2,563,719	2,248,979
Professional fees	60,315	190,332	980,409
Property, plant and equipment written off	-	80,841	-
Rental of premises	154,729	221,795	1,048,163
Ship operation and charter hire cost	5,333,564	12,548,020	49,806,921
Gain on disposal of assets held for sale	-	-	(1,360,519)
Gain on disposal of property, plant and equipment	-	(125,712)	-
Interest income	(45,670)	(39,098)	(218,105)
Realised loss/(gain) on foreign exchange	-	11,981	(127,593)
Unrealised loss/(gain) on foreign exchange	-	111,364	(107,135)

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.4 Employee benefits expense

	<u>Financial year ended 31 December</u>		
	<u>2011</u>	<u>2012</u>	<u>2013</u>
	RM	RM	RM
Wages and salaries	22,737,551	28,882,824	34,524,078
Social security costs	159,303	187,069	222,062
Defined contribution plan	2,186,415	2,721,311	3,530,761
	<u>25,083,269</u>	<u>31,791,204</u>	<u>38,276,901</u>

Included in employee benefits expense of the ICON Ship are Executive Directors' remuneration amounting to RM142,800 (2012: RM593,640, 2011: RM499,560) as further disclosed in Note 8.5 of Section II to this Report.

8.5 Directors' remuneration

	<u>Financial year ended 31 December</u>		
	<u>2011</u>	<u>2012</u>	<u>2013</u>
	RM	RM	RM
Executive Directors:			
- Salaries and bonuses	456,000	529,500	120,000
- Defined contribution plan	43,560	64,140	22,800
Total Executive Directors' remuneration	<u>499,560</u>	<u>593,640</u>	<u>142,800</u>

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.6 Taxation

	Financial year ended 31 December		
	2011 RM	2012 RM	2013 RM
Current income tax:			
- Current financial year*	99,992	80,000	54,526
- Over provision of tax in prior financial years	-	(27,036)	(70,226)
Deferred tax relating to the origination and reversal of temporary timing differences (Note 8.17)	3,944,855	14,647,538	(88,043,333)
Tax expense/(credit) for the financial year	<u>4,044,847</u>	<u>14,700,502</u>	<u>(88,059,033)</u>

* Current year provision is in respect of interest income for the financial year.

The Malaysian corporate statutory tax rate for the year of assessment 2013 is 25% (2012: 25%, 2011: 25%).

Reconciliations of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of ICON Ship are as follows:

	Financial year ended 31 December		
	2011 RM	2012 RM	2013 RM
Profit before taxation	<u>26,776,440</u>	<u>42,078,587</u>	<u>43,314,728</u>
Taxation at Malaysian statutory tax rate at 25%	6,694,110	10,519,647	10,828,682
Effects of changes in tax rate	-	-	942,010
Tax effect of income not subject to tax	-	-	(394,656)
Tax effect of expenses that are not deductible for tax purposes	2,332,894	486,185	1,089,636
Tax effect of disposal of asset held for sale*	-	-	11,025,000
(Over)/under provision of tax in prior financial years	(4,982,157)	3,694,670	(2,906,999)
Tax effects of disposal of vessels*	-	-	(108,642,706)
Tax expense/(credit) for the financial year	<u>4,044,847</u>	<u>14,700,502</u>	<u>(88,059,033)</u>

* Pursuant to an internal reorganisation, ICON Ship as at 31 December 2013, transferred certain of its vessels to newly incorporated Labuan subsidiaries of ICON Fleet and disposed of a non-offshore support vessel. The transfer and disposal gave rise to a net tax credit of RM97,617,706 for the financial year ended 31 December 2013.

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.7 Property, plant and equipment

	Vessels under commissioning RM	Vessels RM	Drydocking expenditure RM	Building RM	Motor vehicles RM	Office equipment RM	Computers RM	Furniture and fittings RM	Renovation RM	Total RM
At 31 December 2011										
<u>Cost</u>										
Beginning of the financial year	-	611,392,418	-	856,974	271,112	958,841	189,568	459,297	432,933	614,561,143
Additions	59,850,000	-	6,087,005	-	-	83,779	109,192	32,311	39,849	66,202,136
End of the financial year	59,850,000	611,392,418	6,087,005	856,974	271,112	1,042,620	298,760	491,608	472,782	680,763,279
<u>Accumulated depreciation</u>										
Beginning of the financial year	-	48,452,441	-	31,928	237,106	233,297	51,631	71,701	97,014	48,875,118
Charge for the financial year	-	24,946,710	127,215	17,138	28,333	98,630	45,597	48,007	46,519	25,358,149
End of the financial year	-	73,099,151	127,215	49,066	265,439	331,927	97,228	119,708	143,533	74,233,267
Net book value	59,850,000	538,293,267	5,959,790	807,908	5,673	710,693	201,532	371,900	329,249	606,530,012

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.7 Property, plant and equipment (continued)

	At 31 December 2012									
Cost	Vessels under commissioning RM	Vessels RM	Drydocking expenditure RM	Building RM	Motor vehicles RM	Office equipment RM	Computers RM	Furniture and fittings RM	Renovation RM	Total RM
Beginning of the financial year	59,850,000	611,392,418	6,087,005	856,974	271,112	1,042,620	298,760	491,608	472,782	680,763,279
Additions	83,660,882	86,100,901	13,839,961	-	-	151,816	388,010	145,000	1,231,426	185,517,996
Disposals	-	-	-	-	(271,112)	-	-	-	-	(271,112)
Write-offs	-	-	-	-	-	-	-	-	(173,716)	(173,716)
Transfer to assets held for sale (Note 8.12)	-	(43,108,349)	-	-	-	-	-	-	-	(43,108,349)
End of the financial year	143,510,882	654,384,970	19,926,966	856,974	-	1,194,436	686,770	636,608	1,530,492	822,728,098
Accumulated depreciation	-	73,099,151	127,215	49,066	265,439	331,927	97,228	119,708	143,533	74,233,267
Beginning of the financial year	-	23,243,637	2,655,677	17,140	5,673	109,454	93,334	50,436	65,403	26,240,754
Charge for the financial year	-	-	-	-	(271,112)	-	-	-	-	(271,112)
Disposals	-	-	-	-	-	-	-	-	(92,875)	(92,875)
Write-offs	-	-	-	-	-	-	-	-	-	-
End of the financial year	-	96,342,788	2,782,892	66,206	-	441,381	190,562	170,144	116,061	100,110,034
Net book value	143,510,882	558,042,182	17,144,074	790,768	-	753,055	496,208	466,464	1,414,431	722,618,064

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.7 Property, plant and equipment (continued)

	Vessels under commissioning RM	Vessels RM	Drydocking expenditure RM	Building RM	Motor vehicles RM	Office equipment RM	Computers RM	Furniture and fittings RM	Renovation RM	Total RM
<u>At 31 December 2013</u>										
<u>Cost</u>										
Beginning of the financial year	143,510,882	654,384,970	19,926,966	856,974	-	1,194,436	686,770	636,608	1,530,492	822,728,098
Additions	45,029,320	-	5,678,021	2	209,389	31,917	889,397	29,540	198,006	52,065,592
Reclassifications	(104,297,485)	104,297,485	-	-	-	-	-	-	-	-
Disposals	(84,242,717)	(745,568,012)	(23,676,862)	-	-	(42,910)	-	(128,649)	-	(853,659,150)
End of the financial year	-	13,114,443	1,928,125	856,976	209,389	1,183,443	1,576,167	537,499	1,728,498	21,134,540
<u>Accumulated depreciation</u>										
Beginning of the financial year	-	96,342,788	2,782,892	66,206	-	441,381	190,562	170,144	116,061	100,110,034
Charge for the financial year	-	26,002,797	4,653,138	17,140	19,516	120,915	210,078	66,090	161,659	31,251,333
Disposals	-	(121,316,884)	(6,597,473)	-	-	(20,563)	-	(76,662)	-	(128,011,582)
End of the financial year	-	1,028,701	838,557	83,346	19,516	541,733	400,640	159,572	277,720	3,349,785
<u>Accumulated impairment loss</u>										
Beginning of the financial year	-	-	-	-	-	-	-	-	-	-
Charge for the financial year	-	4,889,003	-	-	-	-	-	-	-	4,889,003
End of the financial year	-	4,889,003	-	-	-	-	-	-	-	4,889,003
Net book value	-	7,196,739	1,089,568	773,630	189,873	641,710	1,175,527	377,927	1,450,778	12,895,752

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.7 Property, plant and equipment (continued)

- (i) Included in property, plant and equipment are net carrying amounts of RM141,750 (2012: RM163,199; 2011: RM191,321) which were acquired by means of finance lease arrangements.
- (ii) Borrowing costs amounting to RM5,368,374 (2012: RM2,910,916, 2011: RM Nil) were capitalised as vessels under commissioning during the financial year.
- (iii) All the vessels have been charged to secure against the borrowings granted to ICON Ship as disclosed in Note 8.16 of Section II to this Report.
- (iv) The impairment charge on vessels of RM4,889,003 is included in other expenses in the statement of comprehensive income.
- (v) The principal non-cash transactions are as follows:

Financial year ended 31 December 2011

- Acquisition of vessel under commissioning of RM59,850,000 which was unpaid as at the financial year end was subsequently paid in financial year ended 31 December 2012.

Financial year ended 31 December 2012

- Acquisition of vessel and drydock of RM90,000,000 via settlement of amounts due from a former fellow subsidiary.
- Acquisition of vessel under commissioning of RM59,850,000 which was unpaid as at financial year ended 31 December 2011 was paid in financial year ended 31 December 2012.

Financial year ended 31 December 2013

- Drydocking expenditure of RM1,756,114 capitalised was accrued as at the financial year end.
- Proceeds on disposal of vessels under commissioning, vessels and drydocking expenditure to related companies at net book value of RM725,647,568 was unpaid as at the financial year end.

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.8 Trade and other receivables

	As at 31 December		
	2011 RM	2012 RM	2013 RM
Trade receivables	105,414,251	77,102,910	24,666,605
Other receivables	484,815	540,839	9,537,262
Prepayments	281,927	2,325,951	2,172,268
	<u>106,180,993</u>	<u>79,969,700</u>	<u>36,376,135</u>
Amount due from a former fellow subsidiary	49,728,039	-	-
	<u>155,909,032</u>	<u>79,969,700</u>	<u>36,376,135</u>
<u>Trade receivables</u>			
Trade receivables	105,526,815	77,102,910	28,461,272
Less: Impairment of receivables	(112,564)	-	(3,794,667)
	<u>105,414,251</u>	<u>77,102,910</u>	<u>24,666,605</u>

All trade receivables are denominated in Ringgit Malaysia.

The credit term of trade receivables ranges from 30 days to 60 days (2012 and 2011: 30 to 60 days).

Included in trade receivables are amounts due from a former fellow subsidiary, Tanjung Offshore Services Sdn. Bhd. ("TOS"), a subsidiary of Tanjung Offshore Berhad ("TOB"), which represents 94% (2012: 99%; 2011: 99%) of the total trade receivables.

The amount due from TOS of RM49,728,039 is non-trade, unsecured, interest-free and repayable on demand.

Ageing analysis of trade and other receivables

As at the end of the financial year, the trade receivables ageing are as follows:

	As at 31 December		
	2011 RM	2012 RM	2013 RM
Neither past due nor impaired	12,753,816	42,857,908	24,223,550
Two to six months past due but not impaired	60,567,616	31,863,553	443,055
More than six months past due but not impaired	32,092,819	2,381,449	-
	<u>105,414,251</u>	<u>77,102,910</u>	<u>24,666,605</u>
Impaired	112,564	-	3,794,667
	<u>105,526,815</u>	<u>77,102,910</u>	<u>28,461,272</u>

Other receivables and the amount due from TOS of RM49,728,039 are neither past due nor impaired.

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.8 Trade and other receivables (continued)

Trade and other receivables that are neither past due nor impaired

None of ICON Ship's trade and other receivables that are neither past due nor impaired have been renegotiated during the financial year.

Trade receivables that are past due but not impaired

Based on past experience and no adverse information to date, the Directors of ICON Ship are of the opinion that no impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable.

Trade receivables that are impaired

	As at 31 December		
	2011 RM	2012 RM	2013 RM
Trade receivables - nominal amounts	112,564	-	3,794,667
Less: Impairment of receivables	(112,564)	-	(3,794,667)
	-	-	-
Movement in impairment of receivables:			
Beginning of the financial year	-	112,564	-
Charge/(Reversal) during the financial year	112,564	(112,564)	3,794,667
End of the financial year	112,564	-	3,794,667

8.9 Amounts due from fellow subsidiaries

The amounts due from fellow subsidiaries are unsecured, interest-free and repayable on demand.

8.10 Amounts due from/(to) related companies

The amounts due from/(to) related companies are unsecured, interest-free and repayable on demand.

8.11 Cash and bank balances

	As at 31 December		
	2011 RM	2012 RM	2013 RM
Fixed deposits with licensed banks	-	8,900,000	30,000
Bank balances	798,857	9,520,861	18,982,952
Cash in hand	13,913	18,375	37,146
Cash and bank balances	812,770	18,439,236	19,050,098
Less: Deposits pledged as security	-	-	(30,000)
Cash and cash equivalents	812,770	18,439,236	19,020,098

The deposits of ICON Ship bear an interest rate of 3.20% (2012: 2.30% to 5.92%).

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.12 Assets held for sale

	As at 31 December		
	2011 RM	2012 RM	2013 RM
Beginning of the financial year	-	-	39,825,081
Transfer from property, plant and equipment	-	43,108,349	-
Impairment	-	(3,283,268)	(2,010,000)
Disposal	-	-	(37,815,081)
End of the financial year	-	39,825,081	-

Assets held for sale relates to the ICON Ship's well testing vessel and well testing equipment which have been presented as held for sale following the approval of ICON Ship's management and shareholders on 1 September 2012. The disposal of the well testing vessel and well testing equipment was completed on 27 May 2013 and 4 July 2013 respectively. The impairment charge of RM2,010,000 (2012: RM3,283,268, 2011: RM Nil) is included in other expenses in the statement of comprehensive income.

8.13 Trade and other payables

	As at 31 December		
	2011 RM	2012 RM	2013 RM
Trade payables	65,333,346	34,957,789	12,632,060
Other payables	2,049,455	1,628,334	1,754,827
Accruals	1,804,898	1,850,072	6,181,544
	69,187,699	38,436,195	20,568,431

The total trade and other payables are denominated in Ringgit Malaysia and with credit terms of 30 days (2012 and 2011: 30 days).

8.14 Amount due from/(to) immediate holding company

The amount due from/(to) immediate holding company are unsecured, interest-free and repayable on demand.

8.15 Amount due to former holding company

The amount due to former holding company was unsecured, subject to interest of 4.50% to 6.35% per annum and repayable within 12 months. The amount was fully repaid during the financial year ended 31 December 2012 via cash and conversion to share capital.

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.16 Borrowings

	As at 31 December		
	<u>2011</u> RM	<u>2012</u> RM	<u>2013</u> RM
<u>Current</u>			
Bank borrowings			
- term loans	51,127,827	75,636,893	73,323,906
- revolving credit (Commodity Murabaha Financing-i)	-	30,000,000	40,466,802
Finance lease liabilities	77,927	45,912	42,837
	<u>51,205,754</u>	<u>105,682,805</u>	<u>113,833,545</u>
<u>Non-current</u>			
Bank borrowings - term loans	427,881,027	470,126,454	407,486,764
Finance lease liabilities	149,565	51,926	43,001
	<u>428,030,592</u>	<u>470,178,380</u>	<u>407,529,765</u>
Total borrowings	<u>479,236,346</u>	<u>575,861,185</u>	<u>521,363,310</u>

The table below shows the carrying amounts and fair value of the borrowings, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs 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).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of the borrowings are estimated using the income approach, by discounting the cash flows based on the market interest rates of a comparable instrument. This is a Level 2 fair value measurement.

The carrying amounts and fair value of the borrowings are as follows:

	Carrying amount as at 31 December			Fair value as at 31 December		
	<u>2011</u> RM	<u>2012</u> RM	<u>2013</u> RM	<u>2011</u> RM	<u>2012</u> RM	<u>2013</u> RM
Fixed rate term loans	<u>107,064,432</u>	<u>87,062,732</u>	<u>64,592,630</u>	<u>106,840,907</u>	<u>87,450,496</u>	<u>64,990,625</u>

The range of interest/profit rate (per annum) are as follows:

	As at 31 December		
	<u>2011</u> %	<u>2012</u> %	<u>2013</u> %
Term loans	4.75 - 7.75	4.75 - 7.75	4.75 - 7.75
Revolving credit	-	6.15	6.21

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.16 Borrowings (continued)

	Interest/profit rate terms	Total carrying amount RM	Maturity profile			
			< 1 year RM	1 - 2 years RM	2 - 5 years RM	> 5 years RM
<u>At 31 December 2011</u>						
Secured:						
- term loans	Fixed rates depending on disbursement of tranches	107,064,432	20,016,723	20,460,789	60,809,392	5,777,528
	Floating rate varying based on cost of funds	231,796,266	12,000,000	32,500,000	95,000,000	92,296,266
	Floating rate varying based on KLIBOR	140,148,156	19,111,104	19,111,104	57,333,312	44,592,636
		479,008,854	51,127,827	72,071,893	213,142,704	142,666,430
<u>At 31 December 2012</u>						
Secured:						
- term loans	Fixed rates depending on disbursement of tranches	87,062,732	20,460,789	21,467,444	45,134,499	-
	Floating rate varying based on cost of funds	339,256,455	36,065,000	43,047,917	155,872,500	104,270,738
	Floating rate varying based on Kuala Lumpur Interbank Offer Rate ("KLIBOR")	119,444,460	19,111,104	19,111,104	57,333,312	23,888,940
- revolving credit	Floating rate varying based on cost of funds	30,000,000	30,000,000	-	-	-
		575,763,347	105,636,893	83,626,465	258,340,311	128,159,678
<u>At 31 December 2013</u>						
Secured:						
- term loans	Fixed rates depending on disbursement of tranches	64,592,630	19,450,642	21,198,500	23,943,488	-
	Floating rate varying based on cost of funds	416,218,040	53,873,264	67,032,956	214,373,587	80,939,133
- revolving credit	Floating rate varying based on cost of funds	40,466,802	40,466,802	-	-	-
		521,277,472	113,790,708	88,230,556	238,317,075	80,939,133

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.16 Borrowings (continued)

The term loans were secured as follows (either single security or combination of securities):

- (i) Fixed charges over vessels*
- (ii) Assignment of insurance policies for the vessels charged in (i) above
- (iii) Assignment of charter proceeds for the vessels charged in (i) above
- (iv) Assignment of ship building contracts for the vessels charged in (i) above

The term loans facilities were arranged to finance the construction and purchase of vessels for ICON Ship.

* Following the sale of the vessels to the fellow subsidiaries as disclosed in Note 8.7 of Section II of this Report, ICON Ship had obtained consent from the respective financial institutions to create a fresh third party legal charge over the vessels. The assignment of the fixed charges over the vessels to the third party legal charge is currently in progress.

Finance lease liabilities

	<u>As at 31 December</u>		
	<u>2011</u> RM	<u>2012</u> RM	<u>2013</u> RM
Minimum payment:			
- Not later than 1 year	104,856	76,250	62,700
- Later than 1 year and not later than 5 years	186,720	80,350	76,515
	<u>291,576</u>	<u>156,600</u>	<u>139,215</u>
Future finance charges	(64,084)	(58,762)	(53,377)
Present value of finance lease liabilities	<u>227,492</u>	<u>97,838</u>	<u>85,838</u>
Principal portion payable:			
- Not later than 1 year	77,927	45,912	42,837
- Later than 1 year and not later than 5 years	149,565	51,926	43,001
Present value of finance lease liabilities	<u>227,492</u>	<u>97,838</u>	<u>85,838</u>

8.17 Deferred taxation

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position.

	<u>As at 31 December</u>		
	<u>2011</u> RM	<u>2012</u> RM	<u>2013</u> RM
Deferred tax liabilities/(assets):			
- Property, plant and equipment			
- More than 12 months	38,379,277	-	(31,097,599)
- Within 12 months	-	53,026,815	(3,918,919)
Deferred tax liabilities/(assets)	<u>38,379,277</u>	<u>53,026,815</u>	<u>(35,016,518)</u>

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.17 Deferred taxation (continued)

The movements during the financial year relating to deferred taxation are as follows:

	As at 31 December		
	2011 RM	2012 RM	2013 RM
Beginning of the financial year	34,434,422	38,379,277	53,026,815
Charged/(Credited) to profit or loss (Note 8.6)	3,944,855	14,647,538	(88,043,333)
Deferred tax liabilities/(assets)	<u>38,379,277</u>	<u>53,026,815</u>	<u>(35,016,518)</u>

The recognised deferred tax liabilities/(assets) that are subject to income tax are shown as follows:

	As at 31 December		
	2011 RM	2012 RM	2013 RM
Deferred tax assets:			
Property, plant and equipment	(67,745,192)	(66,171,577)	(35,016,518)
Deferred tax liabilities:			
Property, plant and equipment	106,124,469	119,198,392	-
Deferred tax liabilities/(assets) (after offsetting)	<u>38,379,277</u>	<u>53,026,815</u>	<u>(35,016,518)</u>

8.18 Share capital

	As at 31 December		
	2011 RM	2012 RM	2013 RM
Authorised:			
Ordinary shares of RM1 each			
Beginning of the financial year	10,000,000	10,000,000	50,000,000
Created during the financial year	-	40,000,000	-
End of the financial year	<u>10,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>
Issued and fully paid:			
Ordinary shares of RM1 each			
Beginning of the financial year	10,000,000	10,000,000	40,000,000
Issuance of ordinary shares during the financial year	-	30,000,000	-
End of the financial year	<u>10,000,000</u>	<u>40,000,000</u>	<u>40,000,000</u>

During the financial year ended 31 December 2012, ICON Ship increased its authorised share capital to 50,000,000 ordinary shares of RM1.00 each and issued 30,000,000 ordinary shares of RM1.00 each at an issue price of RM1.00 by way of capitalisation of amounts due to its immediate holding company, IOB for working capital purposes. The new shares issued ranked *pari passu* in all respects with the existing shares of ICON Ship.

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.19 Significant related party transactions

On 20 July 2012, ICON Ship ceased to be a wholly owned subsidiary of TOB following the acquisition of ICON Ship's entire equity interest by ICON. The Directors regard Ekuinas Capital Sdn. Bhd. and Yayasan Ekuiti Nasional as the intermediate holding company and ultimate holding foundation respectively. Both these companies are incorporated in Malaysia.

Parties are considered related if the party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

ICON Ship is controlled by Yayasan Ekuiti Nasional, a foundation incorporated in Malaysia formed by the Malaysian Federal Government.

(i) The related parties and their relationships with ICON Ship, are as follows:

<u>Related parties</u>	<u>Relationship</u>
Yayasan Ekuiti Nasional	Ultimate holding foundation
Ekuinas Capital Sdn. Bhd.	Intermediate holding company
ICON	Immediate holding company
ICON Fleet	Fellow subsidiary
Icon Offshore Group Sdn. Bhd	Fellow subsidiary
Subsidiaries of ICON Fleet Group	Related companies
*TOB	Former holding company
*TOS	Former fellow subsidiary

* ICON Ship ceased to be a related party to TOB and TOS upon the acquisition of ICON Ship's shares by ICON.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of ICON Ship either directly or indirectly. The key management personnel of ICON Ship include all the Directors of ICON Ship who make certain critical decisions in relation to the strategic direction of ICON Ship. Remuneration of key management personnel are disclosed in Note 8.5 of Section II to this Report.

(ii) Significant related party transactions

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions. The related party transactions described below were carried out on terms and conditions agreed with related parties.

Transactions with former related parties

	Financial year ended	
	31 December	
	<u>2011</u>	<u>2012</u>
	RM	RM
Management fees received from a former fellow subsidiary	950,400	-
Vessel chartering to a former fellow subsidiary	140,658,842	83,240,659
Interest on amount due to former holding company	(5,106,774)	-
	<u>135,502,468</u>	<u>83,240,659</u>

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.19 Significant related party transactions (continued)

(i) Significant related party transactions (continued)

Transactions with current related parties

	Financial year ended 31 December 2013 RM
Vessel chartering revenue:	
- Fellow subsidiaries	65,577,062
Vessel chartering cost:	
- Fellow subsidiaries	4,943,868
- Related companies	27,811,441
Sale of property, plant and equipment:	
- Related companies	<u>725,647,568</u>

There are no transactions with current related parties in financial years ended 31 December 2012 and 31 December 2011.

(ii) Significant related party balances

Included in ICON Ship's statement of financial position are the following significant related party balances arising from normal business transactions:

Balances with former related parties

	<u>As at 31 December</u>	
	<u>2011</u> RM	<u>2012</u> RM
Amount due to former holding company:		
- Non-trade	43,804,508	-
Amount due from a former fellow subsidiary:		
- Trade	105,153,433	51,976,332
- Non-trade	<u>49,728,039</u>	<u>-</u>

Balances with current related parties

	<u>As at 31 December</u>		
	<u>2011</u> RM	<u>2012</u> RM	<u>2013</u> RM
Amount due (to)/from immediate holding company:			
- Non-trade	-	(3,600,000)	2,957,264
Amounts due from fellow subsidiaries:			
- Trade	-	-	37,532,299
- Non-trade	-	-	1,806,491
Amounts due from related companies:			
- Non-trade	-	-	740,568,691
Amounts due to related companies:			
- Trade	-	-	23,485,647
- Non-trade	-	-	<u>8,061</u>

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.19 Significant related party transactions (continued)

The transactions have been entered into in the normal course of business at terms mutually agreed between the parties.

Apart from the transactions disclosed above, ICON Ship has entered into transactions that are not individually significant with other government-related entities. These transactions include vessel chartering, drydocking expenditure and repairs and maintenance. They are conducted in the ordinary course of ICON Ship's business on terms consistently applied in accordance with ICON Ship's internal policies and processes.

8.20 Capital commitments

	<u>As at 31 December</u>		
	<u>2011</u> RM	<u>2012</u> RM	<u>2013</u> RM
Approved and contracted for:			
- Commissioning of Nil units (2012 and 2011: 2 units) of Platform Supply Vessels	140,150,000	56,072,392	-

8.21 Contingent liabilities

On 3 August 2010, ICON Ship was served a Notice of Claim from a third party for damages caused by one of the vessels owned by ICON Ship. The Kuala Lumpur High Court on 15 October 2012 ruled that the third party is entitled to judgement on liability in terms of its Notice of Claim. The insurers have subsequently on 22 October 2012 submitted a Notice of Appeal to the Courts as well as an Application for Stay.

As previously disclosed in the financial statements as at 31 December 2012, the Directors were of the view that no provision is required in relation to this claim as legal advice indicates that it is not probable that a liability will arise.

Pursuant to a settlement agreement entered into between the parties on 11 December 2013, the claims by the third party has been fully settled and discontinued. ICON Ship's insurers have made full and final payment to the third party on 16 December 2013 as settlement of the claim.

8.22 Financial instruments by category

Analysis of the financial instruments for ICON Ship is as follows:

	<u>As at 31 December</u>		
	<u>2011</u> RM	<u>2012</u> RM	<u>2013</u> RM
<u>Financial assets - Loans and receivables:</u>			
Trade receivables	105,414,251	77,102,910	24,666,605
Other receivables excluding prepayments	484,815	540,839	9,537,262
Cash and bank balances	812,770	18,439,236	19,050,098
Amount due from immediate holding company	-	-	2,957,264
Amount due from a former fellow subsidiary	49,728,039	-	-
Amounts due from fellow subsidiaries	-	-	39,338,790
Amounts due from related companies	-	-	740,568,691
	<u>156,439,875</u>	<u>96,082,985</u>	<u>836,118,710</u>

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.22 Financial instruments by category (continued)

	As at 31 December		
	<u>2011</u>	<u>2012</u>	<u>2013</u>
	RM	RM	RM
<u>Financial liabilities at amortised costs:</u>			
Trade payables	65,333,346	34,957,789	12,632,060
Other payables and accruals	3,854,353	3,478,406	7,936,371
Bank borrowings	479,008,854	575,763,347	521,277,472
Finance lease liabilities	227,492	97,838	85,838
Amount due to immediate holding company	-	3,600,000	-
Amount due to former holding company	43,804,508	-	-
Amounts due to related companies	-	-	23,493,708
	<u>592,228,553</u>	<u>617,897,380</u>	<u>565,425,449</u>

8.23 Transition from FRS to MFRS

- (i) MFRS 1 mandatory exceptions applicable to the ICON Ship upon adoption of MFRS in financial year ended 31 December 2012

MFRS Estimates

MFRS estimates as at transition date are consistent with the estimates as at the same date made in conformity with FRS.

- (ii) MFRS 1 exemption options

Exemption for previous revaluation as deemed cost - property, plant and equipment.

Previously, ICON Ship adopted the revaluation model for measurement of its carrying value of vessels in property, plant and equipment. Upon transition to MFRS, ICON Ship has elected to measure all its property, plant and equipment using the cost model under MFRS 116 property, plant and equipment. At the date of transition to MFRS, ICON Ship elected to regard its property, plant and equipment at historical costs and certain vessels based on the previous revalued amounts as at 31 December 2010 as deemed cost. Accordingly, the carrying amount of property, plant and equipment on 1 January 2011 decreased by RM26,027,421 (31.12.2011: RM24,770,275) with a corresponding reduction in retained earnings. In addition, depreciation of property, plant and equipment was reduced by RM1,257,146 for the financial year ended 31 December 2011.

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.23 Transition from FRS to MFRS (continued)

(iii) Explanation of transition from FRS to MFRS

MFRS 1 requires an entity to reconcile equity, total comprehensive income and cash flows for prior financial years. The following tables represent the reconciliations from FRS to MFRS for the respective financial years noted for equity and total comprehensive income.

(a) Reconciliations of equity as at 1 January 2011 and 31 December 2011

		(transition date)	
		1 January	31 December
	Note	<u>2011</u>	<u>2011</u>
		RM	RM
Equity as reported under FRS		177,281,051	207,674,578
Less: Prior year adjustments	8.24	(47,942,277)	(56,547,071)
Equity (as restated)		<u>129,338,774</u>	<u>151,127,507</u>
<u>Transitioning adjustments</u>			
Property, plant and equipment		(26,027,421)	(24,770,275)
Deferred tax arising from transitioning adjustments		<u>6,506,855</u>	<u>6,192,569</u>
Equity on transition to MFRS		<u><u>109,818,208</u></u>	<u><u>132,549,801</u></u>

(b) Reconciliations of total comprehensive income for the financial year ended 31 December 2011

	Note	31 December
		<u>2011</u>
		RM
Total comprehensive income as reported under FRS		30,393,527
Less: Prior year adjustments	8.24	(8,604,794)
<u>Transitioning adjustments</u>		
Property, plant and equipment		1,257,146
Deferred tax arising from transitioning adjustments		<u>(314,286)</u>
Total comprehensive income upon transition to MFRS		<u><u>22,731,593</u></u>

Other than the above, the transition from FRS to MFRS had no impact on the ICON Ship's financial performance, statement of financial position, statement of comprehensive income and statement of cash flows.

13. ACCOUNTANTS' REPORT (Cont'd)



II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.24 Comparatives

The following have been restated as a result of under recognition of deferred tax liabilities, under accrued staff cost and write-off of penalty fees on borrowings refinanced wrongly capitalised for the financial year ended 31 December 2011. Additionally, the ship management fee included within other income in financial year ended 31 December 2011, has been reclassified to revenue to better reflect the nature of this revenue.

	As previously <u>reported</u> RM	Adjustments RM	As restated RM
<u>31 December 2011</u>			
Statement of financial position:			
Deferred tax liabilities	-	(44,571,846)	(44,571,846)
Deferred tax assets	4,952,000	(4,952,000)	-
Borrowings	(472,866,781)	(6,369,565)	(479,236,346)
Other payables and accruals	(3,200,693)	(653,660)	(3,854,353)
	<u> </u>	<u> </u>	<u> </u>
Statement of comprehensive income:			
Revenue	125,011,238	1,250,400	126,261,638
Cost of sales	(32,508,874)	(26,984,732)	(59,493,606)
Other income	1,982,640	(1,250,400)	732,240
Administrative expenses	(33,440,973)	26,331,072	(7,109,901)
Taxation	(2,148,992)	(1,581,569)	(3,730,561)
Finance costs	(28,501,512)	(6,369,565)	(34,871,077)
	<u> </u>	<u> </u>	<u> </u>
<u>1 January 2011</u>			
Statement of financial position:			
Deferred tax liabilities	-	(40,941,277)	(40,941,277)
Deferred tax assets	7,001,000	(7,001,000)	-
	<u> </u>	<u> </u>	<u> </u>

13. ACCOUNTANTS' REPORT (Cont'd)




II ICON SHIP MANAGEMENT SDN. BHD. (CONTINUED)


8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.25 Subsequent events after the reporting period

There are no significant subsequent events after the reporting period.

Yours faithfully,


PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants


YEE WAI YIN
(No. 2081/08/14 (J))
Chartered Accountant

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

SECTION III
ICON FLEET SDN. BHD.

Historical financial information for the financial years ended 31 December 2011, 31 December 2012
and 31 December 2013

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD.

1 GENERAL INFORMATION

1.1 Background

ICON Fleet was incorporated in Malaysia as a private limited liability company on 30 October 2008 under the name Omni Petromaritime Sdn. Bhd. The company changed to its present name on 26 December 2012.

The principal activity of ICON Fleet is investment holding. The principal activities of ICON Fleet and its subsidiaries ("ICON Fleet Group") are vessel owning/leasing and provision of vessel chartering and ship management services to oil and gas related industries.

The immediate holding company is Icon Offshore Berhad ("ICON") and the ultimate holding foundation is Yayasan Ekuiti Nasional.

The address of the registered office of ICON Fleet is:

Level 21, Suite 21.01, The Gardens South Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

The address of the principal place of business of ICON Fleet is:

Level 12A, East Wing, The Icon
No. 1, Jalan 1/68F
Off Jalan Tun Razak
55000 Kuala Lumpur

1.2 Share Capital

A summary of the authorised and issued and paid-up share capital of ICON Fleet since its date of incorporation on 30 October 2008 to 31 December 2013 is as follows:

(i) Authorised share capital

<u>Date of creation</u>	<u>Type of share</u>	<u>Par value</u> RM/share	<u>Number of</u> <u>ordinary</u> <u>shares</u>	<u>Cumulative</u> <u>authorised</u> <u>share capital</u> RM
At date of incorporation	Ordinary	1.00	100,000	100,000
5 December 2008	Ordinary	1.00	24,900,000	25,000,000
3 January 2012	Ordinary	1.00	(3,000,000)	22,000,000
3 January 2012	RCCPS	0.10	30,000,000	25,000,000

On 7 September 2011, the authorised share capital has been divided into 22,000,000 ordinary shares of RM1.00 each and 30,000,000 Redeemable Convertible Cumulative Preference Shares ("RCCPS") of RM0.10 each.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

1 GENERAL INFORMATION (CONTINUED)

1.2 Share Capital (continued)

(ii) Issued and paid-up share capital

<u>Date of issue</u>	<u>Number of shares</u>	<u>Par value RM/share</u>	<u>Premium RM</u>	<u>Terms of issue</u>	<u>Cumulative issued and paid-up share capital RM</u>
<u>Ordinary Shares</u>					
At date of incorporation	2	1.00	Nil	Cash	2
23 December 2008	5,366,692	1.00	Nil	Otherwise than cash	5,366,694
23 December 2008	8,421	1.00	Nil	Otherwise than cash	5,375,115
23 December 2008	171,492	1.00	Nil	Otherwise than cash	5,546,607
23 December 2008	5,760,393	1.00	Nil	Otherwise than cash	11,307,000
3 February 2009	(1,086,646)	1.00	Nil	Otherwise than cash	10,220,354
4 February 2010	(363,440)	1.00	Nil	Otherwise than cash	9,856,914
9 April 2010	(400,151)	1.00	Nil	Otherwise than cash	9,456,763
9 June 2010	(1,380,335)	1.00	Nil	Otherwise than cash	8,076,428
28 September 2012	6,607,987	1.00	Nil	Otherwise than cash	14,684,415
<u>Class "A" Ordinary Shares</u>					
24 December 2008	1,468,442	1.00	Nil	Cash	1,468,442
3 February 2009	1,086,646	1.00	Nil	Otherwise than cash	2,555,088
4 February 2010	367,110	1.00	Nil	Cash	2,922,198
4 February 2010	363,440	1.00	Nil	Otherwise than cash	3,285,638
9 April 2010	367,110	1.00	Nil	Cash	3,652,748
9 April 2010	400,151	1.00	Nil	Otherwise than cash	4,052,899

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

1 GENERAL INFORMATION (CONTINUED)

1.2 Share Capital (continued)

(ii) Issued and paid-up share capital (continued)

<u>Date of issue</u>	<u>Number of shares</u>	<u>Par value RM/share</u>	<u>Premium RM</u>	<u>Terms of issue</u>	<u>Cumulative issued and paid-up share capital RM</u>
<u>Class "A" Ordinary Shares (continued)</u>					
9 June 2010	1,174,753	1.00	Nil	Cash	5,227,652
9 June 2010	1,380,335	1.00	Nil	Otherwise than cash	6,607,987
28 September 2012	(6,607,987)	1.00	Nil	Otherwise than cash	-
<u>Redeemable Convertible Cumulative Preference Shares ("RCCPS")</u>					
15 September 2011	6,000,000	0.10	0.90	Cash	6,000,000
15 September 2011	1,722,022	0.10	0.90	Otherwise than cash	7,722,022
3 January 2012	4,000,000	0.10	0.90	Cash	11,722,022
18 December 2013	(11,722,022)	0.10	0.90	Cash	-

1.3 Subsidiaries

The details of ICON Fleet's subsidiaries which are incorporated in Malaysia, are as follows:

<u>Names of subsidiaries</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>ICON Fleet's effective interest</u>		
			<u>2011</u> %	<u>2012</u> %	<u>2013</u> %
<u>Direct subsidiaries</u>					
Icon Offshore Group Sdn. Bhd.^	Malaysia	Ship management, vessel operations and provision of related services	100	100	-
Omni Marine Sdn. Bhd.	Malaysia	Vessel owner, operator and provision of vessel services for the oil and gas industry	100	100	100

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

1 GENERAL INFORMATION (CONTINUED)

1.3 Subsidiaries (continued)

<u>Names of subsidiaries</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>ICON Fleet's effective interest</u>		
			<u>2011</u> %	<u>2012</u> %	<u>2013</u> %
<u>Direct subsidiaries (continued)</u>					
Omni Triton Sdn. Bhd.	Malaysia	Vessel owner, operator and provision of vessel services for the oil and gas industry	100	100	100
Omni Ventures Sdn. Bhd.	Malaysia	Vessel owner, operator and provision of vessel services for the oil and gas industry	100	100	100
Omni Power Sdn. Bhd.	Malaysia	Vessel owner, operator and provision of vessel services for the oil and gas industry	100	100	100
Omni Offshore (L) Inc. #	Malaysia	Leasing of vessels	100	100	100
Omni Emery (L) Inc. #	Malaysia	Leasing of vessels	100	100	100
Icon Ikhlas (L) Inc.*#	Malaysia	Leasing of vessels	-	-	100
Icon Zara (L) Inc.*#	Malaysia	Leasing of vessels	-	-	100
Icon Waja (L) Inc.*#&	Malaysia	Leasing of vessels	-	-	100
Icon Corridor (L) Inc.*#	Malaysia	Leasing of vessels	-	-	100
Icon Ocean (L) Inc.*#	Malaysia	Leasing of vessels	-	-	100
Icon Puteri 1 (L) Inc.*#@	Malaysia	Leasing of vessels	-	-	100
Icon Puteri 2 (L) Inc.*#@	Malaysia	Leasing of vessels	-	-	100
Icon Dawai (L) Inc.*#@	Malaysia	Leasing of vessels	-	-	100
Icon Huma (L) Inc.*#@	Malaysia	Leasing of vessels	-	-	100
Icon Sari (L) Inc.*#@	Malaysia	Leasing of vessels	-	-	100
Icon Biru 1 (L) Inc.*# @	Malaysia	Leasing of vessels	-	-	100
Icon Biru 2 (L) Inc.*#@	Malaysia	Leasing of vessels	-	-	100
Icon Dahan 1 (L) Inc.*# @	Malaysia	Leasing of vessels	-	-	100
Icon Dahan 2 (L) Inc.*#@	Malaysia	Leasing of vessels	-	-	100

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

1 GENERAL INFORMATION (CONTINUED)

1.3 Subsidiaries (continued)

<u>Names of subsidiaries</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>ICON Fleet's effective interest</u>		
			<u>2011</u> %	<u>2012</u> %	<u>2013</u> %
<u>Direct subsidiaries (continued)</u>					
Icon Pinang 1 (L) Inc.*#@	Malaysia	Leasing of vessels	-	-	100
Icon Pinang 2 (L) Inc.*#@	Malaysia	Leasing of vessels	-	-	100
Icon Pinang 3 (L) Inc.*#@	Malaysia	Leasing of vessels	-	-	100
Icon Pinang 4 (L) Inc.*#@	Malaysia	Leasing of vessels	-	-	100
Icon Piai 1 (L) Inc.*#@	Malaysia	Leasing of vessels	-	-	100
Icon Piai 2 (L) Inc.*#&	Malaysia	Leasing of vessels	-	-	100
Icon Gaya (L) Inc.*#@	Malaysia	Leasing of vessels	-	-	100
Icon Aliza (L) Inc.*#&	Malaysia	Leasing of vessels	-	-	100
Icon Tigris (L) Inc.*#@	Malaysia	Leasing of vessels	-	-	100
ICON – FOB Holdings (L) Inc.*#&~	Malaysia	Leasing of vessels	-	-	100
Icon Maritime Training Centre Sdn. Bhd. (formerly known as Omni Technologies Sdn. Bhd.)	Malaysia	Maritime training	100	100	100
Omni Gulf Sdn. Bhd. \$	Malaysia	Dormant	100	100	100
Omni Fleet Sdn. Bhd.+	Malaysia	Dormant	100	100	100
<u>Indirect subsidiary</u>					
ICON – FOB 1 (L) Inc.*#&	Malaysia	Leasing of vessels	-	-	100

^ Icon Offshore Group Sdn. Bhd. was a direct subsidiary of ICON Fleet in financial years ended 31 December 2011 and 31 December 2012. Following the internal group reorganisation during the financial year ended 31 December 2013, Icon Offshore Group Sdn. Bhd. is now a direct subsidiary of ICON.

* Incorporated during the financial year ended 31 December 2013.

Incorporated in Federal Territory of Labuan, under the Labuan Companies Act, 1990.

& These entities have yet to commence operations.

@ These entities have yet to commence operation as of 31 December 2013 and only commenced operations subsequent to the financial year end.

\$ This entity is in the process of de-registration from the Companies Commission of Malaysia ("CCM").

+ Omni Fleet Sdn. Bhd. was de-registered on 29 April 2014.

~ ICON Fleet has entered into a joint venture agreement with FOB Swath Malaysia AS on 27 January 2014 and upon fulfillment of the conditions precedent in the agreement, has transferred 49% of its interest in ICON – FOB Holdings (L) Inc to FOB Swath Malaysia AS on 30 April 2014.

The financial statements of ICON Fleet and its subsidiaries were audited by a firm other than PricewaterhouseCoopers for the financial years ended 31 December 2011 and 31 December 2012.

1.4 Dividends

No dividend has been paid or declared by ICON Fleet during the financial years under review.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

2 FINANCIAL STATEMENTS AND AUDITORS

We were appointed as the statutory auditors of ICON Fleet Group for the financial year ended 31 December 2013 and have issued our unqualified report thereon dated 3 March 2014. We have reported that the consolidated financial statements have been properly drawn up in accordance with MFRS and IFRS so as to give a true and fair view of the financial position of ICON Fleet Group as at 31 December 2013 and of their financial performance and cash flows for the financial year then ended.

The consolidated financial statements of ICON Fleet Group for the financial years ended 31 December 2011 and 31 December 2012 were audited by Ernst & Young, and the unqualified reports were issued on 19 March 2012 and 19 June 2013 respectively. Ernst & Young reported that the consolidated financial statements for the financial year ended 31 December 2011 have been properly drawn up in accordance with FRS, the MASB Approved Accounting Standards for Entities Other than Private Entities so as to give a true and fair view of the financial position of ICON Fleet Group as at 31 December 2011 and of their financial performance and cash flows for the financial year then ended and that the consolidated financial statements for the financial year ended 31 December 2012 have been properly drawn up in accordance with MFRS and IFRS so as to give a true and fair view of the financial position of ICON Fleet Group as at 31 December 2012 and of their financial performance and cash flows for the financial year then ended.

ICON Fleet Group adopted MFRS on 1 January 2012 with a transition date of 1 January 2011. These standards were applied retrospectively by the Directors to the comparative information in the financial statements, including the statements of financial position as at 31 December 2011 and 1 January 2011, and the statements of comprehensive income, changes in equity and cash flows for the financial year ended 31 December 2011 and related disclosures. There was no significant impact on adoption of MFRS which requires restatement to the financial statements for the financial year ended 31 December 2011.

Ernst & Young were not engaged to report on the restated comparative information and hence, they have not audited the financial statements for the financial year ended 31 December 2011 based on MFRS. For the purpose of this Report, we have conducted a review on the impact on adoption of MFRS for the financial year ended 31 December 2011. There was no significant impact on adoption of MFRS which requires restatement to the financial statements for the financial year ended 31 December 2011 but there were prior year reclassifications as disclosed in Note 8.20 to Section III of the Report.

No audited financial statements have been prepared in respect of any period subsequent to 31 December 2013.

3 BASIS OF PREPARATION OF THE HISTORICAL FINANCIAL STATEMENTS IN THIS REPORT

Section III to this Report was prepared using the audited consolidated financial statements of ICON Fleet Group for the financial years ended 31 December 2011, 31 December 2012 and 31 December 2013. The audited consolidated financial statements of ICON Fleet Group for the financial years ended 31 December 2011 and 31 December 2012 were adjusted for prior year reclassifications as disclosed in Note 8.20 to this Report.

The financial statements for the financial year ended 31 December 2012 were the first set of financial statements prepared in accordance with the MFRS, including MFRS 1. ICON Fleet has consistently applied the same accounting policies in its opening MFRS statements of financial position at 1 January 2011 (transition date) and throughout all financial years presented, as if these policies had always been in effect.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

3 BASIS OF PREPARATION OF THE HISTORICAL FINANCIAL STATEMENTS IN THIS REPORT (CONTINUED)

The financial statements of ICON Fleet Group have been prepared on a historical cost convention unless otherwise indicated in the accounting policies below and are presented in Ringgit Malaysia ("RM").

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires the Directors to exercise their judgement in the process of applying ICON Fleet's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 6 of Section III to this Report.

As at 31 December 2013, ICON Fleet Group recorded net current liabilities of RM798,770,632 (2012: RM19,481,390; 2011: RM12,772,897) which is mainly attributable to amounts due to fellow subsidiaries of RM720,643,194 for vessels acquired. ICON Fleet Group carries out cash flows review for the next twelve (12) months to ensure that the business operations have sufficient funds available to operate as a going concern. The Directors believe that ICON Fleet Group is able to realise its assets and discharges its liabilities in the normal course of business and that the financial position will be improved through future operating profits and cash flows. Additionally, treasury management has proven that ICON Fleet Group has historically been able to meet its obligations as and when they fall due and ICON Fleet Group has not defaulted on any obligations due or payable to financial institutions or creditors.

In view of the foregoing, the Directors consider that it is appropriate to prepare the financial statements of ICON Fleet Group on a going concern basis, and accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to amounts and classification of liabilities that may be necessary should the going concern basis for the preparation of the financial statements of ICON Fleet Group be not appropriate.

Standards, amendments to published standards and interpretations, which are applicable and adopted by ICON Fleet Group are as follows:

Financial year beginning on/after 1 January 2013

- MFRS 13 "Fair Value Measurement" aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across MFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The enhanced disclosure requirements are similar to those in MFRS 7 "Financial Instruments: Disclosures", but apply to all assets and liabilities measured at fair value, not just financial ones.
- Amendment to MFRS 101 "Presentation of Items of Other Comprehensive Income" requires entities to separate items presented in "other comprehensive income" ("OCI") in the statement of comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

3 BASIS OF PREPARATION OF THE HISTORICAL FINANCIAL STATEMENTS IN THIS REPORT (CONTINUED)

- Amendment to MFRS 7 “Financial Instruments: Disclosures” requires more extensive disclosures focusing on quantitative information about recognised financial instruments that are offset in the statement of financial position and those that are subject to master netting or similar arrangements irrespective of whether they are offset.

Standards early adopted by ICON Fleet Group:

ICON Fleet Group has early adopted the amendments to MFRS 136 which are effective for annual periods beginning on or after 1 January 2014. The amendments remove the unintended requirement to disclose the recoverable amount for a cash generating unit (containing goodwill or indefinite lived intangible assets) when no impairment loss has been recognised or reversed during the period. It clarifies that recoverable amount is required to be disclosed only when an impairment loss is recognised or reversed.

Standards, amendments to published standards and interpretations to existing standards that are applicable to ICON Fleet Group but not yet effective:

ICON Fleet Group will apply the new standards, amendments to standards and interpretations in the following financial years:

(i) Financial year beginning on/after 1 January 2014

- Amendment to MFRS 132 “Financial Instruments: Presentation” does not change the current offsetting model in MFRS 132. It clarifies the meaning of “currently has a legally enforceable right of set-off” that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. It clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria.

(ii) Effective date yet to be determined by Malaysian Accounting Standards Board

- MFRS 9 “Financial Instruments – Classification and Measurement of Financial Assets and Financial Liabilities” replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity’s business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. ICON Fleet Group has yet to assess MFRS 9’s full impact. ICON Fleet Group will also consider the impact of the remaining phases of MFRS 9 when completed by the Board.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

3 BASIS OF PREPARATION OF THE HISTORICAL FINANCIAL STATEMENTS IN THIS REPORT (CONTINUED)

ICON Fleet Group is currently reviewing these new standards, amendments to published standards and IC interpretations to determine the likely future impact of these pronouncements. Based on ICON Fleet Group's preliminary assessment, there is no significant impact expected on adoption of these standards, amendments and interpretations.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

4.1 Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which ICON Fleet Group has control. ICON Fleet Group controls an entity when ICON Fleet Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to ICON Fleet Group. They are deconsolidated from the date that control ceases.

ICON Fleet Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by ICON Fleet Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. ICON Fleet Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

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 successive acquisition dates at each stage, and the changes in fair value taken through profit or loss.

Profit or loss and each component of other comprehensive income of the subsidiaries are attributed to the parent and the non-controlling interest, even if this results in the non-controlling interest having a deficit balance.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.1 Basis of consolidation (continued)

(i) Subsidiaries (continued)

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by ICON Fleet Group.

(ii) Transactions with non-controlling interests

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Change in control

Upon the loss of control of a subsidiary, ICON Fleet Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other component of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If ICON Fleet Group retains any interest in the subsidiary, then such interest is measured at the fair value at the date the control is lost. Subsequently the subsidiary is accounted for as equity accounted investee or available for sale financial asset depending on the level of influence retained.

4.2 Property, plant and equipment

Property, plant and equipment are initially stated at cost. Cost includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Refer to Note 4.18 of Section III to this Report on the accounting policy for borrowing costs.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that future economic benefits associated with the cost will flow to ICON Fleet Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. All other repairs and maintenance of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which ICON Fleet Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.2 Property, plant and equipment (continued)

Property, plant and equipment are depreciated on a straight-line basis to allocate the cost of each asset to their residual values over their estimated useful lives, summarised as follows:

Vessels	25 years
Vessel parts	10 - 14 years
Drydocking expenditure	5 years
Motor vehicles	4 - 5 years
Office equipment	5 - 10 years
Computers	5 years
Furniture and fittings	10 years
Renovation	10 years

Depreciation on vessels under commissioning and work in progress commences when the vessels are ready for their intended use.

Drydocking expenditure represents major inspection and overhaul costs and are depreciated to reflect the consumption of benefits, which are to be replaced or restored by the subsequent drydocking generally every five years. ICON Fleet Group has included these drydocking costs as a separate component of the vessels' costs.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

At the end of the reporting period, ICON Fleet Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount (Note 4.3 of Section III to this Report).

4.3 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use ("VIU"). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash-generating units"). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.4 Leases

(i) Finance leases

Leases of property, plant and equipment where ICON Fleet Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each financial year. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

(ii) Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on the straight-line basis over the lease period. Initial direct costs incurred by ICON Fleet Group in negotiating and arranging operating leases are recognised in profit or loss when incurred.

4.5 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents includes cash in hand, bank balances, deposits held at call with banks less restricted cash, other short term, highly liquid investments with original maturities of three months or less, and bank overdrafts.

4.6 Inventories

Inventories which represent fuel oil on vessels are valued at lower of cost or net realisable value.

Cost is determined based on the first-in, first-out method for fuel oil.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

4.7 Financial assets

(i) Classification

ICON Fleet Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available-for-sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification at initial recognition. ICON Fleet Group's financial assets are loans and receivables.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 Financial assets (continued)

(i) Classification (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve (12) months after the end of the reporting period. These are classified as non-current assets. ICON Fleet Group's loans and receivables comprise receivables and cash and bank balances in the statements of financial position.

(ii) Recognition and initial measurement

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit or loss.

(iii) Subsequent measurement – gains and losses

Financial assets at fair value through profit or loss and available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

(iv) Subsequent measurement – impairment of financial assets

Assets carried at amortised cost

ICON Fleet Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that ICON Fleet Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- ICON Fleet Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- Disappearance of an active market for that financial asset because of financial difficulties; or

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 Financial assets (continued)

(iv) Subsequent measurement – impairment of financial assets (continued)

Assets carried at amortised cost (continued)

- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - (a) adverse changes in the payment status of borrowers in the portfolio; and
 - (b) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If loans and receivables have a variable rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, ICON Fleet Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent financial year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the customers' credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

(v) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and ICON Fleet Group has transferred substantially all risks and rewards of ownership.

4.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 Current and deferred income tax

The tax expense for the financial year comprises current and deferred taxes. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where ICON Fleet Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

4.10 Provisions

Provisions are recognised when ICON Fleet Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Where ICON Fleet Group expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as finance cost expense.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.11 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds from drawdown (net of transaction costs) amount and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

4.12 Employee benefits

(i) Short-term employee benefits

Salaries, overtime and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of ICON Fleet Group.

(ii) Defined contribution plans

ICON Fleet Group makes contributions to the Employees Provident Fund ("EPF") as required by law in Malaysia. Obligations for contributions to defined contribution plans are recognised as an expense in the profit or loss as incurred.

4.13 Share capital

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premiums are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

Preference share capital is classified as equity if they are non-redeemable, or redeemable but only at ICON Fleet's option, and any dividends are discretionary.

Distribution to holders of a financial instrument classified as an equity instrument is charged directly to equity.

4.14 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.15 Foreign currency

(i) Functional and presentation currency

Items included in the financial statements of each of ICON Fleet Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is ICON Fleet Group's functional and presentation currency.

(ii) Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

4.16 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to ICON Fleet Group and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Chartering and hiring of vessels

Charter hire income from vessels is recognised upon rendering of services to customers, over the term of the charter hire contract. For income from the hire of third party vessels, it is assessed whether ICON Fleet Group is acting as a principal or an agent. Where it has been assessed that ICON Fleet Group is acting as an agent, income is recognised net of charter costs.

4.17 Interest income

ICON Fleet Group earns interest income from deposits placed with licensed banks. Interest income is recognised on an accrual basis.

4.18 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.18 Borrowing costs (continued)

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing costs are recognised in profit or loss in the financial year in which they are incurred.

4.19 Prepayments

Prepayments are amounts paid in advance for goods or services yet to be received. Prepayments are recognised as an expense in profit or loss when the goods or services are subsequently received.

5 FINANCIAL RISK MANAGEMENT

ICON Fleet Group's overall financial risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of ICON Fleet Group. Financial risk management is carried out through risk reviews, internal control systems and adherence to ICON Fleet Group's financial risk management policies. The Directors of ICON Fleet regularly review these risks and approves the policies, which covers the management of these risks.

ICON Fleet Group is exposed to credit and counterparty risk, liquidity risk, interest/profit rate risk, foreign currency exchange risk and capital risk.

(i) Credit and counterparty risk

Credit risk arises when sales are made on credit terms. Customers are subject to credit checks and outstanding accounts are followed up on a timely basis. Credit risk concentration is monitored by monitoring the performance of our customers and actively engaging with customers to ensure payments are settled on time.

Most contracts are on a long-term basis. ICON Fleet Group is exposed to the risk that the financial position of ICON Fleet Group's customers may change during the contracted period and that they will not be able to meet their obligations under the terms of the contract. Given the limited number of major customers and the significant portion they represent of revenue, the inability by one or more of ICON Fleet Group's major customers to make full payment on any contracts may have a material adverse effect on the financial position. To mitigate this risk, credit quality of potential customers is assessed by taking into account their current financial position, past experience and other factors before entering into a contract. This evaluation includes a thorough examination of the counterparty's default rates as well as their credit quality. Outstanding receivables are closely monitored in order to pursue full recovery.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit and counterparty risk (continued)

The credit quality of financial assets that are not impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	<u>As at 31 December</u>		
	<u>2011</u> RM	<u>2012</u> RM	<u>2013</u> RM
Cash and bank balances (except for cash in hand)			
<i>Counterparties with external credit rating ("RAM")*</i>			
AAA	3,393,677	10,546,051	2,258,463
AA2	-	-	1,867,358
AA3	5,242,306	5,140,413	-
A1	4,809,338	17,945,484	1,284,406
<i>Counterparties with external credit rating ("MARC")**</i>			
AA+	1,844,941	1,867,925	1,158,800
Trade and other receivables			
<i>Counterparties without external credit rating</i>			
Group 2	43,896,798	41,301,521	4,524,438
Amount due from a fellow subsidiary			
<i>Counterparties without external credit rating</i>			
Group 2	-	-	15,864,442

ICON Fleet Group classifies its receivables into the following groups:

- Group 1 – new customers/related parties (less than six (6) months).
- Group 2 – existing customers/related parties (more than six (6) months) with no defaults in the past.
- Group 3 – existing customers/related parties (more than six (6) months) with some defaults in the past. All defaults were fully recovered.

* RAM represents Rating Agency Malaysia.

** MARC represents Malaysian Rating Corporation Berhad.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Liquidity risk

Liquidity risk is the risk that ICON Fleet Group will encounter difficulty in meeting financial obligations due to shortage of funds. As at 31 December 2013, ICON Fleet Group has net current liabilities of RM798,770,632 (2012: RM19,481,390; 2011: RM12,772,897). ICON Fleet Group carries out cash flows review regularly to ensure that the business operations have sufficient funds available able to meet its obligations as and when they fall due. The Directors believe that ICON Fleet Group is able to realise its assets and discharges its liabilities in the normal course of business and that the financial position will be improved through future operating profits and cash flows. Historically, treasury management has proven that ICON Fleet Group has historically been able to meet its obligations as and when they fall due and ICON Fleet Group has not defaulted on any obligations due or payable to financial institutions or creditors. ICON Fleet Group actively manages its debts maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding requirements are met.

The table below summarises the maturity profile of ICON Fleet Group's liabilities (including interest on borrowings) at the reporting date based on contractual undiscounted repayment obligations.

	<u>Within 1 year</u> RM	<u>Between 1 and 2 years</u> RM	<u>Between 2 and 5 years</u> RM	<u>Over 5 years</u> RM	<u>Total</u> RM
<u>At 31 December 2011</u>					
Borrowings	59,194,129	38,901,526	108,276,815	54,440,347	260,812,817
Finance lease liabilities	230,736	223,771	469,496	-	924,003
Trade and other payables	<u>23,733,701</u>	<u>1,819,017</u>	<u>4,134,131</u>	<u>-</u>	<u>29,686,849</u>
	<u>83,158,566</u>	<u>40,944,314</u>	<u>112,880,442</u>	<u>54,440,347</u>	<u>291,423,669</u>
<u>At 31 December 2012</u>					
Borrowings	50,922,033	58,755,206	111,773,767	53,451,606	274,902,612
Finance lease liabilities	33,036	33,036	71,553	-	137,625
Trade and other payables	17,524,896	1,915,178	2,074,777	-	21,514,851
Amount due to immediate holding company	<u>40,082,644</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,082,644</u>
	<u>108,562,609</u>	<u>60,703,420</u>	<u>113,920,097</u>	<u>53,451,606</u>	<u>336,637,732</u>
<u>At 31 December 2013</u>					
Borrowings	70,259,813	68,933,763	171,223,586	98,268,826	408,685,988
Trade and other payables	9,302,308	2,222,345	-	-	11,524,653
Amounts due to fellow subsidiaries	720,643,194	-	-	-	720,643,194
Amount due to immediate holding company	<u>41,444,973</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,444,973</u>
	<u>841,650,288</u>	<u>71,156,108</u>	<u>171,223,586</u>	<u>98,268,826</u>	<u>1,182,298,808</u>

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Interest/profit rate risk

Interest/profit rate risk arises from fluctuations in interest/profit rates. Bank borrowings consist of variable rate debt obligations linked to applicable bank rates. Bank rates are typically reviewed and adjusted periodically in accordance with prevailing interest/profit rates. Increases in interest/profit rates would increase interest expenses relating to ICON Fleet Group's outstanding floating rate borrowings and increase the cost of new debt. Interest/profit rates applicable to borrowings are regularly reviewed against the prevailing and anticipated market interest/profit rates in order to determine if refinancing or early repayment is warranted. The table below sets forth the carrying amounts of borrowings, by floating interest/profit rate terms.

	<u>As at 31 December</u>		
	<u>2011</u> RM	<u>2012</u> RM	<u>2013</u> RM
Floating rate loans (unhedged)	63,973,313	82,310,082	166,523,094
Impact on profit for the financial year and equity:			
1.0% increase in interest/profit rate	(639,733)	(823,101)	(1,665,231)
1.0% decrease in interest/profit rate	639,733	823,101	1,665,231

(iv) Foreign currency exchange risk

ICON Fleet Group's foreign currency exchange risk arises primarily from the purchase of vessels, materials, spare parts, other services relating to the maintenance of vessels and borrowings. ICON Fleet Group also occasionally enters into contracts for which the charter rate is denominated in US dollars ("USD"). ICON Fleet Group occasionally enters into forward contracts for USD in order to manage their exposure to fluctuations in the exchange rate between the RM and USD.

The impact on profit before taxation for the financial year is mainly as a result of translation of USD bank balances and borrowings held by ICON Fleet Group, for which the functional currency is not USD.

Impact on profit for the financial year and equity:

	<u>As at 31 December</u>		
	<u>2011</u> RM	<u>2012</u> RM	<u>2013</u> RM
10.0% increase in USD exchange rate	(1,429,151)	(840,330)	(1,195,415)
10.0% decrease in USD exchange rate	1,429,151	840,330	1,195,415

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Foreign currency exchange risk (continued)

Cash and bank balances are denominated in the following currencies:

	<u>As at 31 December</u>		
	<u>2011</u> RM	<u>2012</u> RM	<u>2013</u> RM
Ringgit Malaysia	12,986,855	30,221,568	5,889,514
US Dollar	2,310,185	5,291,057	679,612
	<u>15,297,040</u>	<u>35,512,625</u>	<u>6,569,126</u>

Borrowings are denominated in the following currencies:

	<u>As at 31 December</u>		
	<u>2011</u> RM	<u>2012</u> RM	<u>2013</u> RM
Ringgit Malaysia	206,302,732	219,706,598	333,561,209
US Dollar	16,601,699	13,694,356	12,633,759
	<u>222,904,431</u>	<u>233,400,954</u>	<u>346,194,968</u>

(v) Capital risk management

ICON Fleet Group regards capital as share capital, borrowings and retained earnings as presented in the statements of financial position. ICON Fleet Group's objectives when managing capital are to safeguard ICON Fleet Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, ICON Fleet Group may return capital to shareholders, issue new shares or sell assets to reduce debt. ICON Fleet Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the statements of financial position) less cash and bank balances. Total equity is calculated as shareholders' equity as shown in the statements of financial position.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

(v) Capital risk management (continued)

	As at 31 December		
	2011 RM	2012 RM	2013 RM
Finance lease liabilities	834,761	123,101	-
Borrowings	222,069,670	233,277,853	346,194,968
Debt	222,904,431	233,400,954	346,194,968
Less: Cash and bank balances	(15,297,040)	(35,512,625)	(6,569,126)
Net debt	<u>207,607,391</u>	<u>197,888,329</u>	<u>339,625,842</u>
Total equity	<u>85,666,783</u>	<u>119,963,588</u>	<u>134,268,255</u>
Gearing ratio (times)	<u>2.42</u>	<u>1.65</u>	<u>2.53</u>

The subsidiaries of ICON Fleet are required by external lenders to maintain certain financial covenant ratios such as gearing ratio, interest cover and finance service cover ratio. As part of its capital management, ICON Fleet Group monitors these covenants on a monthly basis. These covenants have been complied with for each of the financial years presented.

(vi) Fair values

The carrying value of the balances disclosed in the financial statements approximates its fair values except as disclosed in the notes to the financial statements.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

ICON Fleet Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Key assumptions and sources estimation of uncertainty

The following are key assumptions concerning the future and other key sources estimation of uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(i) Useful lives and residual value of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives after deducting its residual value. Management exercises their judgement in estimating the useful lives and the residual value of the depreciable assets. ICON Fleet Group assesses annually the useful lives and the residual value of the property, plant and equipment and if the expectation differs from the original estimate, such difference will impact the depreciation in the financial year in which such estimate has been charged.

(ii) Impairment of receivables

At each reporting date, ICON Fleet Group assesses whether there is objective evidence that receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collection expenses. Such provisions are adjusted periodically to reflect the actual and anticipated impairment.

(iii) Impairment review of carrying value of vessels

ICON Fleet Group reviews periodically whether vessels have suffered any impairment in accordance with the accounting policy stated in Note 4.3 of Section III to this Report. The recoverable amounts of each vessel, being defined as a cash generating unit, have been determined based on the higher of fair value less cost to sell and VIU calculations. The VIU calculations are based on contracted cash flows and estimates of uncontracted cash flows for the useful lives of each vessel, including scrap values discounted by an appropriate discount rate.

The impairment testing for cash generating units requires estimates and judgement to determine the net present value of future cash flows such as revenue growth, cost escalation, utilisation rates based on historical trends and discount rate amongst others.

As at 31 December 2013, the Directors have evaluated the carrying amounts of vessels against their recoverable amounts as a result of their review of the business plan which includes divestment of lower specification OSVs as well as older OSVs, and to focus on newer and higher specification OSVs which reflects ICON Fleet Group's strategy to consolidate their leading position in shallow water operations within the OSV space with selective expansion into deep water operations. Following the assessment, an impairment charge of RM32,955,579 was recognised in the financial year ended 31 December 2013.

If the estimated pre-tax discount rate used in determining VIU had been 1% higher than management's estimates, ICON Fleet Group would have recognised an additional impairment charge against vessels of RM1,929,150.

The pre-tax discount rate used for the recoverable amounts was 13.9%.

(iv) Deferred tax assets

Deferred tax assets are recognised for all unutilised tax losses and unutilised capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital 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.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(iv) Deferred tax assets (continued)

Assumptions about generation of future taxable profits depend on management's estimates of future profitability. These depend on estimates of future revenue, operating costs, capital expenditure, and other working capital transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and capital allowances.

7 HISTORICAL FINANCIAL STATEMENTS

7.1 Consolidated Statements of Comprehensive Income

	Note	Financial year ended 31 December		
		2011 RM	2012 RM	2013 RM
Revenue	8.1	100,224,972	135,620,189	151,951,700
Cost of sales		(56,386,028)	(69,828,756)	(83,545,850)
Gross profit		43,838,944	65,791,433	68,405,850
Other income		257,898	721,451	1,096,049
Administrative expenses		(9,452,450)	(13,038,428)	(4,707,762)
Other expenses		-	-	(33,598,557)
Profit from operations		34,644,392	53,474,456	31,195,580
Finance costs	8.2	(12,741,512)	(15,421,311)	(18,127,566)
Profit before taxation	8.3	21,902,880	38,053,145	13,068,014
Taxation	8.6	(1,780,823)	(3,756,340)	1,236,653
Profit for the financial year/ Total comprehensive income for the financial year		<u>20,122,057</u>	<u>34,296,805</u>	<u>14,304,667</u>
Attributable to:				
Equity holder of ICON Fleet		<u>20,122,057</u>	<u>34,296,805</u>	<u>14,304,667</u>
NON-CURRENT ASSETS				
Property, plant and equipment	8.7	<u>285,885,914</u>	<u>346,652,977</u>	<u>1,230,064,061</u>
CURRENT ASSETS				
Inventories		-	471,434	101,648
Trade and other receivables	8.8	44,596,511	41,816,744	5,370,041
Amount due from a fellow subsidiary	8.9	-	-	15,864,442
Tax recoverable		-	54,359	-
Cash and bank balances	8.10	15,297,040	35,512,625	6,569,126
		<u>59,893,551</u>	<u>77,855,162</u>	<u>27,905,257</u>

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

7 HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

7.2 Consolidated Statements of Financial Position

	Note	As at 31 December		
		2011 RM	2012 RM	2013 RM
CURRENT LIABILITIES				
Trade and other payables	8.11	23,733,701	17,524,896	9,302,308
Amount due to immediate holding company	8.12	-	40,082,644	41,444,973
Amounts due to fellow subsidiaries	8.9	-	-	720,643,194
Borrowings	8.13	48,197,060	39,438,652	53,179,222
Taxation		735,687	290,360	2,106,192
		<u>72,666,448</u>	<u>97,336,552</u>	<u>826,675,889</u>
NET CURRENT LIABILITIES		<u>(12,772,897)</u>	<u>(19,481,390)</u>	<u>(798,770,632)</u>
NON-CURRENT LIABILITIES				
Trade and other payables	8.11	5,114,674	3,814,986	1,582,774
Borrowings	8.13	174,707,371	193,962,302	293,015,746
Deferred tax liabilities	8.14	7,624,189	9,430,711	2,426,654
		<u>187,446,234</u>	<u>207,207,999</u>	<u>297,025,174</u>
NET ASSETS		<u>85,666,783</u>	<u>119,963,588</u>	<u>134,268,255</u>
EQUITY ATTRIBUTABLE TO EQUITY HOLDER OF ICON FLEET				
Share capital	8.15	14,684,415	14,684,415	14,684,415
Share premium		19,068,693	19,068,693	19,068,693
Retained earnings		51,913,675	86,210,480	100,515,147
TOTAL EQUITY		<u>85,666,783</u>	<u>119,963,588</u>	<u>134,268,255</u>

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

7 HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

7.3 Consolidated Statements of Changes in Equity

	Number of shares	Issued and fully paid ordinary shares of RM1 each		Retained earnings RM	Attributable to equity holder of ICON Fleet		Total equity RM
		Share capital RM	Share premium RM		Total equity holder of ICON Fleet RM	Non- controlling interest RM	
At 1 January 2011	14,684,415	14,684,415	19,068,693	29,267,299	63,020,407	4,272,648	67,293,055
Total comprehensive income for the financial year	-	-	-	20,122,057	20,122,057	-	20,122,057
Transactions with owners	14,684,415	14,684,415	19,068,693	49,389,356	83,142,464	4,272,648	87,415,112
Acquisition of non-controlling interest	-	-	-	2,524,319	2,524,319	(4,272,648)	(1,748,329)
At 31 December 2011	14,684,415	14,684,415	19,068,693	51,913,675	85,666,783	-	85,666,783

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)
 7 HISTORICAL FINANCIAL STATEMENTS (CONTINUED)
 7.3 Consolidated Statements of Changes in Equity (continued)

		Attributable to equity holder of ICON Fleet				
		Number of shares	Issued and fully paid ordinary shares of RM1 each	Retained earnings	Total equity attributable to equity holder of ICON Fleet	
			Share capital RM	Share premium RM	RM	
At 1 January 2012	Total comprehensive income for the financial year	14,684,415	14,684,415	19,068,693	85,666,783	
		-	-	-	34,296,805	
		<u>14,684,415</u>	<u>14,684,415</u>	<u>19,068,693</u>	<u>119,963,588</u>	
At 1 January 2013	Total comprehensive income for the financial year	14,684,415	14,684,415	19,068,693	119,963,588	
		-	-	-	14,304,667	
		<u>14,684,415</u>	<u>14,684,415</u>	<u>19,068,693</u>	<u>134,268,255</u>	

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

7 HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

7.4 Consolidated Statements of Cash Flows

	Financial year ended 31 December		
	2011 RM	2012 RM	2013 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation	21,902,880	38,053,145	13,068,014
Adjustments for:			
Interest expense	12,741,512	15,421,311	18,127,566
Depreciation of property, plant and equipment	14,359,275	15,881,814	20,091,011
Unrealised (gain)/loss on foreign exchange	(500,278)	(345,562)	863,349
Interest income	(151,702)	(202,195)	(259,599)
Impairment of receivables	180,623	1,920,573	413,452
Impairment of property, plant and equipment	-	-	32,955,579
Property, plant and equipment written off	-	363,239	60,921
Gain on disposal of property, plant and equipment	-	(300,627)	(564,924)
Loss on disposal of a subsidiary	-	-	642,977
Reversal of impairment of receivables	-	-	(1,745,393)
Operating profit before working capital changes	48,532,310	70,791,698	83,652,953
Changes in working capital:			
Inventories	311,398	(471,434)	284,829
Receivables	(23,906,206)	859,194	(5,981,592)
Payables	14,437,548	(7,841,600)	(9,093,384)
Receivables from a fellow subsidiary	-	-	(15,864,442)
Payables to fellow subsidiaries	-	-	45,530,945
Cash generated from operations	39,375,050	63,337,858	98,529,309
Tax paid	(747,437)	(2,449,504)	(3,350,431)
Net cash generated from operating activities	38,627,613	60,888,354	95,178,878
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(68,202,211)	(77,133,786)	(230,235,111)
Proceeds from disposal of property, plant and equipment	-	657,583	20,919,447
Interest received	151,702	202,195	259,599
Net cash outflow from disposal of a subsidiary	-	-	(21,683,567)
Net cash used in investing activities	(68,050,509)	(76,274,008)	(230,739,632)

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

7 HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

7.4 Consolidated Statements of Cash Flows (continued)

	Note	Financial year ended 31 December		
		2011 RM	2012 RM	2013 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of Redeemable Cumulative Convertible Secured Loan Stocks - Series B ("RCCSLS Series B")		9,000,000	6,000,000	-
Proceeds from issuance of Redeemable Cumulative Convertible Preferences Shares Series A ("RCCPS Series A")		6,000,000	4,000,000	-
Repayments of RCCPS Series A		-	-	(11,722,022)
Repayments of RCCSLS Series B		-	(15,000,000)	-
Repayments of Redeemable Cumulative Convertible Secured Loan Stocks ("RCCSLS")		-	(17,000,000)	-
Drawdown of term loans (net of transaction costs)		55,581,230	66,769,331	170,774,789
Repayments of term loans		(24,953,663)	(33,277,878)	(47,247,379)
Repayments of obligation under finance lease		(184,500)	(858,660)	-
(Increase)/decrease in deposits pledged		(2,348,251)	(820,963)	4,955,816
Interest paid		(12,187,756)	(14,304,784)	(17,416,218)
Advances from immediate holding company		-	39,680,000	12,200,000
Acquisition of non-controlling interest		(26,307)	-	-
Net cash generated from financing activities		30,880,753	35,187,046	111,544,986
Exchange (losses)/gains on cash and bank balances		(189,695)	(406,770)	28,085
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,268,162	19,394,622	(23,987,683)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR		7,396,570	8,664,732	28,059,354
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL YEAR	8.10	8,664,732	28,059,354	4,071,671

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS

8.1 Revenue

	Financial year ended 31 December		
	2011 RM	2012 RM	2013 RM
Chartering and hiring of vessels	100,224,972	135,620,189	151,951,700

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.2 Finance costs

	Financial year ended 31 December		
	2011 RM	2012 RM	2013 RM
Term loan interest/profit	11,153,239	12,343,488	13,966,935
Interest on amount due to immediate holding company	-	402,644	2,420,164
Interest on RCCSLs	1,269,151	1,651,329	-
Interest on RCCPS Series A	-	419,223	1,669,768
Finance lease interest	46,236	40,303	3,732
Bank overdraft interest	62,728	110,455	27,381
Others	210,158	453,869	39,586
Finance costs	<u>12,741,512</u>	<u>15,421,311</u>	<u>18,127,566</u>

8.3 Profit before taxation

Profit before taxation is stated after charging/(crediting):

	Financial year ended 31 December		
	2011 RM	2012 RM	2013 RM
Auditors' remuneration	135,600	169,600	235,500
Consumable cost	3,063,259	3,662,027	3,542,211
Depreciation of property, plant and equipment	14,359,275	15,881,814	20,091,011
Employee benefits expense (Note 8.4)	17,832,604	22,797,848	15,133,785
Impairment on property, plant and equipment	-	-	32,955,579
Impairment of receivables	180,623	1,920,573	413,452
Insurance	1,824,375	3,107,815	1,979,582
Loss on disposal of a subsidiary	-	-	642,977
Professional fees	675,514	582,681	553,702
Property, plant and equipment written off	-	363,239	60,921
Rental of premises	186,000	274,210	43,605
Ship operation and charter hire cost	24,115,501	28,659,738	41,660,492
Unrealised (gain)/loss on foreign exchange	(500,278)	(345,562)	863,349
Gain on disposal of property, plant and equipment	-	(300,627)	(564,924)
Interest income	(151,702)	(202,195)	(259,599)
Realised loss/(gain) foreign exchange	308,402	(173,282)	(711,078)
Reversal of impairment of receivables	-	-	(1,745,393)
	<u></u>	<u></u>	<u></u>

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.4 Employee benefits expense

	<u>Financial year ended 31 December</u>		
	<u>2011</u>	<u>2012</u>	<u>2013</u>
	RM	RM	RM
Wages and salaries	16,527,667	20,887,259	13,908,156
Social security costs	71,049	106,143	95,855
Defined contribution plan	1,233,888	1,804,446	1,129,774
	<u>17,832,604</u>	<u>22,797,848</u>	<u>15,133,785</u>

Included in employee benefits expense of ICON Fleet Group are the Executive Directors' remuneration amounting to RM357,000 (2012: RM2,065,270; 2011: RM2,167,936) as further disclosed in Note 8.5 of Section III to this Report.

8.5 Directors' remuneration

	<u>Financial year ended 31 December</u>		
	<u>2011</u>	<u>2012</u>	<u>2013</u>
	RM	RM	RM
Executive Directors:			
- Salaries and bonuses	1,821,250	1,735,000	300,000
- Defined contribution plan	346,686	330,270	57,000
Total Executive Directors' remuneration (excluding benefits-in-kind)	<u>2,167,936</u>	<u>2,065,270</u>	<u>357,000</u>

Benefits-in-kind received by the Directors of ICON Fleet amounted to RM Nil (2012: RM52,200; 2011: RM69,600).

8.6 Taxation

	<u>Financial year ended 31 December</u>		
	<u>2011</u>	<u>2012</u>	<u>2013</u>
	RM	RM	RM
Current income tax:			
- Current financial year	1,393,149	1,979,248	5,861,035
- Over provision of tax in prior financial year	(434)	(29,430)	(156,437)
Deferred tax relating to the origination and reversal of temporary timing differences (Note 8.14)	388,108	1,806,522	(6,941,251)
Tax expense/(credit) for the financial year	<u>1,780,823</u>	<u>3,756,340</u>	<u>(1,236,653)</u>

The Malaysian corporate statutory tax rate for the year of assessment 2013 is 25% (2012 and 2011: 25%).

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. Subsidiaries of ICON Fleet being Malaysian tax residents incorporated in Labuan under the Labuan Companies Act, 1990 are taxed at 3% of profit before taxation or RM20,000 in accordance with the Labuan Business Activity Tax Act, 1990.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.6 Taxation (continued)

Reconciliations of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of ICON Fleet Group are as follows:

	<u>Financial year ended 31 December</u>		
	<u>2011</u> RM	<u>2012</u> RM	<u>2013</u> RM
Profit before taxation	21,902,880	38,053,145	13,068,014
Taxation at Malaysian statutory tax rate at 25%	5,475,720	9,513,286	3,267,004
Effects of different tax rate in Labuan	(3,907,314)	(7,052,215)	(3,122,137)
Tax effect of expenses that are not deductible for tax purposes	201,089	1,635,443	1,846,426
Tax effect of income not subject to tax	-	(322,921)	(331,410)
Deferred tax assets not recognised during the year*	11,762	12,177	5,381,482
Tax effect of disposal of vessels*	-	-	(8,121,581)
Over provision of tax in prior financial year	(434)	(29,430)	(156,437)
Tax expense/(credit) for the financial year	<u>1,780,823</u>	<u>3,756,340</u>	<u>(1,236,653)</u>

* Pursuant to the internal reorganisation, ICON Fleet Group as at 31 December 2013, transferred one of its vessels to its newly incorporated Labuan subsidiary. The transfer gave rise to a net reversal of tax credit of RM2,740,099 for the financial year ended 31 December 2013.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.7 Property, plant and equipment

	Vessels under commissioning RM	Vessels RM	Vessel parts RM	Drydocking expenditure RM	Motor vehicles RM	Office equipment RM	Computers RM	Furniture and fittings RM	Renovation RM	Work in progress RM	Total RM
At 31 December 2011											
Cost											
Beginning of the financial year	-	231,404,371	4,595,356	1,895,719	1,480,915	118,755	306,885	116,363	416,907	7,665,757	248,001,028
Additions	-	59,989,305	-	1,268,303	-	30,809	60,388	5,199	6,510	8,110,000	69,470,514
Reclassifications	-	7,657,711	-	-	-	8,046	-	-	-	(7,665,757)	-
End of the financial year	-	299,051,387	4,595,356	3,164,022	1,480,915	157,610	367,273	121,562	423,417	8,110,000	317,471,542
Accumulated depreciation											
Beginning of the financial year	-	15,281,489	-	1,120,721	602,961	23,593	99,555	14,687	83,347	-	17,226,353
Charge for the year	-	12,364,724	709,850	849,064	296,184	14,165	70,857	12,188	42,243	-	14,359,275
End of the financial year	-	27,646,213	709,850	1,969,785	899,145	37,758	170,412	26,875	125,590	-	31,585,628
Net book value	-	271,405,174	3,885,506	1,194,237	581,770	119,852	196,861	94,687	297,827	8,110,000	285,885,914
At 31 December 2012											
Cost											
Beginning of the financial year	-	299,051,387	4,595,356	3,164,022	1,480,915	157,610	367,273	121,562	423,417	8,110,000	317,471,542
Additions	-	72,990,000	33,253	1,948,353	163,501	4,640	78,315	5,860	-	2,145,150	77,369,072
Disposals	-	-	-	-	(1,458,515)	-	(6,599)	(125,601)	(423,417)	-	(1,458,515)
Write offs	-	8,094,346	7,756	-	-	(15,655)	15,654	-	-	(8,110,000)	(571,272)
Reclassifications	-	-	-	-	-	(7,756)	-	-	-	-	-
End of the financial year	-	380,135,733	4,636,365	5,112,375	185,901	138,839	454,643	1,821	-	2,145,150	392,810,827
Accumulated depreciation											
Beginning of the financial year	-	27,646,213	709,850	1,969,785	899,145	37,758	170,412	26,875	125,590	-	31,585,628
Charge for the year	-	14,006,069	427,003	1,045,406	254,736	15,092	87,504	10,895	35,109	-	15,881,814
Disposals	-	-	-	-	(1,101,559)	-	(4,544)	(36,480)	(160,699)	-	(1,101,559)
Write offs	-	(2,301)	2,328	-	-	(6,310)	2,301	-	-	-	(208,033)
Reclassifications	-	-	-	-	-	(2,328)	-	-	-	-	-
End of the financial year	-	41,649,981	1,139,181	3,015,191	52,322	44,212	255,673	1,290	-	-	46,157,850
Net book value	-	338,485,752	3,497,184	2,097,184	133,579	94,627	198,970	531	-	2,145,150	346,652,977

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.7 Property, plant and equipment (continued)

At 31 December 2013	Vessels under commissioning RM	Vessels RM	Vessel parts RM	Drydocking expenditure RM	Motor vehicles RM	Office equipment RM	Computers RM	Furniture and fittings RM	Renovation RM	Work in progress RM	Total RM
Cost											
Beginning of the financial year	-	380,135,733	4,636,365	5,112,375	185,901	138,839	454,643	1,821	-	2,145,150	392,810,827
Additions	93,533,717	825,317,653	740,237	24,820,891	-	2,060	205,651	3,158	1,700	12,577,759	957,202,826
Reclassifications	-	2,145,150	-	-	-	-	-	-	-	(2,145,150)	-
Disposals	-	(35,582,111)	(779,762)	(3,299,428)	-	(33,026)	(29,935)	-	-	-	(39,691,236)
Write offs	-	-	-	-	-	(62,599)	(27,895)	-	-	-	(60,921)
Effects on disposal of a subsidiary	-	-	-	-	(185,901)	(62,599)	(490,360)	(3,158)	(1,700)	-	(743,718)
End of the financial year	93,533,717	1,172,016,425	4,596,840	26,633,838	-	45,274	112,104	1,821	-	12,577,759	1,309,517,778
Accumulated depreciation											
Beginning of the financial year	-	41,649,981	1,139,181	3,015,191	52,322	44,212	255,673	1,290	-	-	46,157,850
Charge for the year	-	16,378,747	431,449	3,117,173	34,046	17,325	112,058	90	123	-	20,091,011
Disposals	-	(9,391,753)	(337,286)	(2,254,450)	(86,368)	-	(26,713)	-	-	-	(12,010,202)
Effects on disposal of a subsidiary	-	-	-	-	-	(41,060)	(286,459)	-	(123)	-	(414,010)
End of the financial year	-	48,636,975	1,233,344	3,877,914	-	20,477	54,559	1,380	-	-	53,824,649
Accumulated impairment loss											
Beginning of the financial year	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	32,955,579	-	-	-	-	-	-	-	-	32,955,579
Disposals	-	(7,326,511)	-	-	-	-	-	-	-	-	(7,326,511)
End of the financial year	-	25,629,068	-	-	-	-	-	-	-	-	25,629,068
Net book value	93,533,717	1,097,750,382	3,363,496	22,755,924	-	24,797	57,545	441	-	12,577,759	1,230,064,061

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.7 Property, plant and equipment (continued)

- (i) Property, plant and equipment as at the financial year end includes motor vehicles acquired by means of finance lease amounting to RM Nil (2012: RM133,579; 2011: RM581,770).
- (i) Leased assets are pledged as security for the related finance lease liabilities as disclosed in Note 8.13 of Section III to this Report).
- (ii) All the vessels have been charged to secure against the borrowings granted to ICON Fleet Group as disclosed in Note 8.13 of Section III to this Report.
- (iii) The impairment charge on vessels of RM32,955,579 is included in other expenses in the statement of comprehensive income.
- (iv) The principal non-cash transactions are as follows:

Financial year ended 31 December 2011

- Drydocking expenditure of RM1,268,303 capitalised was accrued as at the financial year ended and was subsequently paid in 2012.

Financial year ended 31 December 2012

- Drydocking expenditure of RM1,356,589 capitalised was accrued as at the financial year ended and was subsequently paid in 2013.
- Acquisition of motor vehicles of RM147,000 by means of finance leases.

Financial year ended 31 December 2013

- Drydocking expenditure of RM2,326,736 capitalised was accrued as at the financial year end.
- Vessel parts of RM350,000 capitalised was accrued as at the financial year end.
- Acquisition of vessels under commissioning, vessels and drydocking expenditure at RM725,647,568 via settlement of amounts due to a fellow subsidiary.

8.8 Trade and other receivables

	<u>As at 31 December</u>		
	<u>2011</u> RM	<u>2012</u> RM	<u>2013</u> RM
Trade receivables	43,103,143	40,261,590	-
Other receivables	793,655	1,039,931	4,524,438
Prepayments	699,713	515,223	845,603
	<u>44,596,511</u>	<u>41,816,744</u>	<u>5,370,041</u>
<u>Trade receivables</u>			
Trade receivables	43,283,766	42,362,786	-
Less: Impairment of receivables	(180,623)	(2,101,196)	-
	<u>43,103,143</u>	<u>40,261,590</u>	<u>-</u>

All trade receivables are denominated in Ringgit Malaysia.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.8 Trade and other receivables (continued)

The credit term of trade receivables ranges from 30 days to 60 days (2012 and 2011: 30 days to 60 days).

Ageing analysis of trade and other receivables

As at the end of financial year, the trade receivables ageing is as follows:

	<u>As at 31 December</u>		
	<u>2011</u> RM	<u>2012</u> RM	<u>2013</u> RM
Neither past due nor impaired	13,478,080	14,366,430	-
One month past due but not impaired	13,900,968	10,980,564	-
Two to six months past due but not impaired	14,256,535	13,657,414	-
More than six month past due but not impaired	1,467,560	1,257,182	-
	<u>43,103,143</u>	<u>40,261,590</u>	-
Impaired	180,623	2,101,196	-
	<u>43,283,766</u>	<u>42,362,786</u>	-

Other receivables are neither past due nor impaired.

Trade and other receivables that are neither past due nor impaired

None of ICON Fleet Group's trade and other receivables that are neither past due nor impaired have been renegotiated during the financial years.

Trade receivables that are past due but not impaired

The ICON Fleet Group has trade receivables amounting to RM25,895,160 as at 31 December 2012 and RM29,625,063 as at 31 December 2011 that are past due at the reporting date but not impaired.

Based on past experience and no adverse information to date, the Directors of ICON Fleet Group are of the opinion that no impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable.

Trade receivables that are impaired

	<u>As at 31 December</u>		
	<u>2011</u> RM	<u>2012</u> RM	<u>2013</u> RM
Trade receivables - nominal amount	180,623	2,101,196	-
Less: Impairment of receivables	(180,623)	(2,101,196)	-
	<u>-</u>	<u>-</u>	<u>-</u>

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.8 Trade and other receivables (continued)

Movement in impairment of receivables:

	<u>As at 31 December</u>		
	<u>2011</u> RM	<u>2012</u> RM	<u>2013</u> RM
Beginning of the financial year	-	180,623	2,101,196
Charge during the financial year	180,623	1,920,573	413,452
Effects on disposal of a subsidiary	-	-	(769,255)
Reversal during the financial year	-	-	(1,745,393)
End of the financial year	<u>180,623</u>	<u>2,101,196</u>	<u>-</u>

8.9 Amount due from a fellow subsidiary/(to) fellow subsidiaries

The amount due from a fellow subsidiary/(to) fellow subsidiaries are unsecured, interest-free and repayable on demand.

8.10 Cash and bank balances

	<u>As at 31 December</u>		
	<u>2011</u> RM	<u>2012</u> RM	<u>2013</u> RM
Fixed deposits with licensed banks	6,632,308	7,953,271	2,990,890
Bank balances	8,657,954	27,546,602	3,578,137
Cash in hand	6,778	12,752	99
Cash and bank balances	<u>15,297,040</u>	<u>35,512,625</u>	<u>6,569,126</u>
Less: Deposits pledged as security	(6,632,308)	(7,453,271)	(2,497,455)
Cash and cash equivalents	<u>8,664,732</u>	<u>28,059,354</u>	<u>4,071,671</u>

The interest rates of deposits of ICON Fleet Group at the reporting date range from 2.20% to 3.60% (2012: 2.30% to 3.38%; 2011: 2.30% to 3.15%) per annum.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.11 Trade and other payables

	As at 31 December		
	2011 RM	2012 RM	2013 RM
<u>Current</u>			
Trade payables	8,379,224	9,727,537	5,356,388
Other payables	170,761	124,950	260,049
Accruals	12,675,953	7,672,409	3,685,871
Amount due to a former Director	2,347,500	-	-
Deferred income	160,263	-	-
	<u>23,733,701</u>	<u>17,524,896</u>	<u>9,302,308</u>
<u>Non-current</u>			
Trade payables	5,114,674	3,814,986	1,582,774
	<u>28,848,375</u>	<u>21,339,882</u>	<u>10,885,082</u>

The total trade and other payables are denominated in Ringgit Malaysia and with credit terms of 30 days (2012 and 2011: 30 days).

The carrying value of the trade payable balance approximates its fair values as at 31 December 2011, 31 December 2012 and 31 December 2013.

8.12 Amount due to immediate holding company

The amount due to immediate holding company is unsecured, subject to interest of 5% per annum (2012: 5%; 2011: Nil) and repayable on demand.

8.13 Borrowings

	As at 31 December		
	2011 RM	2012 RM	2013 RM
<u>Current</u>			
Bank borrowings - term loans	30,629,998	38,990,024	53,179,222
RCCSLs	17,374,151	-	-
RCCPS Series A	-	419,223	-
Finance lease liabilities	192,911	29,405	-
	<u>48,197,060</u>	<u>39,438,652</u>	<u>53,179,222</u>
<u>Non-current</u>			
Bank borrowings - term loans	157,343,499	182,146,584	293,015,746
RCCSLs Series B	9,000,000	-	-
RCCPS Series A	7,722,022	11,722,022	-
Finance lease liabilities	641,850	93,696	-
	<u>174,707,371</u>	<u>193,962,302</u>	<u>293,015,746</u>
Total borrowings	<u>222,904,431</u>	<u>233,400,954</u>	<u>346,194,968</u>

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.13 Borrowings (continued)

The table below shows the carrying amounts and fair value of the borrowings, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs 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).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of the borrowings are estimated using the income approach, by discounting the cash flows based on the market interest rates of a comparable instrument. This is a Level 2 fair value measurement.

	Carrying amount as at 31 December			Fair value as at 31 December		
	2011 RM	2012 RM	2013 RM	2011 RM	2012 RM	2013 RM
Fixed rate term loans	124,000,184	138,826,526	179,671,874	125,787,623	140,589,541	179,973,668
RCCPS Series A	7,722,022	12,141,245	-	6,348,801	10,741,012	-
RCCSLs Series B	9,000,000	-	-	8,585,944	-	-

The range of interest/profit rates (per annum) are as follows:

	As at 31 December		
	2011 %	2012 %	2013 %
Term loans	4.00 – 7.09	4.00 – 7.07	4.00 – 6.86
RCCPS Series A	7.00	7.00	7.00
RCCSLs Series B	5.00	5.00	-

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.13 Borrowings (continued)

	Interest/profit rate terms	Total carrying amount RM	Maturity profile			
			< 1 year RM	1 - 2 years RM	2 - 5 years RM	> 5 years RM
<u>At 31 December 2011</u>						
Secured:						
- term loans	Fixed rates depending on disbursement of tranches	124,000,184	18,992,509	19,583,426	55,609,892	29,814,357
RCCPS Series A	Floating rate varying based on cost of funds	63,973,313	11,637,489	10,758,680	30,018,326	11,558,818
RCCSLs		7,722,022	-	-	7,722,022	-
RCCSLs Series B		17,374,151	17,374,151	-	-	-
		9,000,000	-	-	-	9,000,000
		222,069,670	48,004,149	30,342,106	93,350,240	50,373,175
<u>At 31 December 2012</u>						
Secured:						
- term loans	Fixed rates depending on disbursement of tranches	138,826,526	23,004,646	23,235,300	60,142,618	32,443,962
RCCPS Series A	Floating rate varying based on cost of funds	82,310,082	15,985,378	14,564,660	36,486,832	15,273,212
		12,141,245	419,223	11,722,022	-	-
		233,277,853	39,409,247	49,521,982	96,629,450	47,717,174
<u>At 31 December 2013</u>						
Secured:						
- term loans	Fixed rates depending on disbursement of tranches	179,671,874	25,870,797	28,150,783	79,317,493	46,332,801
	Floating rate varying based on cost of funds	166,523,094	27,308,425	26,944,033	66,718,597	45,552,039
		346,194,968	53,179,222	55,094,816	146,036,090	91,884,840

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.13 Borrowings (continued)

The term loans were secured as follows (either single security or combination of securities):

- (i) Fixed charges over vessels.
- (ii) Assignment of insurance policies for the vessels charged in (i) above.
- (iii) Assignment of charter proceeds for the vessels charged in (i) above.
- (iv) Assignment of ship building contracts for the vessels charged in (i) above.

The term loans facilities were arranged to finance the construction and purchase of vessels for ICON Fleet Group.

As at 31 December 2013, ICON Fleet Group has given corporate guarantees of RM271,915,000 to financial institutions for facilities utilised by its subsidiaries.

Finance lease liabilities

	<u>As at 31 December</u>		
	<u>2011</u> RM	<u>2012</u> RM	<u>2013</u> RM
Minimum lease payments:			
- Not later than 1 year	230,736	33,036	-
- Later than 1 year and not later than 5 years	693,267	104,589	-
	<u>924,003</u>	<u>137,625</u>	-
Future finance charges	(89,242)	(14,524)	-
Present value of finance lease liabilities	<u>834,761</u>	<u>123,101</u>	-
Principal portion payables:			
- Not later than 1 year	192,911	29,405	-
- Later than 1 year but not later than 5 years	641,850	93,696	-
Present value of finance lease liabilities	<u>834,761</u>	<u>123,101</u>	-

(i) REDEEMABLE CUMULATIVE CONVERTIBLE SECURED LOAN STOCK

On 11 December 2008, ICON Fleet had entered into an agreement with one of its former shareholders to undertake the RCCSLS. The salient terms of issuance of the RCCSLS are as follows:

(a) Tenure

The RCCSLS shall expire on 30 September 2012.

The RCCSLS is redeemable at the election of the Subscriber on the happening of any events of default or such other extended period as may be decided by the Subscriber from time to time.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.13 Borrowings (continued)

(i) REDEEMABLE CUMULATIVE CONVERTIBLE SECURED LOAN STOCK (CONTINUED)

(b) Interest rate

The interest on the RCCSLS shall be at 7% per annum calculated on a daily rest basis and payable yearly in arrears in the manner to be determined from time to time by the Subscriber. The first of such interest payment shall be due and payable at the end of the first anniversary from the date of first issuance of the RCCSLS and the subsequent interest payment shall be paid on or before end of each subsequent anniversary date thereafter.

The RCCSLS was redeemed on 1 October 2012.

(ii) REDEEMABLE CUMULATIVE CONVERTIBLE SECURED LOAN STOCK SERIES B

ICON Fleet had issued the RCCSLS Series B on 7 September 2011. The salient terms of the RCCSLS Series B are as follows:

(a) Tenure

The RCCSLS Series B shall expire 10 years after the date of its issuance.

(b) Coupon rate

The RCCSLS Series B bears a fixed coupon rate of 3% per annum and shall be paid in arrears on an annual basis throughout the tenure on all outstanding RCCSLS Series B and by 31 December of each year.

(c) Redemption

The RCCSLS Series B may be redeemed by ICON Fleet at any time at a Redemption Price.

(d) Conversion

RCCSLS Series B is convertible at the option of the holder at any time during its tenure and at an applicable conversion mechanism into ordinary shares of ICON Fleet.

(e) Security

The RCCSLS Series B is secured by a second legal mortgage over six vessels.

The RCCSLS Series B was redeemed on 1 October 2012.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.13 Borrowings (continued)

(iii) REDEEMABLE CUMULATIVE CONVERTIBLE PREFERENCE SHARES SERIES A

ICON Fleet had issued the RCCPS Series A on 7 September 2011. The salient terms are as follows:

- (a) The RCCPS Series A is at an Issue Price of RM1.00 each and Par Value of RM0.10 each.
- (b) The RCCPS Series A carry a dividend rate of 3% per annum, is cumulative and shall be payable to the holder by the end of each financial year of ICON Fleet. Dividend payment shall be subject to the availability of profit for the financial year.
- (c) ICON Fleet shall have the sole and absolute right to redeem the outstanding RCCPS Series A if ICON Fleet's listing application is rejected by an approved stock exchange. The redemption may take place at a date no earlier than 7 September 2013.
- (d) The holder has the right to require ICON Fleet to redeem the RCCPS Series A if ICON Fleet decides not to participate in a listing exercise or fails to list on an approved stock exchange by 7 September 2014.
- (e) Each RCCPS Series A is convertible at the applicable Conversion Rate into the ordinary shares in the share capital of ICON Fleet at the option of the Series A Shareholder upon ICON Fleet obtaining all the necessary approvals from the relevant authorities for a listing and quotation of the entire issued and paid up share capital of ICON Fleet on an approved stock exchange.
- (f) 1,722,022 RCCPS Series A were issued as part of the consideration paid to acquire non-controlling interest in 2011.

The RCCPS Series A was fully redeemed during the financial year ended 31 December 2013.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.14 Deferred taxation

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position.

	As at 31 December		
	2011 RM	2012 RM	2013 RM
Deferred tax assets:			
- recoverable after more than 12 months	(8,485,602)	(5,663,182)	-
- recoverable within 12 months	-	(3,192,513)	-
Deferred tax liabilities:			
- recoverable after more than 12 months	15,958,537	18,286,406	-
- recoverable within 12 months	151,254	-	2,426,654
Deferred tax liabilities (after offsetting)	<u>7,624,189</u>	<u>9,430,711</u>	<u>2,426,654</u>

The movements during the financial year relating to deferred taxation are as follows:

	As at 31 December		
	2011 RM	2012 RM	2013 RM
Beginning of the financial year	<u>7,236,081</u>	<u>7,624,189</u>	<u>9,430,711</u>
Charged/(credited) to profit or loss (Note 8.6):			
- property, plant and equipment	387,760	1,979,373	(7,142,464)
- unutilised tax losses	348	(172,851)	201,213
- effects of disposal of a subsidiary	-	-	(62,806)
Deferred tax liabilities (after offsetting)	<u>7,624,189</u>	<u>9,430,711</u>	<u>2,426,654</u>
Deferred tax assets:			
- property, plant and equipment	(8,457,240)	(8,654,482)	-
- unutilised tax losses	(28,362)	(201,213)	-
Deferred tax liabilities:			
- property, plant and equipment	<u>16,109,791</u>	<u>18,286,406</u>	<u>2,426,654</u>
Deferred tax liabilities (after offsetting)	<u>7,624,189</u>	<u>9,430,711</u>	<u>2,426,654</u>

The amount of unutilised capital allowances and unutilised tax losses (both of which have no expiry date) for which no deferred tax asset is recognised in the statements of financial position as it is not probable that taxable profit will be available against which these temporary differences can be utilised are as follows:

	As at 31 December		
	2011 RM	2012 RM	2013 RM
Unutilised capital allowances	-	-	21,416,773
Unutilised tax losses	<u>47,048</u>	<u>48,708</u>	<u>109,155</u>

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.15 Share capital

	As at 31 December		
	2011 RM	2012 RM	2013 RM
Authorised:			
Ordinary shares of RM1.00 each:			
Beginning of the financial year	25,000,000	22,000,000	22,000,000
Converted to RCCPS during the financial year	(3,000,000)	-	-
End of the financial year	<u>22,000,000</u>	<u>22,000,000</u>	<u>22,000,000</u>
RCCPS Series A of RM0.10 each:			
Beginning of the financial year	-	3,000,000	3,000,000
Converted from ordinary share capital during the financial year	3,000,000	-	-
End of the financial year	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
Issued and fully paid:			
Ordinary shares of RM1.00 each:			
Beginning of the financial year	8,076,428	8,076,428	14,684,415
Transfer from Class "A" ordinary share capital during the financial year	-	6,607,987	-
End of the financial year	<u>8,076,428</u>	<u>14,684,415</u>	<u>14,684,415</u>
Class "A" ordinary share capital of RM1.00 each:			
Beginning of the financial year	6,607,987	6,607,987	-
Transfer to ordinary share capital during the financial year	-	(6,607,987)	-
End of the financial year	<u>6,607,987</u>	<u>-</u>	<u>-</u>
RCCPS Series A of RM0.10 each:			
Beginning of the financial year	-	7,722,022	11,722,022
Issued during the financial year	7,722,022	4,000,000	-
Redeemed during the financial year	-	-	(11,722,022)
End of the financial year	<u>7,722,022</u>	<u>11,722,022</u>	<u>-</u>

On 7 September 2011, the authorised share capital has been divided into 22,000,000 ordinary shares of RM1.00 each and 30,000,000 Redeemable Convertible Cumulative Preference Shares ("RCCPS") of RM0.10 each.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.15 Share capital (continued)

The holders of ordinary shares are entitled to receive dividends as and when declared by ICON Fleet. All ordinary shares carry one vote per share without restrictions and rank equally with regard to ICON Fleet's residual assets.

The Class "A" ordinary shares issued shall rank pari passu in all respects with the existing ordinary shares in the capital of ICON Fleet.

The Class "A" ordinary shares have the following rights:

- (i) Upon the winding up or dissolution of ICON Fleet for whatever reason or cause, the holders shall be paid in priority to all other classes of shares the nominal capital to the Class "A" ordinary shares and the premium amount paid to ICON Fleet in the subscription of the Class "A" ordinary shares and the premium amount paid in respect of the ordinary shares purchased which are classified as Class "A" ordinary shares.
- (ii) The Subscriber is entitled to accelerated dividend payments in the event the proposed listing of ICON Fleet on a recognised stock exchange or trade sale of the entire issued and paid-up share capital of ICON Fleet to a third party pursuant to the transaction agreement does not materialise by 30 December 2012.
- (iii) No variation to the rights of Class "A" ordinary shares shall be effected without the prior written consent of the holder of Class "A" ordinary shares.

Save and except for (i), (ii) and (iii) above, the Class "A" Ordinary Shares shall rank pari passu in all other respects with the issued ordinary shares of ICON Fleet.

Effective 1 November 2012, the Class "A" ordinary shares were converted to ordinary shares.

8.16 Capital commitments

	<u>As at 31 December</u>		
	<u>2011</u> RM	<u>2012</u> RM	<u>2013</u> RM
Approved and contracted for:			
- Property, plant and equipment	81,100,000	136,230,000	237,772,423
Approved but not contracted for:			
- Property, plant and equipment	163,500	-	-

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.17 Significant related party transactions

Parties are considered related if the party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

ICON Fleet is controlled by Yayasan Ekuiti Nasional, a foundation incorporated in Malaysia formed by the Malaysian Federal Government.

(i) The related parties and their relationships with ICON Fleet, are as follows:

<u>Related parties</u>	<u>Relationship</u>
Yayasan Ekuiti Nasional	Ultimate holding foundation
Hallmark Odyssey Sdn. Bhd.	Intermediate holding company
ICON	Immediate holding company
ICON Ship	Fellow subsidiary
ICON OGSB*	Fellow subsidiary

* ICON OGSB ceased to be a subsidiary to ICON Fleet upon the acquisition of ICON OGSB's shares by ICON during the financial year ended 31 December 2013 following the internal group reorganisation.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of ICON Fleet either directly or indirectly. The key management personnel of ICON Fleet includes all the Directors of ICON Fleet who make certain critical decisions in relation to the strategic direction of ICON Fleet. Remuneration of key management personnel are disclosed in Note 8.5 of Section III to this Report.

(ii) Significant related party transactions

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions. The related party transactions described below were carried out on terms and conditions agreed with related parties.

	<u>2013</u> RM
Vessel chartering revenue:	
- Fellow subsidiaries	32,755,309
Purchase of vessel and drydocking expenditure:	
- Fellow subsidiaries	725,647,568

There are no transactions with related parties in financial year ended 31 December 2011 and 31 December 2012.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.17 Significant related party transactions (continued)

(iii) Significant related party balances

On 28 September 2012, Hallmark Odyssey Sdn. Bhd. ("HO"), acquired 82.5% equity interest in ICON Fleet for a total cash consideration of RM150,900,000. On 19 November 2012, ICON Fleet ceased to be a subsidiary of HO following the acquisition of ICON Fleet's entire equity interest by ICON, a company incorporated in Malaysia from HO and its non-controlling interest, Rahman bin Yusof and Dr. Jamal bin Yusof @ Gordon Duclos for a total consideration of RM227,720,048.

Additionally, ICON had advanced RM39,680,000 during the financial year ended 31 December 2012 to ICON Fleet which was classified in the statement of financial position as amount due to immediate holding company.

Included in ICON Fleet's statements of financial position are the following significant related party balances arising from normal business transactions:

	As at 31 December		
	<u>2011</u> RM	<u>2012</u> RM	<u>2013</u> RM
Amount due from a fellow subsidiary:			
- Trade	-	-	15,864,442
Amounts due to fellow subsidiaries:			
- Non-trade	-	-	720,643,194
Amount due to immediate holding company:			
- Non-trade	-	40,082,644	41,444,973

The transactions have been entered into in the normal course of business at terms mutually agreed between the parties.

Apart from the transactions disclosed in Note 8.17 (ii) of Section III to this Report, ICON Fleet Group has entered into transactions that are collectively, but not individually significant with other government-related entities. These transactions include vessel chartering, drydocking expenditure and repairs and maintenance. They are conducted in the ordinary course of ICON Fleet Group's business on terms consistently applied in accordance with ICON Fleet Group's internal policies and processes.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.18 Financial instruments by category

Analysis of the financial instruments for ICON Fleet Group is as follows:

	As at 31 December		
	2011 RM	2012 RM	2013 RM
<u>Financial assets - Loans and receivables:</u>			
Trade receivables	43,103,143	40,261,590	-
Other receivables excluding prepayments	793,655	1,039,931	4,524,438
Amount due from a fellow subsidiary	-	-	15,864,442
Cash and bank balances	15,297,040	35,512,625	6,569,126
	<u>59,193,838</u>	<u>76,814,146</u>	<u>26,958,006</u>
<u>Financial liabilities at amortised costs:</u>			
Trade payables	13,493,898	13,542,523	6,939,162
Other payables and accruals	15,194,214	7,797,359	3,945,920
Borrowings	222,069,670	233,277,853	346,194,968
Finance lease liabilities	834,761	123,101	-
Amount due to immediate holding company	-	40,082,644	41,444,973
Amounts due to fellow subsidiaries	-	-	720,643,194
	<u>251,592,543</u>	<u>294,823,480</u>	<u>1,119,168,217</u>

8.19 Effects of disposal of a subsidiary

On 16 December 2013, ICON Fleet Group disposed of the investment in Icon Offshore Group Sdn. Bhd. as part of an internal reorganisation for a consideration of RM11,607,771 to ICON, by way of offsetting against the amount due to ICON (Note 8.12).

The effects of disposal of a subsidiary is as follows:

	RM
Net assets of subsidiary disposed of*	12,250,748
Purchase considerations	(11,607,771)
Loss on disposal of a subsidiary	<u>642,977</u>

* Net assets of subsidiary disposed of included cash and bank balances of RM21,683,567.

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.20 Comparatives

Certain comparatives for the financial year ended 31 December 2013 were reclassified to better reflect the underlying nature and classification of these transactions. The effects of these reclassifications to the statements of comprehensive income for the financial years ended 31 December 2011 and 31 December 2012 and the statements of financial position as at 31 December 2011 and 31 December 2012 are as follows:

	<u>As previously reported</u> RM	<u>Reclassifications</u> RM	<u>As restated</u> RM
<u>31 December 2011</u>			
Statement of financial position:			
<u>Non-current assets:</u>			
Property, plant and equipment	277,775,914	8,110,000	285,885,914
<u>Current assets:</u>			
Trade and other receivables	52,706,511	(8,110,000)	44,596,511
<u>Current liabilities:</u>			
Trade and other payables	24,615,256	(881,555)	23,733,701
Borrowings	47,451,784	745,276	48,197,060
<u>Non-current liabilities:</u>			
Trade and other payables	4,904,516	210,158	5,114,674
Borrowings	174,781,250	(73,879)	174,707,371
<u>Statement of comprehensive income:</u>			
Revenue	104,621,144	(4,396,172)	100,224,972
Cost of sales	(62,811,646)	6,425,618	(56,386,028)
Other income	2,287,344	(2,029,446)	257,898
<u>31 December 2012</u>			
Statement of financial position:			
<u>Non-current assets:</u>			
Property, plant and equipment	344,507,827	2,145,150	346,652,977
<u>Current assets:</u>			
Trade and other receivables	43,961,894	(2,145,150)	41,816,744
<u>Current liabilities:</u>			
Trade and other payables	22,193,285	(4,668,389)	17,524,896
Borrowings	37,775,011	1,663,641	39,438,652
<u>Non-current liabilities:</u>			
Trade and other payables	-	3,814,986	3,814,986
Borrowings	194,772,540	(810,238)	193,962,302
<u>Statement of comprehensive income:</u>			
Revenue	153,900,610	(18,280,421)	135,620,189
Cost of sales	(92,450,472)	22,621,716	(69,828,756)
Other income	5,062,746	(4,341,295)	721,451

13. ACCOUNTANTS' REPORT (Cont'd)



III ICON FLEET SDN. BHD. (CONTINUED)

8 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

8.21 Subsequent events after the reporting period

On 21 March 2014, ICON Fleet incorporated four new private limited companies namely Icon Andra (L) Inc, Icon Astrid (L) Inc, Icon Explorer (L) Inc and Icon Pioneer (L) Inc in Labuan, Malaysia. These companies have yet to commence their principal activity of leasing of vessels since the date of incorporation.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers'.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

A handwritten signature in black ink, appearing to read 'YEE WAI YIN'.

YEE WAI YIN
(No. 2081/08/14 (J))
Chartered Accountant

14. DIRECTORS' REPORT

ICONOFFSHORE

ICON OFFSHORE BERHAD (984830-D)
 (Formerly known as Kota Bayu Ekuiti Berhad)
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Registered Office:

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 The Gardens South Tower
 Mid Valley City
 Lingkaran Syed Putra
 59200 Kuala Lumpur
 Malaysia

Date: **26 MAY 2014**

The Shareholders of
Icon Offshore Berhad

Dear Sir/Madam,

On behalf of the Board of Directors of Icon Offshore Berhad ("**ICON**"), we wish to report after due inquiry that during the period from 31 December 2013 (being the date to which the last audited consolidated financial statements of **ICON** and its subsidiaries ("**ICON Group**") have been made up) to the date herein (being a date not earlier than 14 days before the issue of this Prospectus):

- (a) the business of the **ICON Group** has, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen since the last audited financial statements of the **ICON Group** which have adversely affected the trading or the value of the assets of the **ICON Group**;
- (c) the current assets of the **ICON Group** appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) there are no contingent liabilities by reason of any guarantee or indemnity given by the **ICON Group**;
- (e) 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 **ICON Group**; and
- (f) save as disclosed in this Prospectus, there has been no material change in the published reserves or unusual factor affecting the profits of the **ICON Group**.

Yours faithfully,
 For and on behalf of the Board of Directors of
ICON OFFSHORE BERHAD



Dr. Jamal bin Yusof @ Gordon Duclos
 Chief Executive Officer and Non-Independent Executive Director

15. ADDITIONAL INFORMATION

15.1 Share capital

- (i) Save as disclosed in this Prospectus, 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 date of this Prospectus, we only have two classes of shares in our Company, namely ordinary shares of RM0.50 each and the RCPS-i, all of which rank equally with one another. In our Articles, there are no special rights attached to our Shares and RCPS-i.
- (iii) Save as disclosed in 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 years preceding the date of this Prospectus.
- (iv) Save as disclosed in this Prospectus, we have not agreed, conditionally or unconditionally, to put the share capital of our Company or any of our subsidiaries under option.
- (v) Save for the 15,303,000 Issue Shares reserved for subscription by the eligible Directors and employees of our Group as disclosed in Section 4.3.2(ii) of this Prospectus and the ESS, there is currently no other scheme involving our employees and Directors in the share capital of our Company or any of our subsidiaries.
- (vi) Except as disclosed in this Prospectus, and save as provided under our Articles 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.
- (vii) As at the date of this Prospectus, neither we nor our subsidiaries have any outstanding convertible debt securities.

15.2 Extracts of our Articles

15.2.1 Interpretation

- (i) The following provisions are reproduced from our Articles and are qualified in its entirety by the remainder of 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.
- (ii) The provisions relating to changes on capital and variation of class rights as set out in our Articles and as disclosed in Section 15.2.5 of this Prospectus is no more stringent than required by law.

WORDS	MEANINGS
Act	The Companies Act, 1965 and any statutory modification, amendment or re-enactment thereof and any and every other legislation made thereunder for the time being in force
Central Depositories Act	Securities Industry (Central Depositories) Act, 1991 and any statutory modification, amendment or re-enactment thereof and any and every other legislation made thereunder for the time being in force
Company	Icon Offshore Berhad (<i>Company No. 984830-D</i>)

15. ADDITIONAL INFORMATION (Cont'd)

WORDS	MEANINGS
Depositor	A holder of a Securities Account
Deposited Security	A security, as defined in Section 2 of the Central Depositories Act, in the Company standing to the credit of a Securities Account and includes security in a Securities Account that is in suspense and "Deposited Security" shall mean any of them
Depository	Bursa Malaysia Depository Sdn. Bhd. (<i>Company No. 165570-W</i>)
Directors	The directors for the time being of the Company, as a body or a quorum of the Directors present at a meeting of the Directors and as defined in Section 4 of the Act
Exchange	Bursa Malaysia Securities Berhad (<i>Company No. 635998-W</i>) and if not inconsistent with the subject or context, includes such other stock exchange on which the Company is listed or approved to be listed
Listing Requirements	The Main Market Listing Requirements of the Exchange, including the practice notes and appendices that may be issued thereunder and any modifications or amendments to the Listing Requirements that may be made from time to time
Market Day	A day on which the Exchange is open for trading in securities
member or holder of shares	Or any like expression includes a Depositor who shall be treated as if he was a member pursuant to Section 35 of the Central Depositories Act but excludes the Depository in its capacity as a bare trustee
Record of Depositors	The record provided by the Depository to the Company under Chapter 24.0 of the Rules
Register	The Register of Members to be kept pursuant to the Act
Rules	The Rules of the Depository as defined under the Central Depositories Act and any modification or amendment thereto for the time being in force
Securities Account	An account established by the Depository for a Depositor for the recording of deposit of securities and for dealings in such securities by the Depositor as permitted under the Central Depositories Act and/or the Rules
Share Issuance Scheme	A scheme involving a new issuance of shares to the employees
Share	Shares in the Company
The Articles	The articles of association as originally framed or as from time to time altered by special resolution of the Company subject to the Act and/or the written approval of the Exchange (as the case may be)

15. ADDITIONAL INFORMATION (Cont'd)

15.2.2 Transfer of securities

Article 48 – Form of Transfer

"Subject to the provisions of the Act, these Articles, the Central Depositories Act and the Rules with respect to transfer of Deposited Security, all transfers of securities which are shares:

- (a) to the Depository or its nominee company, or
- (b) prior to the listing and quotation of such shares on the Exchange,

may be effected by transfer in writing in the usual common form conforming with the Act and/or approved by the Exchange, or such form as may from time to time, be prescribed under the Act or approved by the Exchange. Subject to these Articles, there shall be no restriction on the transfer of fully paid-up shares except where required by law."

Article 49 - Transfer of securities by book entry

"The transfer of any Deposited Security shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 103 and 104 of the Act, 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 such Deposited Security."

Article 50 - Transmission of securities

"Where:

- (a) the securities of the Company are listed on another stock exchange; and
- (b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) (No. 2) Act 1998, as the case may be, under the Rules in respect of such securities,

the Company shall, upon request by a Depositor, permit a transmission of securities held by such Depositor from the register of holders maintained by the registrar of the company in the jurisdiction of the other stock exchange, to the register of holders maintained by the registrar of the company in Malaysia and vice versa provided that there shall be no change in the ownership of such securities."

Article 51 - Obligation to keep register not affected

"Nothing in these Articles shall be construed as affecting the obligation of the Company to keep a Register under Section 158 of the Act and a register of option holders under Section 68A of the Act and to open them for inspection in accordance with the provisions of the Act except that the Company shall not be obliged to enter in such registers the names and particulars of Depositors who are deemed to be members or option holders."

Article 52 - Instrument of transfer

"Subject to the Central Depositories Act and the Rules, the instrument of transfer of any Deposited Security lodged with the Company for registration must be signed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register."

15. ADDITIONAL INFORMATION (Cont'd)Article 53 - Restriction of transfer

"Subject to the Central Depositories Act and the Rules, no security shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind."

Article 54A - Maintenance of register of transfer

"Subject to Article 49, the Central Depositories Act and the Rules, the Company shall maintain a book called "Register of Transfers" which shall be kept by the Secretary or such other person authorised by the Directors. Subject to the provisions of the Central Depositories Act, the Rules and Article 49, particulars of the transfer or transmission of every security shall be entered into the Register of Transfers."

Article 54B - Closing of registers

"Subject to the provisions of the Act, the Central Depositories Act and the Rules, the Register of Transfers and Record of Depositors may be closed at such time and for such period as the Directors may from time to time determine provided always that it shall not be closed for more than 30 days in any year. Any notice of intention to fix a books closing date and the reason for the same shall be given to the Exchange, such notice shall state the books closing date, which shall be at least 10 market days (or such other period as prescribed by the Exchange or any relevant governing laws and/or guidelines) after the date of announcement to the Exchange. At the latest date which is reasonably practicable which shall in any event be not less than three market days, prior notice shall be given to the Depository to enable the Depository to prepare the appropriate Record of Depositors."

Article 57 - Limitation of liability

"Subject to the Central Depositories Act and the Rules, neither the Company or the Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of securities apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to, the Company or the Directors or other officers, be legally inoperative or insufficient to pass the property in the securities 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 of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the securities 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 securities and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto."

15.2.3 Remuneration of DirectorsArticle 114 - Remuneration of Directors

"The Directors' fees in any year (excluding amounts payable under any other provision of these Articles) shall be a fixed sum as determined from time to time by an ordinary resolution of the Company in a general meeting and (unless otherwise determined by an ordinary resolution of the Company in general meeting) such fee shall be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fee related to the period during which he has held office provided always that:

- (a) fees payable to non-executive Directors shall be by a fixed sum of money and not by a commission on or percentage of profits or turnover;

15. ADDITIONAL INFORMATION (Cont'd)

- (b) remuneration payable to Director(s) holding executive position(s) under Article 143(1) may not include a commission on or percentage of turnover;
- (c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and
- (d) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter."

Article 115 - Payment of expenses

- (1) "The Directors (including alternate Directors) shall be entitled to be reimbursed for all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committees of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors. In addition to the foregoing, a Director shall be entitled to such reasonable fixed allowance as may be determined by the Directors in respect of any attendance at any meeting and/or the performance of any duty or other things required of him as a Director of the Company.
- (2) If by arrangement with the Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Directors may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged.
- (3) In case the Company be wound up for any reason or purpose whatsoever, a Director shall not be entitled to any compensation in respect of the period which elapses between the date of the said winding up and the date at which, if the Company has not been wound up, he would have retired under these Articles.
- (4) Any extra remuneration payable to:
 - (a) a non-executive Director shall not include a commission on or percentage of profits or turnover; and
 - (b) an executive Director shall not include a commission on or percentage of turnover."

15. ADDITIONAL INFORMATION (Cont'd)Article 144 - Remuneration of executive officer

"The remuneration of the Director(s) appointed to an executive position under Article 143(1), subject to the terms of any agreement entered into in any particular case, may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive pension, gratuity or other benefits upon their retirement. The remuneration of the Director(s) appointed to an executive position under Article 143(1) shall be determined by the Board or any committee authorised by the Board and can either be in addition to or in lieu of his/their fees as a Director."

15.2.4 Voting and borrowing powers of DirectorsArticle 133 - Directors may elect and remove a chairman

"The Directors may from time to time elect and remove a chairman and deputy chairman of the Board and determine the period for which they are respectively to hold the office. The chairman so elected, or in his absence the deputy chairman, shall preside at all meetings of the Directors but if no such chairman or deputy chairman be elected, or if at any meeting the chairman or deputy chairman be not present within 15 minutes after the time appointed for holding the meeting, the Directors present shall choose one of their number to act as chairman of such meeting."

Article 135 - Director not to vote in contracts where he has an interest

"No Director may vote in respect of any other contract or proposed contract or arrangement in which he is directly or indirectly interested nor any contract or proposed contract or arrangement with any other company in which he is interested either as an officer of that company or as a holder of shares or other securities in that other company."

Article 137 - Voting right of Director

"A Director may be or become or continue to be a director, managing director, manager or other officer or member of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise, or any corporation, which is directly or indirectly interested in the Company as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director, managing director, manager or other officer of or member of, or from his interest in, such corporation, whether as a nominee of the Company or otherwise, unless the Company otherwise directs at the time of his appointment. The Director may, provided that he has complied with Section 131 and all other relevant provisions of the Act, the Listing Requirements and of these Articles, exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by the Company, or exercisable by him as director of such other corporation in such manner and in all respects as he thinks fit but a Director may not vote in favour of the exercise of such voting rights in the manner as aforesaid, if he may be, or is about to be appointed, a director, managing director, manager or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in manner aforesaid."

Article 119 - Power of Directors to borrow money

- (1) "The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

15. ADDITIONAL INFORMATION (Cont'd)

- (2) The Directors shall cause a proper register to be kept in accordance with Section 115 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 108 of the Act in regard to the registration of mortgages and charges therein specified and otherwise."

15.2.5 Changes in capital and variation of class rights

Issue of shares

Article 5 - Issue of shares

- (1) "Subject to the Act, the Central Depositories Act, the Rules, the Listing Requirements and the conditions, restrictions and limitations expressed in these Articles, the Directors may issue, allot, grant options over or otherwise dispose of the unissued share capital of the Company to such person or persons, at such times and on such terms as they think proper, PROVIDED ALWAYS THAT:
- (a) no shares shall be issued at a discount except in compliance with the relevant provisions of Section 59 of the Act;
 - (b) no shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the members in general meeting;
 - (c) in the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles;
 - (d) subject to Article 5(2) and notwithstanding the existence of a resolution pursuant to Section 132D of the Act, no shares or convertible securities shall be issued if the nominal value of those shares or convertible securities, when aggregated with the nominal value of any such shares or convertible securities issued during the preceding 12 months, exceeds 10 per cent of the nominal value of the issued and paid-up capital of the Company, except where the shares or convertible securities are issued with the prior approval of the members in general meeting of the precise terms and conditions of the issue; and
 - (e) issue of shares or options to employees and/or Directors and any participation in the Share Issuance Scheme by Directors shall be approved by the members in general meeting and in relation to a Director such approval shall specifically detail the amount of shares or options to be issued to such Director.
- (2) Except in the case of an issue of securities on a pro rata basis to members, there shall be no issue of shares or other convertible securities to a Director, major shareholder, Chief Executive or person connected with any Director, major shareholder or Chief Executive (hereinafter referred to as the interested Director, "interested major shareholder", "interested Chief Executive" or "interested person connected with a Director, major shareholder or Chief Executive" respectively) unless the members in general meeting have approved of the specific allotment to be made to such aforesaid interested Director, interested major shareholder, interested Chief Executive or interested person connected with a Director, major shareholder or Chief Executive, as the case may be.

15. ADDITIONAL INFORMATION (Cont'd)

- (3) In a meeting to obtain members' approval in respect of the allotment referred to under Article 5(2) above:
- (a) the interested Director, interested major shareholder, interested Chief Executive or interested person connected with a Director, major shareholder or Chief Executive; and
 - (b) where the allotment is in favour of an interested person connected with a Director, major shareholder or Chief Executive, such Director, major shareholder or Chief Executive,
- must not vote on the resolution approving the said allotment. An interested Director, interested major shareholder or interested Chief Executive must ensure that persons connected with him abstain from voting on the resolution approving the said allotment.
- (4) The notice of the meeting that is in Article 5(2) above shall state:
- (a) the number of securities to be allotted;
 - (b) the purpose of allotment;
 - (c) the precise terms and conditions of the allotment; and
 - (d) the identity and relationship of the persons connected with the Director, major shareholder or Chief Executive, where applicable.
- (5) In this Article, "major shareholder", "Chief Executive" and "person connected with any Director, major shareholder or Chief Executive" shall have the meaning ascribed thereto in the Listing Requirements."

Article 8 - Allotment or issue of securities

"The Company must not allot or issue securities or cause or authorise its registrars to cause the Securities Accounts of the allottees to be credited with the additional securities until after it has filed with the Exchange an application for listing of such additional securities and been notified by the Exchange that such new issue of securities has been approved in principle for listing."

Voting rights**Article 94 - Rights and votes of members**

- (1) "Subject to Article 55, Article 75 and any special rights or restrictions for the time being attached to any class or classes of shares, at meetings of members or classes of members, each member shall be entitled to be present and to vote at any general meeting of the Company either personally or by proxy or by attorney and to be reckoned in a quorum in respect of shares fully paid and in respect of partly paid shares upon which all calls due to the Company have been paid.

15. ADDITIONAL INFORMATION (Cont'd)

- (2) Subject to Article 55, Article 75 and any special rights or restrictions as to voting attached to any class or classes of shares by or in accordance with these Articles, on a show of hands every person present who is a member or proxy or an authorised corporate representative, or holder of preference shares or attorney or other duly authorised representative shall have one vote and in the case of a poll every member present in person or by proxy or by attorney or other duly authorised representative shall have one vote for every share held by him upon which all calls due to the Company have been paid. Subject to Article 55 and Article 75, the shares held or represented by a member present in person or by proxy or by attorney or other duly authorised representative shall, in relation to shares of a Depositor, be the number of shares entered against his name in the Record of Depositors.
- (3) Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable."

Article 95 - Corporation as member

"Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative either at a particular meeting of the Company, or at all meetings of the Company or any class of members and the person so authorised shall, in accordance with his authority and until his authority is revoked by the corporation, be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company."

Modification of rightsArticle 21 - Modification of rights

"Notwithstanding Article 22, the repayment of preference share capital other than redeemable preference share capital, or any other alteration of preference shareholders' rights, may only be made pursuant to a special resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such special resolution is not obtained at the meeting, consent in writing, if obtained from the holders of three-fourths of the preference shares concerned within two months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting."

Article 22 - Class rights may be modified

"Subject to the provisions of Section 65 of the Act, if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of not less than 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 not less than one-tenth of the issued shares of the class, and that any holder of shares of the class present in person or by proxy may demand a poll and shall be entitled on a poll to one vote for every such share held by him. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply."

15. ADDITIONAL INFORMATION (Cont'd)Article 23 - Rights on creation or issue of further shares

"The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards to participation in the profits or assets of the Company in some or in all respects *pari passu* therewith."

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 our Shares must deposit his Shares with Bursa Depository on or before the date fixed, failing which our Share Registrar will be required to transfer the 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 our Shares shall be deemed to be our shareholder 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 Limitation on the right to hold securities and/or exercise voting rights

Subject to Section 15.3 of this Prospectus, there is no limitation on the right to own securities in our Company, including any limitation on the right of a non-resident or non-Malaysian shareholder to hold or exercise voting rights on such securities, which is imposed by Malaysian laws or by the constituent documents of our Company.

15.5 General information

- (i) The nature of our business is disclosed in Section 7 of this Prospectus.
- (ii) Our Company has not established any other place of business outside Malaysia.
- (iii) Apart from the listing sought on the Main Market of Bursa Securities, our Company is not listed on any other stock exchange.
- (iv) The manner in which copies of this Prospectus together with the Application Forms and envelopes may be obtained is set out in Section 16 of this Prospectus.
- (v) The date and time of the opening and closing of the application for the Issue Shares under the Retail Offering are set out in the Indicative Timetable and Sections 4.1, 4.2 and 16.1 of this Prospectus respectively.
- (vi) The Issue Shares under the Retail Offering are payable in full at the Retail Price upon application. The Institutional Offering investors shall pay the Institutional Price for the IPO Shares under the Institutional Offering.

15. ADDITIONAL INFORMATION (Cont'd)

- (vii) Except as disclosed in Section 4.10 of this Prospectus, no commissions, discounts, brokerages or other special terms have been paid or is payable by our Company within the two years immediately preceding the date of this Prospectus for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any Shares in or debentures of our Company and in connection with the issue or sale of any capital of our Company and no Director or Promoter or expert is or are entitled to receive any such payment or any other benefits.
- (viii) During the last financial year up to the date of this Prospectus, 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' securities.
- (ix) There are no governmental laws, decree, regulations or other legislations which may affect the repatriation of capital and the remittance of profits by or to our Company.

15.6 Material contracts

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

- (i) sale and purchase agreement dated 16 November 2012 between our Company, and Hallmark, Dr Jamal bin Yusof @ Gordon Duclos and Rahman bin Yusof (collectively, "**Vendors**") for the acquisition of 14,684,415 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of ICON Fleet by our Company from the Vendors for a total consideration of RM227,720,048, to be satisfied by the proportionate issuance of 227,720,048 ordinary shares of RM1.00 each in our Company in favour of the Vendors. The acquisition was completed on 19 November 2012;
- (ii) shareholders agreement dated 16 November 2012 between our Company, E-Cap 1, Hallmark, Dr. Jamal bin Yusof @ Gordon Duclos, Rahman bin Yusof and SFSB (which became a shareholder in ICON pursuant to the SFSB Deed (as defined in Section 15.6(vii) below), which sets out the terms and conditions in respect of the joint venture between E-Cap 1, Hallmark, Dr. Jamal bin Yusof @ Gordon Duclos and Rahman bin Yusof and for the purpose of regulating their relationship and certain aspects of their affairs and dealings with our Company as contained therein ("**SHA**"). The SHA shall cease to have effect immediately prior to the date of our Listing.

Subsequent to the LPD, Hallmark, SFSB, Dr. Jamal bin Yusof @ Gordon Duclos and Rahman bin Yusof varied the SHA by way of a letter of variation dated 22 May 2014 ("**Letter of Variation**") to, among others, agree to adopt the Articles (which shall prevail to the extent of any inconsistency between the terms of the SHA and the Articles), to release our Company from being bound by the terms of the SHA to the extent that the terms of the SHA are in conflict or inconsistent with the Articles, and to confirm that the terms of the SHA relating to the rights and obligations of the shareholders shall continue to be effective to the extent that they are not inconsistent with the Articles. These provisions shall lapse and the original provisions of the SHA shall be reinstated if the Listing does not occur by 25 July 2014;

15. ADDITIONAL INFORMATION (Cont'd)

- (iii) novation agreement dated 19 August 2013 between ICON OGSB, TOS and Exxonmobil Malaysia in relation to the novation of the contractual obligations of TOS under the charter party agreements previously entered into between TOS and Exxonmobil Malaysia ("**Exxonmobil Malaysia Contracts**") to ICON OGSB in consideration of the mutual covenants provided in such agreement upon the re-issuance by ICON OGSB of any bank guarantees required by Exxonmobil Malaysia. The contractual obligations of TOS under the Exxonmobil Malaysia Contracts were novated to ICON OGSB on 20 August 2013;
- (iv) joint venture agreement dated 27 January 2014 between ICON Fleet, FOB SWATH and ICON-FOB in respect of the establishment and ownership of a joint venture entity, ICON-FOB, and to regulate the relationship of the parties as shareholders in ICON-FOB, subject to the terms and conditions as contained therein;
- (v) novation agreement dated 5 February 2014 between ICON OGSB, TOS and PETRONAS Carigali in relation to the novation of the contractual obligations of TOS under the charter party agreements previously entered into between PETRONAS Carigali and TOS ("**PETRONAS Carigali Contracts**") to ICON OGSB in consideration of the mutual covenants provided in such agreement upon the re-issuance by ICON OGSB of any bank guarantees required by PETRONAS Carigali. The contractual obligations of TOS under the PETRONAS Carigali Contracts were novated to ICON OGSB on 16 May 2014;
- (vi) novation agreement dated 6 February 2014 between ICON OGSB, TOS and CPOC in relation to the novation of the contractual obligations of TOS under the charter party agreements previously entered into between CPOC and TOS ("**CPOC Contracts**") to ICON OGSB in consideration of the mutual covenants provided in such agreement upon the receipt by CPOC of the necessary approvals from the Malaysian-Thailand Joint Authority and the shareholders of CPOC on the novation of the CPOC Contracts, the issuance of certain licences to ICON OGSB and the re-issuance by ICON OGSB of any bank guarantees required by CPOC. The contractual obligations of TOS under the CPOC Contracts were novated to ICON OGSB on 23 April 2014;
- (vii) deed dated 18 February 2014 between ICON, SFSB, Dr. Jamal bin Yusof @ Gordon Duclos, Hallmark and Rahman bin Yusof pursuant to SFSB becoming a shareholder in ICON and SFSB to undertake with ICON and each of its shareholders to comply with and to be bound by the provisions of the SHA ("**SFSB Deed**");
- (viii) master cornerstone placing agreement dated 22 May 2014 between our Company, the Selling Shareholders, Joint Global Coordinators and the Cornerstone Investors, under which the Cornerstone Investors agree to purchase an aggregate of 275,000,000 Shares, representing approximately 23.36% of the enlarged issued and paid-up capital of our Company, pursuant to the Institutional Offering at RM1.85 per Share or the Institutional Price, whichever is lower;
- (ix) Retail Underwriting Agreement dated 26 May 2014 between our Company, the Managing Underwriter and the Joint Underwriters to underwrite 50,619,000 Issue Shares under the Retail Offering, subject to the clawback and reallocation provisions and the Over-allotment Option and on terms and conditions contained therein. Please refer to Section 4.11.1 of this Prospectus for further details on the Retail Underwriting Agreement; and
- (x) lock-up agreement dated 22 May 2014 between our Company and the Joint Global Coordinators. Please refer to Section 4.11.3 of this Prospectus for further information on the terms of the lock-up agreement.

15. ADDITIONAL INFORMATION (Cont'd)

15.7 Material litigation

Save as disclosed below, as at the LPD, our Group is not engaged in any material litigation, claims or arbitration, whether as plaintiff or defendant, and our Directors are not aware of any legal proceedings, pending or threatened, or of any fact likely to give rise to any legal proceedings which might materially and adversely affect our financial or business position:

ICON Capital Corporation ("**ICC**") had on 27 November 2012 issued a letter ("**Letter**") to our Company with respect to the use of the trade name "ICON". ICC, an entity that is engaged in international shipping business, had advised that such a trade name has been registered in the United States, European Union and Norway and is protected from infringement in other jurisdictions in which our Company transacts in. ICC alleged that the unauthorised use of the "ICON" mark without ICC's consent constitutes trademark infringement in violation of applicable US and international law. Accordingly, our Company was requested to immediately cease and desist the use of the trade name "ICON". Our Company had issued a letter of response to ICC on 3 January 2013 informing ICC that our Company is seeking legal advice with respect to the same. No further communication has been sent by ICC to our Company since 27 November 2012.

Our Company has carried out trademark searches for the trademark "ICON" in June 2013 at the Malaysian Trade Marks Registry in classes 37 (covering services such as drilling of deep oil or gas-wells, ship repair and maintenance) and 39 (covering services such as chartering of vessels, rental of vessels) to identify if ICC and/or any of its subsidiaries have such trademark applications/registrations. Such trademark searches revealed that neither ICC nor any of its subsidiaries have trademark applications/registrations in Malaysia for the "ICON" mark for shipping-related services in classes 37 and 39, which are core to our business.

Our Company has also commenced trademark applications in respect of the ICON OFFSHORE trademark in various jurisdictions and is also currently in the process of registering the ICON OFFSHORE trademark in 11 countries as set out in Section 7.15 of this Prospectus, where our Group had conducted our business operations (collectively, these jurisdictions are the "**Relevant Jurisdictions**").

Our Company has been advised by our legal counsel that, based on searches conducted in June 2013, the risk of trademark infringement from ICC is low in Malaysia and the Relevant Jurisdictions as ICC has not filed or registered any "ICON" mark in these jurisdictions. Under Malaysian law, a trade mark is also protected under common law through the tort of passing off, and in order to successfully make such a claim, ICC would have to prove that they have acquired goodwill/reputation in the "ICON" mark in Malaysia in connection with their shipping services and that our Company's use of the "ICON" mark creates an impression that it is associated with ICC and/or its subsidiaries, thereby resulting in a likelihood of confusion.

ICC has not raised allegations of passing off on the part of our Company. In view that ICC has not filed the "ICON" trade mark in Malaysia and the Relevant Jurisdictions, and that no allegations of passing off were made by ICC, the risk of ICC successfully preventing our Company from using the "ICON OFFSHORE" name in Malaysia and the Relevant Jurisdictions is low. As such, we are able to continue to use the "ICON OFFSHORE" name in Malaysia and the Relevant Jurisdictions despite the claim of trade mark infringement made by ICC.

15.8 Consents

- (i) The written consents of the Principal Adviser, Joint Global Coordinators, Joint Bookrunners, Managing Underwriter, Co-Lead Managers, Joint Underwriters, Legal Advisers, Company Secretary, Principal Bankers, Trustee, Share Registrar and Issuing House as set out in the Corporate Directory of this Prospectus to the inclusion in this Prospectus of their names in the form and context in which their names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

15. ADDITIONAL INFORMATION (Cont'd)

- (ii) The written consent of the Auditors and Reporting Accountants for the inclusion in this Prospectus of its name, the Accountants' Report, and Reporting Accountants' letter on our pro forma consolidated financial information 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.
- (iii) The written consent of Ernst & Young, being the auditors for ICON Fleet for the years ended 31 December 2011 and 2012, and AljeffriDean, being the auditors for ICON Ship for the year ended 31 December 2011, for the inclusion in this Prospectus of their name 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.
- (iv) The written consent of Infield to the inclusion in this Prospectus of its name, the Infield Report 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.

15.9 Documents available for inspection

Copies of the following documents may be inspected at our registered office during normal business hours from Mondays to Fridays (except public holidays) for a period of 12 months from the date of this Prospectus:

- (i) our Memorandum and Articles;
- (ii) the Reporting Accountants' letter on our pro forma consolidated financial information included in Section 12.4 of this Prospectus;
- (iii) the Accountants' Report included in Section 13 of this Prospectus;
- (iv) the Directors Report included in Section 14 of this Prospectus;
- (v) the letters of consent referred to in Section 15.8 of this Prospectus;
- (vi) our material contracts referred to in Section 15.6 of this Prospectus;
- (vii) the audited financial statements of our Company for the financial period from 30 March 2012, being the date of incorporation of our Company to 31 December 2012 and year ended 31 December 2013;
- (viii) the audited financial statements of ICON Samudera for the past two years ended 31 December 2012 and 2013;
- (ix) the audited financial statements of ICON OGSB, ICON Fleet, ICON Ship, ICON Azra, ICON Maritime, OMNI Emery, OMNI Gulf, OMNI Flotilla, OMNI Marine, OMNI Marissa, OMNI Offshore, OMNI Power, OMNI Stella, OMNI Triton, OMNI Ventures and OMNI Victory for the past three years ended 31 December 2011 to 31 December 2013;
- (x) the audited financial statements of ICON Corridor, ICON Ikhlas, ICON Ocean and ICON Zara for the year ended 31 December 2013;
- (xi) the Executive Summary of the Infield Report included in Section 8 of this Prospectus and the Infield Report as prepared by Infield; and
- (xii) the By-Laws included in Annexure C of this Prospectus.

15. ADDITIONAL INFORMATION *(Cont'd)*

15.10 Responsibility statements

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

Maybank IB as the Principal Adviser, Joint Global Coordinator, Joint Bookrunner, Managing Underwriter and Joint Underwriters for our IPO, acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

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16. PROCEDURES FOR APPLICATION AND ACCEPTANCE

16.1 Opening and closing of applications

Application for the Issue Shares under the Retail Offering will open at 10.00 a.m. on 30 May 2014 and will remain open until 5.00 p.m. on 6 June 2014 or such other date or dates as our Directors and the Managing Underwriter may decide in their absolute discretion. Any extension will be announced in widely circulated Bahasa Malaysia and English daily newspapers within Malaysia.

Late applications will not be accepted.

16.2 Methods of application and category of investors

16.2.1 Application for Issue Shares under the Retail Offering

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

Type of Application Form	Category of investors
WHITE Application Form or Electronic Share Application ⁽¹⁾ or Internet Share Application ⁽²⁾	Malaysian public (for individuals)
WHITE Application Form only	Malaysian public (for non individuals, e.g. corporations, institutions, etc.)
PINK Application Form only	Eligible Persons

Notes:

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

- (i) Malayan Banking Berhad – RM1.00;
- (ii) Affin Bank Berhad – No fee will be charged for application by their account holders;
- (iii) AmBank (M) Berhad – RM1.00;
- (iv) CIMB Bank Berhad – RM2.50;
- (v) HSBC Bank Malaysia Berhad – RM2.50;
- (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.

⁽²⁾ The following processing fee per Internet Share Application will be charged by the respective Internet Participating Financial Institutions:

- (i) Malayan Banking Berhad (www.maybank2u.com.my) – RM1.00;
- (ii) Affin Bank Berhad (www.affinOnline.com) – No fee will be charged for application by their account holders;
- (iii) Affin Investment Bank Berhad (www.affintrade.com) No fee will be charged for application by their account holders;
- (iv) CIMB Bank Berhad (www.cimbclicks.com.my) – RM2.00 for applicants with CDS accounts held with CIMB Bank Berhad and RM2.50 for applicants with CDS accounts with other ADAs;
- (v) CIMB Investment Bank Berhad (www.eipocimb.com) – RM2.00 for payment via CIMB Bank or Malayan Banking Berhad;
- (vi) Public Bank Berhad (www.pbepbank.com) – RM2.00; and

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

(vii) 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 Form or Electronic Share Application as well as Internet Share Application.

Eligible Persons who have made applications using the PINK Application Forms may still apply for the Issue Shares offered to the Malaysian public using the WHITE Application Form, Electronic Share Application or Internet Share Application.

However, applicants using the WHITE and PINK 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, vice versa.

16.2.2 Application by investors under the Institutional Offering

Investors under the Institutional Offering (other than the Bumiputera investors approved by MITI) will be contacted directly by the Joint Global Coordinators and Joint Bookrunners and should follow the instructions as communicated by the Joint Global Coordinators and Joint Bookrunners. Bumiputera investors approved by MITI who have been allocated Offer Shares or Issue Shares will be contacted directly by MITI and should follow the instructions as communicated through MITI.

16.3 Procedures for application and acceptance

Application 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 Application by the Malaysian public under the Retail Offering (WHITE Application Form, Electronic Share Application or Internet Share Application)**Eligibility**

You can only apply for the Issue Shares allocated to the Malaysian public under the Retail Offering 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.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

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 must not be 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 Form 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.

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, vice versa.

16.3.2 Application by Eligible Persons (PINK Application Form)

Eligible Persons will be provided separately with the 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.

This Prospectus will be distributed to the eligible employees of our Group in printed copies and/or CD-ROM format (contents of which will be in printable format). However, for the eligible employees of our Group who have received this Prospectus in CD-ROM format, they may request for a copy of the printed Prospectus from us which will be delivered/made available free of charge to:

- (i) their mailing address within two Market Days;
- (ii) their offshore location within four Market Days; or
- (iii) their nearest onshore base for their collection within one Market Day,

from the date of receipt of their request, at their choice.

Alternatively, they may obtain a copy of the printed Prospectus between 9.00 a.m. and 5.00 p.m. from Monday to Friday (except public holidays) from:

- (i) our Company at our registered office;
- (ii) Issuing House; or
- (iii) ADAs,

the addresses of which are set out in Sections 1 and 17 of this Prospectus and the Prospectus requisition form accompanying the CD-ROM respectively.

Printed copies of this Prospectus will be distributed to eligible Directors of our Group and persons who have contributed to the success of our Group.

Eligible Persons are not precluded from making additional applications under the Malaysia public category using the WHITE Application Forms.

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

16.4 Procedures for application by way of Application Forms

Each application for the Issue Shares under the Retail Offering must be made by the relevant category of investors on the correct Application Form issued together with this Prospectus and must be completed in accordance with the notes and instructions contained therein. The Application Form 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 or notes and instructions contained therein or which are illegible may not be accepted at the absolute discretion of our Directors.

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.

Malaysian public should adhere to 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) Participating organisations of Bursa Securities;
- (iii) Members of the Association of Banks in Malaysia;
- (iv) Members of the Malaysian Investment Banking Association;
- (v) Issuing House; and
- (vi) 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.

Step 3: Complete the relevant Application Form

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. Please inform Bursa Depository promptly of any changes to your personal particulars.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

If you are an individual and you are not a member of the armed forces or police, the 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 Pengenalán 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 Application Form), 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 acknowledgement 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 for applicants using the WHITE and PINK Application Forms.

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 issued under the Retail Offering based on the Retail Price, which is RM1.85 per Issue Share.

Payment must be made out in favour of “**MIH SHARE ISSUE ACCOUNT NO. 556**” 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

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iv) ATM statement obtained only from any of the following:
- (a) Malayan Banking Berhad;
 - (b) Alliance Bank Malaysia Berhad;
 - (c) CIMB Bank Berhad;
 - (d) Hong Leong Bank Berhad; or
 - (e) 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.

You must 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/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 the certificate of change of name for corporate or institutional applicant or passport (where applicable).

Affix an 80 sen stamp on the Official "A" envelope and insert the Official "A" envelope into the Official "B" envelope.

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 (258345-X)
 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

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (ii) **DELIVERED BY HAND AND DEPOSITED** in the Drop-In Boxes provided at the front portion of Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan.

so as to arrive not later than 5.00 p.m. on 6 June 2014 or such later date or dates as our Directors and the Managing Underwriter may decide in their absolute discretion.

16.5 Procedures for application by way of Electronic Share Applications

Only Malaysian individuals may apply for the Issue Shares made available to the Malaysian public under the Retail Offering 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 Issue Shares made available to the Malaysian public under the Retail Offering 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
- (iv) You may apply for the Issue Shares made available to the Malaysian public under the Retail Offering via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. The 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 require you to do so:
- (a) Personal Identification Number (PIN);
 - (b) MIH Share Issue Account No. 556;
 - (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) Malayan Banking Berhad;
- (ii) Affin Bank Berhad;
- (iii) AmBank (M) Berhad;

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

- (iv) CIMB Bank Berhad;
- (v) HSBC Bank Malaysia 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.

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 6 June 2014 at 5.00 p.m. or such other date or dates as our Directors and the Managing Underwriter may decide in their absolute discretion ("**Closing Date and Time**"), the Participating Financial Institutions shall submit a magnetic tape containing its respective customers' applications for the 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 the Issue Shares allocated for the Malaysian public under the Retail Offering, whether at the ATMs of any Participating Financial Institution or using Internet Share Application or using the WHITE Application Form.

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.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (ii) You are required to confirm the following statements (by pressing predesignated 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 the Issue Shares allocated to the Malaysian public under the Retail Offering; and
 - (e) you hereby give consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to 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 Bursa Depository, as the case may be, of any of your particulars to the Issuing House, or any relevant regulatory bodies.

- (iii) **You confirm that you are not applying for the 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 the Issue Shares, whether at the ATMs of any Participating Financial Institution or using Internet Share Application or using 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.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (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 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 will be refunded (without interest or any share revenue of benefit arising therefrom) to applicants by the Issuing House by crediting into your account with the Participating Financial Institution within 10 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.

- (viii) You request and authorise us:
 - (a) to credit the Issue Shares allocated to you into your CDS account; and
 - (b) to issue share certificate(s) representing such shares allocated in the name of Bursa Malaysia Depository Nominees Sdn. Bhd. and send the same to 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 our control, 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 not otherwise accessible, or not transmitted or communicated to us or the Issuing House,

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

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 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 Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Share Application will be rejected. You must inform 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 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, 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 the 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;
 - (d) you irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue of the 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 Scheme and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (xiii) 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.
- (xiv) 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 Internet Share Applications

Only Malaysian individuals may apply for the Issue Shares allocated to the Malaysian public under the Retail Offering 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) Malayan Banking Berhad at www.maybank2u.com.my;
 - (b) Affin Bank Berhad at www.affinOnline.com;
 - (c) Affin Investment Bank Berhad at www.affintrade.com;
 - (d) CIMB Bank Berhad at www.cimbclicks.com.my;
 - (e) CIMB Investment Bank Berhad at www.eipocimb.com;
 - (f) Public Bank Berhad at www.pbebank.com; and
 - (g) RHB Bank Berhad at 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.

Step 2: Read this Prospectus

You are advised to read and understand this Prospectus before making your application.

Step 3: Apply through the Internet

For illustrative purposes only, we have set out possible steps for an application of the Issue Shares via Internet Share Application below.

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

Please note that the actual steps for Internet Share Applications through the internet financial services website or 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 our IPO;
- (iv) Select the counter in respect of the 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 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 the Issue Shares allocated to the Malaysian public under the Retail Offering;
 - (f) you authorise the Internet Participating Financial Institution with which you have an account to deduct the full amount payable for the Issue Shares from your account with the said Internet Participating Financial Institution ("**Authorised Financial Institution**");
 - (g) you give express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 133 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 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;

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (i) you are not applying for the 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
- (h) 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 the 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 the 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; and
- (xii) You are advised to print out the Confirmation Screen for your reference and records.

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.

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 RM1.85 for each Issue Share you have applied for.
- (ii) You can submit only one application for the Issue Shares allocated to the Malaysian public under the Retail Offering. For example, if you submit an application using a WHITE Application Form, you cannot submit an Electronic Share Application or Internet Share Application.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

However, if you have made an application under the PINK Application Form, you can still apply for the Issue 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 application in your own name or 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 RM1,000,000 and a jail term of up to 10 years under Section 182 of the CMSA.

- (iii) Each application under the WHITE and PINK Application Forms, Electronic Share Application and the Internet Share Application must be for at least 100 Issue Shares or multiples of 100 Issue 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 the 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 Bursa Depository. Otherwise, your application will be rejected. You will have to promptly notify 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 Bursa Depository.
- (viii) Your remittances having presented for payment shall not signify that your application has been accepted.

Our acceptance of your application to subscribe for or purchase the Issue Shares shall be constituted by the issue of notices of allotment for the Issue Shares to you.
- (ix) Submission of your CDS account number in your application includes your authority/consent in accordance with Malaysian laws of the right of 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 Shares to you.**
- (xi) Additional terms and conditions for Electronic Share Application 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.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (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 the 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 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 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 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 Bursa Depository.
 - (g) You irrevocably authorise 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 the Issue Shares allocated to you.
 - (h) You agree that in the event of legal disputes arising from the use of 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.
- (xii) Additional terms and conditions for Internet Share Application are as follows:
- (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 Bursa Depository.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (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 otherwise not accessible 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 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 the Issue Shares allocated 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.
- (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 Principal Adviser, the Managing Underwriter and the Joint 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 or allocating the Issue Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing an adequate market for our Shares.

The Issuing House, on the authority of our Directors, reserves the right to:

- (i) reject Application Forms, Electronic Share Applications and Internet Share Applications (where applicable) which do not conform to the instructions in this Prospectus or are illegible, incomplete or inaccurate;

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (ii) reject or accept any application, in whole or in part, on a non-discriminatory basis without assigning 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 that 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 the acceptance of applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting or allocating the Issue Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing an adequate market for our Shares.

Pursuant to the Listing Requirements, we need to have a minimum of 25% of the Shares for which Listing is sought to be held by at least 1,000 public shareholders holding not less than 100 Shares each upon completion of the IPO and at the time of Listing. In the event that the above requirement is not met, we may not be allowed to proceed with the 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 in the Retail Offering, subject to the clawback and reallocation provisions as set out in Section 4.3.3 of this Prospectus, all the Issue Shares not applied for under the Retail Offering will be subscribed by 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 10 Market Days from the date of the final ballot to your address maintained within Bursa Depository.

Where your successfully balloted application under the Electronic Share Application or 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

Application monies in respect of the unsuccessful/partially successful applicants will be returned without interest in the following manner.

16.10.1 For applications by way of WHITE Application Form

- (i) The application monies or the balance of it, as the case may be, will be returned 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 Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (ii) If your application was rejected because you did not provide a CDS account number, your application monies will be sent to your address as stated in the NRIC or any valid temporary identity document issued by the National Registration Department or “Resit Pengenalan Sementara (KPPK 09)” 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 within 10 Market Days from the date of the final ballot by registered post to your last address maintained with Bursa Depository or as per item (ii) above (as the case may be).

16.10.2 For applications by way of Electronic Share Application

- (i) 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. 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 day.
- (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 way of crediting into your account with the Participating Financial Institution not later than 10 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 money (or any part thereof) into your account without interest within two Market Days after the receipt of confirmation from the Issuing House.

16.10.3 For applications by way of 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 credit the application monies or the balance of it without interest into your account 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 day.
- (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 10 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 money (or any part thereof) into your account without interest within two Market Days after the receipt of confirmation from the Issuing House.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**16.11 Successful applications**

If you are successful in your application:

- (i) The Issue Shares allotted to you will be credited into your CDS account. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with 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, at your own risk, before the 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 10 Market Days from the date of final ballot, at your own risk.

16.12 Enquiries

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Form	Issuing House at +603 7841 8000 or +603 7841 8289
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution and Authorised Financial Institution

You may also check the status of your application on the Issuing House's website at www.mih.com.my, or by calling your respective ADA at the telephone number as stated in Section 17 of this Prospectus or the Issuing House at telephone no. +603 7841 8000 or +603 7841 8289 between five and 10 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:

Name, address and telephone number	Broker code	Name, address and telephone number	Broker code
Kuala Lumpur			
AFFIN INVESTMENT BANK BERHAD Ground, Mezzanine & 3 rd Floor Chulan Tower No. 3 Jalan Conlay 50450 Kuala Lumpur Tel. No.: +603 2143 8668	028-001	HONG LEONG INVESTMENT BANK BERHAD Level 18, Menara Raja Laut 288 Jalan Raja Laut 50350 Kuala Lumpur Tel. No.: +603 2692 8899	066-006
AFFIN INVESTMENT BANK BERHAD No. 38A & 40A Jalan Midah 1 Taman Midah Cheras 56000 Kuala Lumpur Tel. No.: +603 9130 8803	028-005	HWANGDBS INVESTMENT BANK BERHAD 2 nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr Ismail 60000 Kuala Lumpur Tel. No.: +603 7710 6688	068-009
ALLIANCE INVESTMENT BANK BERHAD 17 th Floor, Menara Multi-Purpose Capital Square 8 Jalan Munshi Abdullah 50100 Kuala Lumpur Tel. No.: +603 2604 3333	076-001	HWANGDBS INVESTMENT BANK BERHAD 7 th , 22 nd and 23 rd Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel. No.: +603 2711 6888	068-014
AMINVESTMENT BANK BERHAD 15 th Floor Bangunan AmBank Group 55 Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: +603 2036 2633	086-001	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
BIMB SECURITIES SDN. BHD. Level 32 Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel. No.: +603 2691 8887	024-001	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
CIMB INVESTMENT BANK BERHAD Level 17, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Tel. No.: +603 2261 8888	065-001	INTER-PACIFIC SECURITIES SDN. BHD. Ground Floor 7-0-8 Jalan 3/109F Danau Business Center Danau Desa 58100 Kuala Lumpur Tel. No.: +603 7984 7796	054-003
HONG LEONG INVESTMENT BANK BERHAD Level 7, Menara HLA No. 3 Jalan Kia Peng 50450 Kuala Lumpur Tel. No.: +603 2168 1168/ +603 2710 1168	066-001	INTER-PACIFIC SECURITIES SDN. BHD. No. 33-1 (First Floor) Jalan Radin Bagus Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel. No.: +603 9056 2921	054-005

17. LIST OF ADAS (Cont'd)

Name, address and telephone number	Broker code	Name, address and telephone number	Broker code
Kuala Lumpur (Cont'd)			
JUPITER SECURITIES SDN. BHD. Levels 8 & 9, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: +603 2034 1888	055-001	MAYBANK INVESTMENT BANK BERHAD Level 5-13, MaybanLife Tower Dataran Maybank No. 1 Jalan Maarof 59000 Kuala Lumpur Tel. No.: +603 2297 8888	098-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN. BHD. 11 th - 14 th Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel. No.: +603 2168 8800	053-001	MERCURY SECURITIES SDN. BHD. L-7-2, No. 2, Jalan Solaris Solaris Mont Kiara 50480 Kuala Lumpur Tel. No.: +603 6203 7227	093-002
KENANGA INVESTMENT BANK BERHAD Level 8, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel. No.: +603 2164 9080/ +603 2162 1490	073-001	MIDF AMANAH INVESTMENT BANK BERHAD Level 21, Menara MIDF 82, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: +603 2173 8888	026-001
KENANGA INVESTMENT BANK BERHAD M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Tel. No.: +603 4297 8806	073-020	PM SECURITIES SDN. BHD. Ground Floor Menara PMI No. 2 Jalan Changkat Ceylon 50200 Kuala Lumpur Tel. No.: +603 2146 3000	064-001
KENANGA INVESTMENT BANK BERHAD Ground, Mezzanine, 1 st and 2 nd Floors (West & Center Wing) & 1 st Floor East Wing Bangunan ECM Libra 8, Jalan Damansara Endah, Damansara Heights 50490 Kuala Lumpur Tel. No.: +603 2089 2888	073-021	PUBLIC INVESTMENT BANK BERHAD 27 th Floor Bangunan Public Bank No.6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel. No.: +603 2031 3011	051-001
KENANGA INVESTMENT BANK BERHAD 1 st Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Tel. No.: +603 2178 1133	073-029	RHB INVESTMENT BANK BERHAD Level 3A, Tower One, RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel. No.: +603 9287 3888	087-001
M & A SECURITIES SDN. BHD. Level 1 – 3, No. 45 & 47 and No. 43-6 The Boulevard, Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel. No.: +603 2282 1820	057-002	RHB INVESTMENT BANK BERHAD 12 th , 15 th & 21 st Floor Plaza OSK, Jalan Ampang 50450 Kuala Lumpur Tel. No.: +603 2333 8333/ +603 2175 3388	087-018

17. LIST OF ADAS (Cont'd)

Name, address and telephone number	Broker code	Name, address and telephone number	Broker code
Kuala Lumpur (Cont'd)			
RHB INVESTMENT BANK BERHAD No. 62 & 64 Vista Magna Jalan Prima, Metro Prima Kepong 52100 Kuala Lumpur Tel. No.: +603 6257 5869	087-028	TA SECURITIES HOLDINGS BERHAD Level 13-16, 23, 28-30, 34 & 35 Menara TA One 22 Jalan P. Ramlee 50250 Kuala Lumpur Tel. No.: +603 2072 1277	058-003
RHB INVESTMENT BANK BERHAD No. 5 & 7 Jalan Pandan Indah 4/33 Pandan Indah 55100 Kuala Lumpur Tel. No.: +603 4280 4798	087-054	UOB KAY HIAN SECURITIES (M) SDN. BHD. N-1-3, Plaza Damas 60 Jalan Sri Hartamas 1 Sri Hartamas, 50480 Kuala Lumpur Tel. No.: +603 6205 6000	078-004
RHB INVESTMENT BANK BERHAD Ground, 1 st , 2 nd & 3 rd Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel. No.: +603 9058 7222	087-058		
Selangor			
AFFIN INVESTMENT BANK BERHAD 3 rd & 4 th Floor Wisma Meru No. 1 Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel. No.: +603 3343 9999	028-002	AMINVESTMENT BANK BERHAD 4 th Floor, Plaza Damansara Utama 2, Jalan SS21/60, 47400 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7710 6613	086-003
AFFIN INVESTMENT BANK BERHAD Lot 229, 2 nd Floor The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7729 8016	028-003	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
AFFIN INVESTMENT BANK BERHAD 1 st Floor, 20-22 Jalan 21/22, SEA Park 46300 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7877 6229	028-006	HONG LEONG INVESTMENT BANK BERHAD Level 10, First Avenue Persiaran Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7724 6888	066-002
AFFIN INVESTMENT BANK BERHAD No.79-1 & 79-2 Jalan Batu Nilam 5 Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel. No.: +603 3322 1999	028-007	HWANGDBS INVESTMENT BANK BERHAD 16 th , 18 th -20 th Floor Plaza Masalam 2 Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Tel. No.: +603 5513 3288	068-002

17. LIST OF ADAS (Cont'd)

Name, address and telephone number	Broker code	Name, address and telephone number	Broker code
Selangor (Cont'd)			
HWANGDBS INVESTMENT BANK BERHAD East Wing & Central Link Floor 3A, Wisma Consplant 2 No. 7, Jalan SS16/1 47500 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 5635 6688	068-010	KENANGA INVESTMENT BANK BERHAD Level 1 East Wing Wisma Consplant 2 7 Jln SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel. No.: +603 5621 2118	073-030
JF APEX SECURITIES BERHAD 3 rd , 5 th , 6 th and 10 th Floor Menara Apex Off Jalan Semenyih Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel. No.: +603 8736 1118	079-001	KENANGA INVESTMENT BANK BERHAD No. 35, Ground, 1 st & 2 nd Floor Jalan Tiara 3, Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel. No.: +603 3348 8080	073-035
JF APEX SECURITIES BERHAD 15 th and 16 th Floor Menara Choy Fook On No 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7620 1118	079-002	MALACCA SECURITIES SDN. BHD. No. 16, Jalan SS15/4B 47500 Subang Jaya Selangor Darul Ehsan Tel. No.: +603 5636 1533	012-002
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 6200/7800, +603 7629 6800	073-005	MALACCA SECURITIES SDN. BHD. No. 58A & 60A Jalan SS2/67 47300 Petaling Jaya Selangor Darul Ehsan Tel. No.: 1300 22 1233	012-003
KENANGA INVESTMENT BANK BERHAD 55C (2 nd Floor) Jalan USJ 10/1F 47610 UEP Subang Jaya Selangor Darul Ehsan Tel. No.: +603 8024 1773	073-006	MAYBANK INVESTMENT BANK BERHAD Suite 8.02, Level 8, Menara Trend Intan Millennium Square 68 Jalan Batai Laut 4 Taman Intan 41300 Klang Selangor Darul Ehsan Tel. No.: +603 3050 8888	098-003
KENANGA INVESTMENT BANK BERHAD Lot 240, 2 nd Floor The Curve No. 6, Jalan PJU 7/3 Mutiar Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7725 9095	073-016	MAYBANK INVESTMENT BANK BERHAD Wisma Bentley Music Level 1, No 3, Jalan PJU 7/2 Mutiar Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7718 8888	098-004

17. LIST OF ADAS (Cont'd)

Name, address and telephone number	Broker code	Name, address and telephone number	Broker code
Selangor (Cont'd)			
PM SECURITIES SDN. BHD. No. 157 & 159, Jalan Kenari 23A, Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel. No.: +603 8070 0773	064-003	RHB INVESTMENT BANK BERHAD 11-1, 11-2, Jalan PJU 5/12 Dataran Sunway Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 6148 3361	087-051
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 Unit 1B, 2B & 3B, USJ 10/1J 47610 UEP Subang Jaya Selangor Darul Ehsan Tel. No.: +603 8022 1888	087-059
RHB INVESTMENT BANK BERHAD 24, 24M, 24A, 26M, 28M, 28A, 30, 30M & 30A Jalan SS2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7873 6366	087-011	SJ SECURITIES SDN. BHD. Ground Floor, Podium Block Wisma Synergy Lot 72, Persiaran Jubli Perak Seksyen 22 40000 Shah Alam Selangor Darul Ehsan Tel. No.: +603 5192 0202	096-001
RHB INVESTMENT BANK BERHAD No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel. No.: +603 8736 3378	087-045	SJ SECURITIES SDN. BHD. 101B, Jalan SS15/5A 47500 Subang Jaya Selangor Darul Ehsan Tel. No.: +603 5631 7888	096-002
RHB INVESTMENT BANK BERHAD Ground and 1 st Floor, No. 15, Jalan Bandar Rawang 4 48000 Rawang Selangor Darul Ehsan Tel. No.: +603 6092 8916	087-047	SJ SECURITIES SDN. BHD. No. 74-2 Jalan Batu Nilam 5 Selangor Darul Ehsan Tel. No.: +603 3322 1915	096-004
RHB INVESTMENT BANK BERHAD Ground and Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1 1/2, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel. No.: +603 3343 9180	087-048	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
RHB INVESTMENT BANK BERHAD Ground and 1 st Floor No. 13 Jalan Kenari 3 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel. No.: +603 8070 6899	087-049	TA SECURITIES HOLDINGS BERHAD 2 nd Floor, Wisma TA No 1A, Jalan SS 20/1 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7729 5713	058-007

17. LIST OF ADAS (Cont'd)

Name, address and telephone number	Broker code	Name, address and telephone number	Broker code
Melaka			
CIMB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel. No.: +606 289 8800	065-006	PM SECURITIES SDN. BHD. No. 13, Jalan PM2 Plaza Mahkota 75000 Melaka Tel. No.: +606 2866 008	064-006
KENANGA INVESTMENT BANK BERHAD 71 (Ground, A & B) & 73 (Ground, A & B) Jalan Merdeka 75000 Taman Melaka Raya, Melaka Tel. No.: +606 288 1720	073-028	RHB INVESTMENT BANK BERHAD No. 19, 21 & 23 Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel. No.: +606 2818 823	087-002
KENANGA INVESTMENT BANK BERHAD 22A & 22A-1, 26 & 26-1, Jalan MP 10 Taman Merdeka Pemail 75350 Batu Berendam Melaka Tel. No.: +606 3372 550	073-034	RHB INVESTMENT BANK BERHAD 579, 580 dan 581 Taman Melaka Raya 75000 Melaka Tel. No.: +606 2825 211/+606 2845 211	087-026
MALACCA SECURITIES SDN. BHD. No.1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang 75250 Melaka Tel. No.: +606 3371 533	012-001	TA SECURITIES HOLDINGS BERHAD 59, 59A and 59B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel. No.: +606 2862 618	058-008
MERCURY SECURITIES SDN. BHD. No. 81B & 83B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel. No.: +606 2921 898	093-003		
Perak			
CIMB INVESTMENT BANK BERHAD Ground, 1 st , 2 nd and 3 rd Floor No. 8, 8A-8C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel. No.: +605 2088 688	065-010	HWANGDBS INVESTMENT BANK BERHAD 21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Tel. No.: +605 8066 688	068-003
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 2 nd & 3 rd Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel. No.: +605 2559 988	068-015

17. LIST OF ADAS (Cont'd)

Name, address and telephone number	Broker code	Name, address and telephone number	Broker code
Perak (Cont'd)			
KENANGA INVESTMENT BANK BERHAD Ground, 1 st , 2 nd & 4th Floor 63 Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel. No.: +605 2422 828	073-022	RHB INVESTMENT BANK BERHAD 21-25 Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel. No.: +605 2415 100	087-023
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	RHB INVESTMENT BANK BERHAD Ground Floor, No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel. No.: +605 8088 229	087-034
KENANGA INVESTMENT BANK BERHAD Ground Floor, No 25 & 25A Jalan Jaya 2, Medan Jaya 32000 Sitiawan Perak Darul Ridzuan Tel. No.: +605 6939 828	073-031	RHB INVESTMENT BANK BERHAD Ground Floor, No. 72, Jalan Idris 31900 Kampar Perak Darul Ridzuan Tel. No.: +605 4651 261	087-044
M & A SECURITIES SDN. BHD. 5 th , 6 th Floor & Unit 8A M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel. No.: +605 2419 800	057-001	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
MAYBANK INVESTMENT BANK BERHAD B-G-04 (Ground Floor), Level 1 & 2 42 Persiaran Greentown 1 Pusat Perdagangan Greentown 30450 Ipoh Perak Darul Ridzuan Tel. No.: +605 2453 400	098-002	TA SECURITIES HOLDINGS BERHAD Ground, 1 st and 2 nd Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel. No.: +605 2531 313	058-001
RHB INVESTMENT BANK BERHAD Ground and 1 st Floor No. 17, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel. No.: +605 6236 498	087-014	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
RHB INVESTMENT BANK BERHAD Ground and 1 st Floor No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel. No.: +605 6921 228	087-016		

17. LIST OF ADAS (Cont'd)

Name, address and telephone number	Broker code	Name, address and telephone number	Broker code
Pulau Pinang			
ALLIANCE INVESTMENT BANK BERHAD Ground & Mezzanine Floor Bangunan Barkath, 21 Beach Street, 10300 Georgetown Penang Tel. No.: +604 2611 688	076-015	KENANGA INVESTMENT BANK BERHAD 7 th , 8 th & 16 th Floor Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Penang Tel. No.: +604 2283 355	073-023
AMINVESTMENT BANK BERHAD 3 rd Floor, Menara Liang Court No. 37, Jalan Sultan Ahmad Shah 10050 Penang Tel. No.: +604 2261 818	086-004	M & A SECURITIES SDN. BHD. 332H-1 & 332G-2 Harmony Square Jalan Perak 11600 Georgetown Penang Tel. No.: +604 2817 611	057-005
AMINVESTMENT BANK BERHAD Level 3 No. 15, Lebuh Pantai 10300 Penang Tel. No.: +604 2619 288	086-007	MALACCA SECURITIES SDN. BHD. Prima Tanjung Suite 98-3-13A Jalan Fettes 11200 Tanjung Tokong Penang Tel. No.: +604 8981 525	012-004
CIMB INVESTMENT BANK BERHAD Ground Floor Suite 1.01 Menara Boustead Penang No. 39, Jalan Sultan Ahmad Shah 10050 Penang Tel. No.: +604 2385 900	065-001	MERCURY SECURITIES SDN. BHD. Ground, 1 st - 3 rd Floor Wisma UMNO Lorong Bagan Luar Dua Seberang Perai 12000 Butterworth Penang Tel. No.: +604 3322 123	093-001
HWANGDBS INVESTMENT BANK BERHAD Level 2, 3, 4, 7 & 8 Wisma Sri Pinang 60 Green Hall 10200 Penang Tel. No.: +604 2636 996	068-001	MERCURY SECURITIES SDN. BHD. 2 nd Floor Standard Chartered Bank Chambers 2, Lebuh Pantai 10300 Penang Tel. No.: +604 2639 118	093-004
HWANGDBS INVESTMENT BANK BERHAD No. 2 & 4, Jalan Perda Barat Bandar Perda 14000 Penang Tel. No.: +604 5372 882	068-006	PM SECURITIES SDN. BHD. Level 25, Menara BHL 51 Jalan Sultan Ahmad Shah 10050 Penang Tel. No.: +604 2273 000	064-004
INTER-PACIFIC SECURITIES SDN. BHD. Ground Floor, Mezzanine & 8 th Floor Sentral Tower 3 Penang Street 10200 Penang Tel. No.: +604 2690 888	054-002	RHB INVESTMENT BANK BERHAD Ground, 1 st and 2 nd Floor No. 2677 Jalan Chain Ferry, Taman Inderawasih, 13600 Seberang Prai Penang Tel. No.: +604 3900 022	087-005

17. LIST OF ADAS (Cont'd)

Name, address and telephone number	Broker code	Name, address and telephone number	Broker code
Pulau Pinang (Cont'd)			
RHB INVESTMENT BANK BERHAD Ground, 1 st and 2 nd Floor No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Penang Tel. No.: +604 5402 888	087-015	RHB INVESTMENT BANK BERHAD 41-A, 41-B dan 41-C Lintang Angsana Bandar Baru Air Itam 11500 Penang Tel. No.: +604 8352 988	087-056
RHB INVESTMENT BANK BERHAD 834, Jalan Besar, Sungai Bakap 14200 Sungai Jawi SPS Penang Tel. No.: +604 5831 888	087-032	SJ SECURITIES SDN BHD 12 th Floor, Office Tower Hotel Royal Penang No 3 Jalan Larut 10050 Georgetown Pulau Pinang Tel. No.: +604 228 9836	096-003
RHB INVESTMENT BANK BERHAD 64 & 64-D, Ground – 3 rd & 5 th – 8 th Floor Lebuh Bishop 10200 Penang Tel. No.: +604 2634 222	087-033	UOB KAY HIAN SECURITIES (M) SDN. BHD. 1 st Floor Bangunan Heng Guan No. 171, Jalan Burmah 10050 Penang Tel. No.: +604 2299 318	078-002
RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 15-G-5, 15-G-6, 15-1-5, 15-1-6, 15-2-5 dan 15-2-6 dan 15-2-24 Medan Kampung Relau (Bayan Point) 11950 Penang Tel. No.: +604 6404 888	087-042	UOB KAY HIAN SECURITIES (M) SDN. BHD. Ground & 1 st Floor No.2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Penang Tel. No.: +604 5541 388	078-003
Perlis			
RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 39, Taman Suriani Persiaran Jubli Emas 01000 Kangar Perlis Tel. No.: +604 9793 888	087-060		
Kedah			
ALLIANCE INVESTMENT BANK BERHAD Lot T-30, 2 nd Floor, Wisma PKNK, Jalan Sultan Badlishah, 05000 Alor Setar Kedah Darul Aman Tel. No.: +604 7317 088/ +604 7318 270	076-004	HWANGDBS INVESTMENT BANK BERHAD No 70A, B, C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel. No.: +604 4256 666	068-011

17. LIST OF ADAS (Cont'd)

Name, address and telephone number	Broker code	Name, address and telephone number	Broker code
Kedah (Cont'd)			
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 Ground and 1 st Floor 214-A, 214-B, 215-A dan 215-B Medan Putra Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel. No.: +604 7209 888	087-021
RHB INVESTMENT BANK BERHAD 35, Ground Floor Jalan Suria 1 Jalan Bayu 09000 Kulim Kedah Darul Aman Tel. No.: +604 4964 888	087-019	UOB KAY HIAN SECURITIES (M) SDN. BHD. Lot 4, 5 & 5A 1 st Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel. No.: +604 7322 111	078-007
Negeri Sembilan			
HWANGDBS INVESTMENT BANK BERHAD 1 st Floor 105, 107 & 109 Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel. No.: +606 7612 288	068-007	PM SECURITIES SDN. BHD. 1 st & 3 rd Floor 18 - 21 Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel. No.: +606 7623 131	064-002
HWANGDBS INVESTMENT BANK BERHAD No. 6, Upper Level Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel. No.: +606 4553 188	068-013	RHB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 32 & 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel. No.: +606 7641 641	087-024
KENANGA INVESTMENT BANK BERHAD 1C & 1D, Ground & 1 st Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Darul Khusus Tel. No.: +606 7655 998	073-033	RHB INVESTMENT BANK BERHAD 1 st Floor No 3601 Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel. No.: +606 4421 000/ +606 4421 002	087-037
MAYBANK INVESTMENT BANK BERHAD Wisma HM No. 43 Jalan Dr. Krishnan 70000 Seremban Negeri Sembilan Darul Khusus Tel. No.: +606 7669 555	098-005	RHB INVESTMENT BANK BERHAD 1 st & 2 nd Floor No. 168, Jalan Mewah (Pusat Perniagaan UMNO Bahagian Jempol) 72100 Bahau Negeri Sembilan Darul Khusus Tel. No.: +606 4553 014	087-040

17. LIST OF ADAS (Cont'd)

Name, address and telephone number	Broker code	Name, address and telephone number	Broker code
Negeri Sembilan (Cont'd)			
RHB INVESTMENT BANK BERHAD Ground & Mezzanine Floor No. 346 & 347 Batu 1/2, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Tel. No.: +606 6461 234	087-046		
Johor			
ALLIANCE INVESTMENT BANK BERHAD No. 73, Ground & 1 st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel. No.: +607 7717 922	076-006	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
AMINVESTMENT BANK BERHAD 3 rd Floor Penggaram Complex 1 Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel. No.: +607 4342 282	086-002	KENANGA INVESTMENT BANK BERHAD No. 31 Lorong Dato' Ahmad Jalan Khalidi 84000 Muar Johor Darul Takzim Tel. No.: +606 9542 711	073-008
AMINVESTMENT BANK BERHAD 18 th Floor Selesa Tower Jalan Dato Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel. No.: +607 3343 855	086-006	KENANGA INVESTMENT BANK BERHAD Ground and Mezzanine Floor No. 34 Jalan Genuang 85000 Segamat Johor Darul Takzim Tel. No.: +607 9333 515	073-009
HONG LEONG 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	KENANGA INVESTMENT BANK BERHAD 33 & 35 (A&B) Ground Floor Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel. No.: +607 7771 161	073-010
HWANGDBS INVESTMENT BANK BERHAD Level 7, Johor Bahru City Square (Office Tower), No. 106-108 Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel. No.: +607 2222 692	068-004	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
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 Suite 16-02, 16-03 & 16-03 Level 16, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel. No.: +607 2237 423	073-019

17. LIST OF ADAS (Cont'd)

Name, address and telephone number	Broker code	Name, address and telephone number	Broker code
Johor (Cont'd)			
KENANGA INVESTMENT BANK BERHAD 57, 59 & 61 Jalan Ali 84000 Muar Johor Darul Takzim Tel. No.: +606 9531 222	073-024	RHB INVESTMENT BANK BERHAD 6 th Floor, Wisma Tiong Hua, 8, Jalan Keris Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel. No.: +607 2788 821	087-006
KENANGA INVESTMENT BANK BERHAD Ground Floor, 234 Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Tel. No.: +607 4678 885	073-025	RHB INVESTMENT BANK BERHAD 53, 53-A & 53-B Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel. No.: +607 4380 288	087-009
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	RHB INVESTMENT BANK BERHAD No. 33-1, 1 st & 2 nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Tel. No.: +606 9538 262	087-025
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	RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 119 dan 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel. No.: +607 5577 628	087-029
MERCURY SECURITIES SDN. BHD. Menara Pelangi Suite 17.1 Level 17 Jalan Kuning Taman Pelangi 80400, Johor Bahru Johor Darul Takzim Tel. No.: +607 3316 992	093-005	RHB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel. No.: +607 9321 543	087-030
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	RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 40 Jalan Haji Manan 86000 Kluang Johor Darul Takzim Tel. No.: +607 7769 655	087-031
PM SECURITIES SDN. BHD. Ground & 1 st Floor No. 43 & 43A Jalan Penjaja 3 Taman Kim's Park Business Centre 83000 Batu Pahat Johor Darul Takzim Tel. No.: +607 4333 608	064-008	RHB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 10 Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel. No.: +607 6626 288	087-035

17. LIST OF ADAS (Cont'd)

Name, address and telephone number	Broker code	Name, address and telephone number	Broker code
Johor (Cont'd)			
RHB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Tel. No.: +606 9787 180/ +606 9787 181	087-038	UOB KAY HIAN SECURITIES (M) SDN. BHD. No. 42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel. No.: +607 6637 398	078-005
RHB INVESTMENT BANK BERHAD No. 2, 1 st Floor Jalan Makmur Taman Sri Aman 58300 Labis Johor Darul Takzim Tel. No.: +607 9256 881/ +607 9256 884	087-039	UOB KAY HIAN SECURITIES (M) SDN. BHD. No. 70 Jalan Rosmerah 2/17 Taman Johor Jaya 81000 Johor Bahru Johor Darul Takzim Tel. No.: +607 3513 218	078-006
RHB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor Nos. 21 dan 23 Jalan Molek 1/30 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel. No.: +607 3522 293	087-043	UOB KAY HIAN SECURITIES (M) SDN. BHD. No. 171 (Ground Floor) Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Tel. No.: +607 5121 633	078-008
UOB KAY HIAN SECURITIES (M) SDN. BHD. Levels 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel. No.: +607 3332 000	078-001		
Pahang			
ALLIANCE INVESTMENT BANK BERHAD Ground, Mezzanine & 1 st Floor B-400, Jalan Berserah 25300 Kuantan Pahang Darul Makmur Tel. No.: +606 5660 800	076-002	RHB INVESTMENT BANK BERHAD B32 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel. No.: +606 5173 811	087-007
CIMB INVESTMENT BANK BERHAD No. A-27 (Ground, 1 st & 2 nd Floor) Jalan Dato Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel. No.: +606 2057 800	065-007	RHB INVESTMENT BANK BERHAD Ground & 1 st Floor 98, Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel. No.: +606 2234 943/ +606 2234 948	087-022
KENANGA INVESTMENT BANK BERHAD A15, A17 & A19, Ground Floor Lorong Tun Ismail 2 Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Tel. No.: +606 5171 698	073-027	RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No 76-A Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel. No.: +605 4914 913	087-041

17. LIST OF ADAS (Cont'd)

Name, address and telephone number	Broker code	Name, address and telephone number	Broker code
Kelantan			
RHB INVESTMENT BANK BERHAD No. 3953-H, Ground & 1 st Floor Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel. No.: +606 7430 077	087-020	TA SECURITIES HOLDINGS BERHAD 298 Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel. No.: +606 7432 288	058-004
Terengganu			
ALLIANCE INVESTMENT BANK BERHAD Ground & Mezzanine Floor Wisma Kam Choon 101, Jalan Kampung Tiong 20100 Kuala Terengganu Terengganu Darul Iman Tel. No.: +606 6317 922	076-009	RHB INVESTMENT BANK BERHAD Ground & 1 st Floor 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel. No.: +606 8583 109	087-027
FA SECURITIES SDN. BHD. No 51 & 51A Ground Mezzanine and 1 st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel. No.: +606 6238 128	021-001	RHB INVESTMENT BANK BERHAD 31A, Ground Floor 31A & 31B, 1 st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel. No.: +606 6261 816	087-055
Sarawak			
AMINVESTMENT BANK BERHAD 1 st Floor No. 162, 164, 166 & 168 Jalan Abell 93100 Kuching Sarawak Tel. No.: +6082 244 791	086-005	HWANGDBS INVESTMENT BANK BERHAD No. 282, 1 st Floor Park City Commercial Centre Phase 4, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel. No.: +6086 330 008	068-016
CIMB INVESTMENT BANK BERHAD Level 1 Wisma STA No. 26, Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel. No.: +6082 358 606	065-001	KENANGA INVESTMENT BANK BERHAD Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel. No.: +6085 435 577	073-002
CIMB INVESTMENT BANK BERHAD No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibul Sarawak Tel. No.: +6084 367 700	065-001	KENANGA INVESTMENT BANK BERHAD Level 2 - 4, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel. No.: +6082 338 000	073-003
HWANGDBS INVESTMENT BANK BERHAD Ground Floor & 1 st Floor, No. 1 Jalan Pending 93450 Kuching Sarawak Tel. No.: +6082 341 999	068-005	KENANGA INVESTMENT BANK BERHAD Ground & 1 st Floor No. 11-12 Lorong Kampung Datu 3 96000 Sibul Sarawak Tel. No.: +6084 313 855	073-012

17. LIST OF ADAS (Cont'd)

Name, address and telephone number	Broker code	Name, address and telephone number	Broker code
Sarawak (Cont'd)			
RHB INVESTMENT BANK BERHAD Yung Kong Abell Units No. 1-10, 2 nd Floor Lot 365, Section 50, Jalan Abell 93100 Kuching Sarawak Tel. No.: +6082 250 888	087-003	RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 10, Jalan Bersatu 96100 Sarikei Sarawak Tel. No.: +6084 654 100	087-050
RHB INVESTMENT BANK BERHAD Lot 170 and 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 Ground & 1 st Floor No. 221, Parkcity Commerce Square Phase III, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel. No.: +6086 311 770	087-053
RHB INVESTMENT BANK BERHAD 2 nd Floor, Lot 1268 dan Lot 1269 Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel. No.: +6085 422 788	087-012	TA SECURITIES HOLDINGS BERHAD 12G, H & I, Jalan Kampung Datu 96000 Sibu Sarawak Tel. No.: +6084 319 998	058-002
RHB INVESTMENT BANK BERHAD 102 Pusat Pedada Jalan Pedada 98000 Sibu Sarawak Tel. No.: +6084 329 100	087-013	TA SECURITIES HOLDINGS BERHAD 2 nd Floor Bangunan Binamas Lot 138, Section 54 Jalan Padungan 93100 Kuching Sarawak Tel. No.: +6082 236 333	058-006
Sabah			
CIMB INVESTMENT BANK BERHAD 1 st & 2 nd Floor Central Building No. 28 Jalan Sagunting 88000 Kota Kinabalu Sabah Tel. No.: +6088 328 878	065-001	KENANGA INVESTMENT BANK BERHAD Level 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, 9 th 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 5 th Floor Wisma BSN Sabah Jalan Kemajuan, Karamunsing 80000 Kota Kinabalu Sabah Tel. No.: +6088 269 788	087-010

17. LIST OF ADAS (Cont'd)

Name, address and telephone number	Broker code	Name, address and telephone number	Broker code
Sabah (Cont'd)			
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	UOB KAY HIAN SECURITIES (M) SDN. BHD. 11, Equity House, Block K Sadong Jaya Karamunsing 88100 Kota Kinabalu Sabah Tel. No.: +6088 234 090	078-011
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/+6089 229 326	087-057		

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ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS

Details of the major licences and permits held by our Group as at the LPD together with the salient conditions and status of compliance are as follows:

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant /Date renewal	Date of expiry	Salient conditions	Status of compliance
1.	OMNI Marine (For the vessel, OMNI Akira)	Domestic Shipping Licensing Board	A075521	Domestic Shipping Licence	22.02.2014	21.02.2015	Unconditional ⁽¹⁾	Complied
2.	OMNI Group Sdn Bhd (now known as /CON OGSB)	Domestic Shipping Licensing Board	A067679	Domestic Shipping Licence	14.09.2012	13.09.2014	Unconditional ⁽²⁾	Complied
3.	(For the vessel, OMNI Anteia)	Domestic Shipping Licensing Board	A076561	Domestic Shipping Licence	29.05.2014	28.05.2015	Unconditional ⁽¹⁾	Complied
4.	OMNI Flotilla (For the vessel, OMNI Perkasa)	Domestic Shipping Licensing Board	A076562	Domestic Shipping Licence	09.04.2014	08.04.2015	Unconditional ⁽¹⁾	Complied
5.	OMNI Flotilla (For the vessel, OMNI Gagah)	Domestic Shipping Licensing Board	A075523	Domestic Shipping Licence	11.02.2014	10.02.2015	Unconditional ⁽¹⁾	Complied
6.	OMNI Stella (For the vessel, OMNI Stella)	Domestic Shipping Licensing Board	A072552	Domestic Shipping Licence	06.07.2013	05.07.2014	Unconditional ⁽¹⁾	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
7.	OMNI Marissa (For the vessel, OMNI Marissa)	Domestic Shipping Licensing Board	A072179	Domestic Shipping Licence	14.06.2013	13.06.2014	Conditional ⁽³⁾	Complied
8.	OMNI Emery (For the vessel, OMNI Emery 1)	Domestic Shipping Licensing Board	A075882	Domestic Shipping Licence	07.02.2014	06.02.2015	Conditional ⁽³⁾	Complied
9.	TKS (now known as ICON Ship) (For the vessel, Tanjung Manis)	Domestic Shipping Licensing Board	A066552	Domestic Shipping Licence	09.07.2012	08.07.2014	Unconditional ⁽²⁾	Complied
10.	ICON Azra (For the vessel, ICON Azra)	Domestic Shipping Licensing Board	A075379	Domestic Shipping Licence	30.12.2013	29.12.2014	Conditional ⁽³⁾	Complied
11.	ICON Samudera (For the vessel, ICON Samudera)	Domestic Shipping Licensing Board	A075381	Domestic Shipping Licence	30.12.2013	29.12.2014	Conditional ⁽³⁾	Complied
12.	ICON Ikhlas (For the vessel, ICON Ikhlas)	Domestic Shipping Licensing Board	A075380	Domestic Shipping Licence	30.12.2013	29.12.2014	Conditional ⁽³⁾	Complied
13.	ICON Sophia (For the vessel, ICON Sophia)	Domestic Shipping Licensing Board	A076883	Domestic Shipping Licence	12.06.2014	11.06.2015	Conditional ⁽³⁾	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
14.	ICON Ship (For the vessel, Tanjung Biru 1)	Domestic Shipping Licensing Board	A075300	Domestic Shipping Licence	28.01.2014	27.01.2015	Unconditional ⁽¹⁾	Complied
15.	ICON Ship (For the vessel, Tanjung Biru 2)	Domestic Shipping Licensing Board	A075085	Domestic Shipping Licence	06.12.2013	05.12.2014	Unconditional ⁽¹⁾	Complied
16.	TKS (now known as /CON Ship) (For the vessel, Tanjung Dahant)	Domestic Shipping Licensing Board	A076560	Domestic Shipping Licence	12.04.2014	11.04.2015	Unconditional ⁽¹⁾	Complied
17.	TKS (now known as /CON Ship) (For the vessel, Tanjung Dahan 2)	Domestic Shipping Licensing Board	A066401	Domestic Shipping Licence	28.07.2012	27.07.2014	Unconditional ⁽²⁾	Complied
18.	ICON Ship (For the vessel, Tanjung Dawai)	Domestic Shipping Licensing Board	A075084	Domestic Shipping Licence	06.12.2013	05.12.2014	Unconditional ⁽¹⁾	Complied
19.	TKS (now known as /CON Ship) (For the vessel, Tanjung Gaya)	Domestic Shipping Licensing Board	A076559	Domestic Shipping Licence	15.04.2014	14.04.2015	Conditional ⁽³⁾	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
20.	TKS (now known as /CON Ship) (For the vessel, Tanjung Huma)	Domestic Shipping Licensing Board	A066553	Domestic Shipping Licence	09.07.2012	08.07.2014	Unconditional ⁽²⁾	Complied
21.	ICON Ship (For the vessel, Tanjung Piai 1)	Domestic Shipping Licensing Board	A075317	Domestic Shipping Licence	26.12.2013	25.12.2014	Unconditional ⁽¹⁾	Complied
22.	ICON Ship (For the vessel, Tanjung Pinang 1)	Domestic Shipping Licensing Board	A075082	Domestic Shipping Licence	06.12.2013	05.12.2014	Unconditional ⁽¹⁾	Complied
23.	ICON Ship (For the vessel, Tanjung Pinang 2)	Domestic Shipping Licensing Board	A075112	Domestic Shipping Licence	24.12.2013	23.12.2014	Unconditional ⁽¹⁾	Complied
24.	TKS (now known as /CON Ship) (For the vessel, Tanjung Pinang 3)	Domestic Shipping Licensing Board	A066400	Domestic Shipping Licence	20.07.2012	19.07.2014	Unconditional ⁽²⁾	Complied
25.	TKS (now known as /CON Ship) (For the vessel, Tanjung Pinang 4)	Domestic Shipping Licensing Board	A066548	Domestic Shipping Licence	20.07.2012	19.07.2014	Unconditional ⁽²⁾	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
26.	ICON Ship (For the vessel, Tanjung Puteri 1)	Domestic Shipping Licensing Board	A075079	Domestic Shipping Licence	06.12.2013	05.12.2014	Unconditional ⁽¹⁾	Complied
27.	ICON Ship (For the vessel, Tanjung Puteri 2)	Domestic Shipping Licensing Board	A075078	Domestic Shipping Licence	06.12.2013	05.12.2014	Unconditional ⁽¹⁾	Complied
28.	ICON Ship (For the vessel, Tanjung Sari)	Domestic Shipping Licensing Board	A075083	Domestic Shipping Licence	06.12.2013	05.12.2014	Unconditional ⁽¹⁾	Complied
29.	ICON Zara (For the vessel, SK Line 77)	Domestic Shipping Licensing Board	A076182	Domestic Shipping Licence	28.02.2014	27.02.2015	Conditional ⁽³⁾	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
30.	ICON Ship (For the vessel, OMNI Tigris)	Ministry of Business & Trade, Department of General Transport Affairs, Qatar	00035/R1	Work permit for foreign vessel engaged in operations in Qatari waters	16.02.2014	09.05.2014	<p>The licence will be treated as cancelled and invalid in the event of the following:</p> <p>(i) violation of National Qatar Maritime Law No. 15 of the year 1980;</p> <p>(ii) non-compliance with the International Safety Regulations and International Association of Classification Societies Ltd. Res. 2007;</p> <p>(iii) the vessel is under arrest or suspension of operations; and</p> <p>(iv) for not reporting in the case of any accident met by the vessel or her crew.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
31.	ICON OGSB	PETRONAS	749219-H	<p>Licence for the supply of equipment or provision of services to exploration companies and oil/gas producers in Malaysia pursuant to Regulation 3, Petroleum Regulations 1974 for the following categories:</p> <p>(i) SM3010100 - Marine transportation and support services - Marine vessels - Anchor handling vessel/tug boat/supply vessel;</p> <p>(ii) SM3010200 - Marine transportation and support services - Marine vessels - Accommodation barge/vessel;</p> <p>(iii) SM3010300 - Marine transportation and support services - Marine vessels - Crew boats;</p>	24.12.2011	23.12.2014	<p>(i) 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 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 for each day or part of a day where such offence is continuing after the day a conviction is recorded.</p> <p>(ii) The licensee must have a stable financial position. That is, its shareholders' funds must be at a positive level.</p> <p>(iii) The licensee is required to be registered with the Companies Commission of Malaysia as a private limited company or public limited company.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON OGSB (Cont'd)							
			(iv)	SM3010400 Marine transportation and support services - Marine vessels - Safety standby vessel;	-		(iv) The licensee is required to have paid up capital in the form of ordinary shares of not less than RM100,000.00.	Complied
			(v)	SM3010500 Marine transportation and support services - Marine vessels - Straight supply vessel;	-		(v) The licence is not transferable to any other company/person.	
			(vi)	SM3010800 Marine transportation and support services - Marine vessels - Survey vessel;	-		(vi) For each service category applied by the licensee, the licensee must ensure that its management staff, skilled employees and equipment employed possess the requisite technical expertise.	
			(vii)	SM3011100 Marine transportation and support services - Marine vessels - Tug/ mooring vessel; and	-		(vii) The licensee is required to have effective Bumiputera participation of at least 30% at its equity, board of directors, management and staff level.	
							(viii) The licensee is required to be registered with statutory bodies, professional bodies or government departments required by the respective Standardised Work and Equipment Categories.	


ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON OGSB (Cont'd)			(viii) SM3011300 Marine transportation and support services - Marine vessels - Utility vessel.	--		(ix) The licensee is required to be registered with, or to obtain licence, permit or permission from, the relevant authorities for the operation of services or supply of equipment or materials which is required in connection with the operations or activities of the licensee.	Complied
							(x) The licensee is required to inform PETRONAS of any change to its status such as equity ownership, board of directors and management staff within 14 days of the occurrence of such change.	
							(xi) The licensee is required to submit a copy of the completed HSE Management System together with the information relating to the licensee's objectives and annual target, latest minutes of meeting of the HSE management, licensee's HSE achievement report and the licensee's organization chart before 15 October 2013.	

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
	ICON OGSB (Cont'd)							
32.	ICON Ikhlas	LFSA	LFA/L/393	Letter of approval for licence to carry on leasing business in Labuan pursuant to Section 92(1) of the LFSSA for the following: (i) approval granted to ICON Ikhlas to carry on leasing business for the lease of the vessel, ICON Ikhlas on bareboat basis with ICON Corridor; and (ii) approval for the appointments of the following individuals as Directors of ICON Ikhlas: (a) Dr. Jamal bin Yusof @ Gordon Duclos as Director;	05.07.2013	-	(xii) The licensee is required to submit a copy of the complete Certificate of Competency (Master - Class 1), a copy of the ship certificate and ship specifications for crew boats before 15 October 2013. (i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected. (ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding. (iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension.	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Ikhlas (Cont'd)							
				(b) Rahman bin Yusof as Alternate Director to Dr. Jamal bin Yusof @ Gordon Duclos;			(iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA.	
			(c) Syed Yasir Arafat bin Abd Syed Kadir as Director; and			(v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.		
			(d) Nik Johaan bin Nik Hashim as Director.			(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement.		
						(vii) The licensee is required to submit the duly executed letter of undertaking and stamped at the Stamp Office of Malaysia within 30 days from the date of the letter of approval.		

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
	<i>ICON Ikhlas (Cont'd)</i>							
							(viii) The licensee is required to comply with the following conditions within 30 days from the date of execution of the final lease agreement: (a) submit the certified true copy of the final lease agreement between the licensee and the lessee; and (b) submit a copy of the insurance policy(s) for the coverage of the vessel.	Complied
33.	ICON Zara	LFSA	LFA/L/398	Letter of approval for licence to carry on leasing business in Labuan pursuant to Section 92(1) of the LFSSA for the following: (i) approval granted to ICON Zara to carry on leasing business under Section 86 of the LFSSA, in, from or through Labuan;	25.07.2013	-	(ix) Failure to submit the documents under items (vii) and (viii) within the stipulated time may cause the approval to be deemed null and void. (i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected. (ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding.	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Zara (Cont'd)			<p>(ii) approval granted to ICON Zara to conduct leasing transaction with ICON Corridor for the lease of the vessel, SK Line 77; and</p> <p>(iii) approval for the appointments of the following individuals as Directors of ICON Zara:</p> <p>(a) Dr. Jamal bin Yusof @ Gordon Duclos as Director;</p> <p>(b) Rahman bin Yusof Alternate Director to Dr. Jamal bin Yusof @ Gordon Duclos;</p> <p>(c) Syed Yasir Arafat bin Syed Abd Kadir as Director; and</p>			<p>(iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension.</p> <p>(iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA.</p> <p>(v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.</p> <p>(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Zara (Cont'd)			(d) Nik Johaan bin Nik Hashim as Director.			<p>(vii) The licensee is required to submit the duly executed letter of undertaking and stamped at the Stamp Office of Malaysia within 30 days from the date of the letter of approval.</p> <p>(viii) The licensee is required to comply with the following conditions:</p> <p>(a) submit the certified true copy of the final lease agreement between the licensee and the lessee within 30 days from the date of execution of the final lease agreement;</p> <p>(b) submit a copy of the insurance policy(s) for the coverage of the vessel within 30 days from the date of execution of the final lease agreement;</p> <p>(c) comply with the Income Tax (Transfer Pricing) Rules 2012 issued by the Inland Revenue Board of Malaysia for the transfer of assets (where applicable); and</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Zara (Cont'd)							
34.	ICON Pinang 1	LFSA	LFA/L/415	Letter of approval for licence to carry on leasing business in Labuan pursuant to Section 92(1) of the LFSSA for the following: (i) approval granted to ICON Pinang 1 to carry on leasing business under Section 86 of the LFSSA, in, from or through Labuan; (ii) approval granted to ICON Pinang 1 to conduct leasing transaction with ICON Ocean for the lease of the vessel, Tanjung Pinang 1 on bareboat basis; and	04.12.2013	-	(d) comply with all other requirements issued by the LFSA and other domestic authorities (where applicable). (ix) Failure to submit the documents under items (vii) and (viii) within the stipulated time may cause the approval to be deemed null and void. (i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected. (ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding. (iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension.	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licentsee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Pinang 1 (Cont'd)			(iii) approval for the appointments of the following individuals as Directors of ICON Pinang 1: (a) Dr. Jamal bin Yusof @ Gordon Duclos as Director; (b) Rahman bin Yusof as Alternate Director to Dr. Jamal bin Yusof @ Gordon Duclos; (c) Syed Yasir Arafat bin Syed Abd Kadir as Director; and (d) Nik Johaan bin Nik Hashim as Director.			(iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA. (v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations. (vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement. (vii) The licensee is required to submit the duly executed letter of undertaking and stamped at the Stamp Office of Malaysia within 30 days from the date of the letter of approval. (viii) The licensee is required to comply with the following conditions:	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Pinang (Cont'd)		1				<p>(a) submit the certified true copy of the final lease agreement between the licensee and the lessee, duly stamped and endorsed by the Collector of Stamp Duties, Inland Revenue Board of Malaysia within 30 days from the date of execution of the final lease agreement;</p> <p>(b) comply with the Income Tax (Transfer Pricing) Rules 2012 issued by the Inland Revenue Board of Malaysia for the transfer of assets (where applicable); and</p> <p>(c) comply with all other requirements issued by the LFSA and other domestic authorities (where applicable).</p> <p>(ix) Failure to submit the documents under items (vii) and (viii) within the stipulated time may cause the approval to be deemed null and void.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
35.	ICON Pinang 2	LFSA	LFA/L/416	Letter of approval for licence to carry on leasing business in Labuan pursuant to Section 92(1) of the LFSSA for the following: (i) approval granted to ICON Pinang 2 to carry on leasing business under Section 86 of the LFSSA, in, from or through Labuan; (ii) approval granted to ICON Pinang 2 to conduct leasing transaction with ICON Ocean for the lease of the vessel, Tanjung Pinang 2 on bareboat basis; and (iii) approval for the appointments of the following individuals as Directors of ICON Pinang 2: (a) Dr. Jamal bin Yusof @ Gordon Duclos as Director;	03.12.2013	-	(i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected. (ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding. (iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension. (iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA. (v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Pinang (Cont'd)	2		(b) Rahman bin Yusof as Alternate Director to Dr. Jamal bin Yusof @ Gordon Duclos;			(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement.	Complied
				(c) Syed Yasir Arafat bin Syed Abd Kadir as Director; and			(vii) The licensee is required to submit the duly executed letter of undertaking and stamped at the Stamp Office of Malaysia within 30 days from the date of the letter of approval.	
				(d) Nik Johaan bin Nik Hashim as Director.			(viii) The licensee is required to comply with the following conditions: (a) submit the certified true copy of the final lease agreement between the licensee and the lessee, duly stamped and endorsed by the Collector of Stamp Duties, Inland Revenue Board of Malaysia within 30 days from the date of execution of the final lease agreement;	

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Pinang (Cont'd)		2				<p>(b) comply with the Income Tax (Transfer Pricing) Rules 2012 issued by the Inland Revenue Board of Malaysia for the transfer of assets (where applicable); and</p> <p>(c) comply with all other requirements issued by the LFSA and other domestic authorities (where applicable).</p> <p>(ix) Failure to submit the documents under items (vii) and (viii) within the stipulated time may cause the approval to be deemed null and void.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensor/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
36.	ICON Pinang 3	LFSA	LFA/L/417	Letter of approval for licence to carry on leasing business in Labuan pursuant to Section 92(1) of the LFSSA for the following: (i) approval granted to ICON Pinang 3 to carry on leasing business under Section 86 of the LFSSA, in, from or through Labuan; (ii) approval granted to ICON Pinang 3 to conduct leasing transaction with ICON Ocean for the lease of the vessel, Tanjung Pinang 3 on bareboat basis; and (iii) approval for the appointments of the following individuals as Directors of ICON Pinang 3: (a) Dr. Jamal bin Yusof @ Gordon Duclos as Director;	03.12.2013	-	(i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected. (ii) The licensee is required to obtain approval from the LFSA on new appointment or change on its directorship and shareholding. (iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension. (iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA. (v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Pinang 3 (Cont'd)			(b) Rahman bin Yusuf Alternate Director to Dr. Jamal bin Yusuf @ Gordon Duclos;			(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement.	Complied
				(c) Syed Yasir Arafat bin Syed Abd Kadir as Director; and			(vii) The licensee is required to submit the duly executed letter of undertaking and stamped at the Stamp Office of Malaysia within 30 days from the date of the letter of approval.	
				(d) Nik Johaan bin Nik Hashim as Director.			(viii) The licensee is required to comply with the following conditions: (a) submit the certified true copy of the final lease agreement between the licensee and the lessee, duly stamped and endorsed by the Collector of Stamp Duties, Inland Revenue Board of Malaysia within 30 days from the date of execution of the final lease agreement;	

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Pinang 3 (Cont'd)						<p>(b) comply with the Income Tax (Transfer Pricing) Rules 2012 issued by the Inland Revenue Board of Malaysia for the transfer of assets (where applicable); and</p> <p>(c) comply with all other requirements issued by the LFSA and other domestic authorities (where applicable).</p>	Complied
37.	ICON Pinang 4	LFSA	LFA/L/418	Letter of approval for licence to carry on leasing business in Labuan pursuant to Section 92(1) of the LFSSA for the following:	03.12.2013	-	<p>(ix) Failure to submit the documents under items (vii) and (viii) within the stipulated time may cause the approval to be deemed null and void.</p> <p>(i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected.</p> <p>(ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Pinang 4 (Cont'd)			(ii) approval granted to ICON Pinang 4 to conduct leasing transaction with ICON Ocean for the lease of the vessel, Tanjung Pinang 4 on bareboat basis; and			(iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension.	
			(iii) approval for the appointments of the following individuals as Directors of ICON Pinang 4:				(iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA.	
			(a) Dr. Jamal bin Yusof @ Gordon Duclos as Director;				(v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.	
			(b) Rahman bin Yusof as Alternate Director to Dr. Jamal bin Yusof @ Gordon Duclos;				(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement.	
			(c) Syed Yasir Arafat bin Syed Abd Kadir as Director; and					

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Pinang (Cont'd)	4		(d) Nik Johaan bin Nik Hashim as Director.			<p>(vii) The licensee is required to submit the duly executed letter of undertaking and stamped at the Stamp Office of Malaysia within 30 days from the date of the letter of approval.</p> <p>(viii) The licensee is required to comply with the following conditions:</p> <p>(a) submit the certified true copy of the final lease agreement between the licensee and the lessee, duly stamped and endorsed by the Collector of Stamp Duties, Inland Revenue Board of Malaysia within 30 days from the date of execution of the final lease agreement;</p> <p>(b) comply with the Income Tax (Transfer Pricing) Rules 2012 issued by the Inland Revenue Board of Malaysia for the transfer of assets (where applicable); and</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Pinang 4 (Cont'd)						(c) comply with all other requirements issued by the LFSA and other domestic authorities (where applicable). (ix) Failure to submit the documents under items (vii) and (viii) within the stipulated time may cause the approval to be deemed null and void.	Complied
38.	ICON Biru 1		LFA/L/419	Letter of approval for licence to carry on leasing business in Labuan pursuant to Section 92(1) of the LFSSA for the following: (i) approval granted to ICON Biru 1 to carry on leasing business under Section 86 of the LFSSA, in, from or through Labuan; (ii) approval granted to ICON Biru 1 to conduct leasing transaction with ICON Ocean for the lease of the vessel, Tanjung Biru 1 on bareboat basis; and	04.12.2013	-	(i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected. (ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding. (iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension.	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Biru 1 (Cont'd)			<p>(iii) approval for the appointments of the following individuals as Directors of ICON Biru 1:</p> <p>(a) Dr. Jamal bin Yusof @ Gordon Duclos as Director;</p> <p>(b) Rahman bin Yusof as Alternate Director to Dr. Jamal bin Yusof @ Gordon Duclos;</p> <p>(c) Syed Yasir Arafat bin Syed Abd Kadir as Director; and</p> <p>(d) Nik Johaan bin Nik Hashim as Director.</p>			<p>(iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA.</p> <p>(v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.</p> <p>(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement.</p> <p>(vii) The licensee is required to submit the duly executed letter of undertaking and stamped at the Stamp Office of Malaysia within 30 days from the date of the letter of approval.</p> <p>(viii) The licensee is required to comply with the following conditions:</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Biru 1 (Cont'd)						<p>(a) submit the certified true copy of the final lease agreement between the licensee and the lessee, duly stamped and endorsed by the Collector of Stamp Duties, Inland Revenue Board of Malaysia within 30 days from the date of execution of the final lease agreement;</p> <p>(b) comply with the Income Tax (Transfer Pricing) Rules 2012 issued by the Inland Revenue Board of Malaysia for the transfer of assets (where applicable); and</p> <p>(c) comply with all other requirements issued by the LFSA and other domestic authorities (where applicable).</p> <p>(ix) Failure to submit the documents under items (vii) and (viii) within the stipulated time may cause the approval to be deemed null and void.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
39.	ICON Biru 2	LFSA	LFA/L/420	<p>Letter of approval for licence to carry on leasing business in Labuan pursuant to Section 92(1) of the LFSSA for the following:</p> <p>(i) approval granted to ICON Biru 2 to carry on leasing business under Section 86 of the LFSSA, in, from or through Labuan;</p> <p>(ii) approval granted to ICON Biru 2 to conduct leasing transaction with ICON Ocean for the lease of the vessel, Tanjung Biru 2 on bareboat basis; and</p> <p>(iii) approval for the appointments of the following individuals as Directors of ICON Biru 2:</p> <p>(a) Dr. Jamal bin Yusof @ Gordon Duclos as Director;</p>	04.12.2013	-	<p>(i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected.</p> <p>(ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding.</p> <p>(iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension.</p> <p>(iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA.</p> <p>(v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Biru 2 (Cont'd)			(b) Rahman bin Yusof as Alternate Director to Dr. Jamal bin Yusof @ Gordon Duclos;			(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement.	Complied
				(c) Syed Yasir Arafat bin Syed Abd Kadir as Director; and			(vii) The licensee is required to submit the duly executed letter of undertaking and stamped at the Stamp Office of Malaysia within 30 days from the date of the letter of approval.	
				(d) Nik Johaan bin Nik Hashim as Director.			(viii) The licensee is required to comply with the following conditions: (a) submit the certified true copy of the final lease agreement between the licensee and the lessee, duly stamped and endorsed by the Collector of Stamp Duties, Inland Revenue Board of Malaysia within 30 days from the date of execution of the final lease agreement;	

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Biru 2 (Cont'd)						<p>(b) comply with the Income Tax (Transfer Pricing) Rules 2012 issued by the Inland Revenue Board of Malaysia for the transfer of assets (where applicable); and</p> <p>(c) comply with all other requirements issued by the LFSA and other domestic authorities (where applicable).</p>	Complied
40.	ICON Dahan 1	LFSA	LFA/L/421	Letter of approval for licence to carry on leasing business in Labuan pursuant to Section 92(1) of the LFSSA for the following: (i) approval granted to ICON Dahan 1 to carry on leasing business under Section 86 of the LFSSA, in, from or through Labuan;	04.12.2013	-	<p>(i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected.</p> <p>(ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding.</p> <p>(iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Dahhan 1 (Cont'd)			(ii) approval granted to ICON Dahhan 1 to conduct leasing transaction with ICON Ocean for the lease of the vessel, Tanjung Dahhan 1 on bareboat basis; and			(iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA.	Complied
				(iii) approval for the appointments of the following individuals as Directors of ICON Dahhan 1:			(v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.	
				(a) Dr. Jamal bin Yusof @ Gordon Duclos as Director;			(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement.	
				(b) Rahman bin Yusof as Alternate Director to Dr. Jamal bin Yusof @ Gordon Duclos;			(vii) The licensee is required to submit the duly executed letter of undertaking and stamped at the Stamp Office of Malaysia within 30 days from the date of the letter of approval.	
				(c) Syed Yasir Arafat bin Syed Abd Kadir as Director; and			(viii) The licensee is required to comply with the following conditions:	

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
ICON (Cont'd)	Dahan 1			(d) Nik Johaan bin Nik Hashim as Director.			(a) submit the certified true copy of the final lease agreement between the licensee and the lessee, duly stamped and endorsed by the Collector of Stamp Duties, Inland Revenue Board of Malaysia within 30 days from the date of execution of the final lease agreement;	Complied
							(b) comply with the Income Tax (Transfer Pricing) Rules 2012 issued by the Inland Revenue Board of Malaysia for the transfer of assets (where applicable); and	
							(c) comply with all other requirements issued by the LFSA and other domestic authorities (where applicable).	
							(ix) Failure to submit the documents under items (vii) and (viii) within the stipulated time may cause the approval to be deemed null and void.	

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
41.	ICON Dahan 2	LFSA	LFAL/422	Letter of approval for licence to carry on leasing business in Labuan pursuant to Section 92(1) of the LFSSA for the following: (i) approval granted to ICON Dahan 2 to carry on leasing business under Section 86 of the LFSSA, in, from or through Labuan; (ii) approval granted to ICON Dahan 2 to conduct leasing transaction with ICON Ocean for the lease of the vessel, Tanjung Dahan 2 on bareboat basis; and (iii) approval for the appointments of the following individuals as Directors of ICON Dahan 2: (a) Dr. Jamal bin Yusof @ Gordon Duclos as Director;	04.12.2013	-	(i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected. (ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding. (iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/ extension. (iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA. (v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Dahan 2 (Cont'd)			(b) Rahman bin Yusof as Alternate Director to Dr. Jamal bin Yusof @ Gordon Duclos;			(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement.	Complied
				(c) Syed Yasir Arafat bin Syed Abd Kadir as Director; and			The licensee is required to submit the duly executed letter of undertaking and stamped at the Stamp Office of Malaysia within 30 days from the date of the letter of approval.	
				(d) Nik Johaan bin Nik Hashim as Director.			(vii) The licensee is required to comply with the following conditions: (a) submit the certified true copy of the final lease agreement between the licensee and the lessee, duly stamped and endorsed by the Collector of Stamp Duties, Inland Revenue Board of Malaysia within 30 days from the date of execution of the final lease agreement;	

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Dahan (Cont'd)	2					<p>(b) comply with the Income Tax (Transfer Pricing) Rules 2012 issued by the Inland Revenue Board of Malaysia for the transfer of assets (where applicable); and</p> <p>(c) comply with all other requirements issued by the LFSA and other domestic authorities (where applicable).</p>	Complied
42.	ICON Dawai	LFSA	LFA/L/424	Letter of approval for licence to carry on leasing business in Labuan pursuant to Section 92(1) of the LFSSA for the following: (i) approval granted to ICON Dawai to carry on leasing business under Section 86 of the LFSSA, in, from or through Labuan;	04.12.2013	-	<p>(ix) Failure to submit the documents under items (vii) and (viii) within the stipulated time may cause the approval to be deemed null and void.</p> <p>(i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected.</p> <p>(ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Dawai (Cont'd)			<p>(ii) approval granted to ICON Dawai to conduct leasing transaction with ICON Ocean for the lease of the vessel, Tanjung Dawai on bareboat basis; and</p> <p>(iii) approval for the appointments of the following individuals as Directors of ICON Dawai:</p> <p>(a) Dr. Jamal bin Yusof @ Gordon Duclos as Director;</p> <p>(b) Rahman bin Yusof as Alternate Director to Dr. Jamal bin Yusof @ Gordon Duclos;</p> <p>(c) Syed Yasir Arafat bin Syed Abd Kadir as Director; and</p> <p>(d) Nik Johaan bin Nik Hashim as Director.</p>			<p>(ii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension.</p> <p>(iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA.</p> <p>(v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.</p> <p>(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Dawai (Cont'd)						<p>(vii) The licensee is required to submit the duly executed letter of undertaking and stamped at the Stamp Office of Malaysia within 30 days from the date of the letter of approval.</p> <p>(ix) The licensee is required to comply with the following conditions:</p> <p>(a) submit the certified true copy of the final lease agreement between the licensee and the lessee, duly stamped and endorsed by the Collector of Stamp Duties, Inland Revenue Board of Malaysia within 30 days from the date of execution of the final lease agreement;</p> <p>(b) comply with the Income Tax (Transfer Pricing) Rules 2012 issued by the Inland Revenue Board of Malaysia for the transfer of assets (where applicable); and</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Dawai (Cont'd)							
43.	ICON Gaya	LFSA	LFAL/425	Letter of approval for licence to carry on leasing business in Labuan pursuant to Section 92(1) of the LFSSA for the following: (i) approval granted to ICON Gaya to carry on leasing business under Section 86 of the LFSSA, in, from or through Labuan; (ii) approval granted to ICON Gaya to conduct leasing transaction with ICON Ocean for the lease of the vessel, Tanjung Gaya on bareboat basis; and	04.12.2013	-	(c) comply with all other requirements issued by the LFSA and other domestic authorities (where applicable). (ix) Failure to submit the documents under items (vii) and (viii) within the stipulated time may cause the approval to be deemed null and void. (i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected. (ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding. (iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension.	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Gaya (Cont'd)			(iii) approval for the appointments of the following individuals as Directors of ICON Gaya: (a) Dr. Jamal bin Yusof @ Gordon Duclos as Director; (b) Rahman bin Yusof as Alternate Director to Dr. Jamal bin Yusof @ Gordon Duclos; (c) Syed Yasir Arafat bin Syed Abd Kadir as Director; and (d) Nik Johaan bin Nik Hashim as Director.			(iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA. (v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations. (vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement. (vii) The licensee is required to submit the duly executed letter of undertaking and stamped at the Stamp Office of Malaysia within 30 days from the date of the letter of approval. (viii) The licensee is required to comply with the following conditions:	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Gaya (Cont'd)						<p>(a) submit the certified true copy of the final lease agreement between the licensee and the lessee, duly stamped and endorsed by the Collector of Stamp Duties, Inland Revenue Board of Malaysia within 30 days from the date of execution of the final lease agreement;</p> <p>(b) comply with the Income Tax (Transfer Pricing) Rules 2012 issued by the Inland Revenue Board of Malaysia for the transfer of assets (where applicable); and</p> <p>(c) comply with all other requirements issued by the LISA and other domestic authorities (where applicable).</p> <p>(ix) Failure to submit the documents under items (vii) and (viii) within the stipulated time may cause the approval to be deemed null and void.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
44.	ICON Huma	LFSA	LFA/L/423	Letter of approval for licence to carry on leasing business in Labuan pursuant to Section 92(1) of the LFSSA for the following: (i) approval granted to ICON Huma to carry on leasing business under Section 86 of the LFSSA, in, from or through Labuan; (ii) approval granted to ICON Huma to conduct leasing transaction with ICON Ocean for the lease of the vessel, Tanjung Huma on bareboat basis; and (iii) approval for the appointments of the following individuals as Directors of ICON Huma: (a) Dr. Jamal bin Yusof @ Gordon Duolos as Director;	04.12.2013	-	(i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected. (ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding. (iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension. (iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA. (v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Huma (Cont'd)			(b) Rahman bin Yusuf Alternate Director to Dr. Jamal bin Yusuf @ Gordon Duclos;			(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement.	Complied
				(c) Syed Yasir Arafat bin Syed Abd Kadir as Director; and			(vii) The licensee is required to submit the duly executed letter of undertaking and stamped at the Stamp Office of Malaysia within 30 days from the date of the letter of approval.	
				(d) Nik Johaan bin Nik Hashim as Director.			(viii) The licensee is required to comply with the following conditions: (a) submit the certified true copy of the final lease agreement between the licensee and the lessee, duly stamped and endorsed by the Collector of Stamp Duties, Inland Revenue Board of Malaysia within 30 days from the date of execution of the final lease agreement;	

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Huma (Cont'd)						<p>(b) comply with the Income Tax (Transfer Pricing) Rules 2012 issued by the Inland Revenue Board of Malaysia for the transfer of assets (where applicable); and</p> <p>(c) comply with all other requirements issued by the LFSA and other domestic authorities (where applicable).</p>	Complied
45.	ICON Piai 1	LFSA	LFA/L/426	Letter of approval for licence to carry on leasing business in Labuan pursuant to Section 92(1) of the LFSSA for the following: (i) approval granted to ICON Piai 1 to carry on leasing business under Section 86 of the LFSSA, in, from or through Labuan;	04.12.2013	-	<p>(ix) Failure to submit documents under items (vii) and (viii) within the stipulated time may cause the approval to be deemed null and void.</p> <p>(i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected.</p> <p>(ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Piai 1 (Cont'd)			<p>(ii) approval granted to ICON Piai 1 to conduct leasing transaction with ICON Ocean for the lease of the vessel, Tanjung Piai 1 on bareboat basis; and</p> <p>(iii) approval for the appointments of the following individuals as Directors of ICON Piai 1:</p> <p>(a) Dr. Jamal bin Yusof @ Gordon Duclos as Director;</p> <p>(b) Rahman bin Yusof as Alternate Director to Dr. Jamal bin Yusof @ Gordon Duclos;</p> <p>(c) Syed Yasir Arafat bin Syed Abd Kadir as Director; and</p> <p>(d) Nik Johaan bin Nik Hashim as Director.</p>			<p>(iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension.</p> <p>(iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA.</p> <p>(v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.</p> <p>(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
ICON Plat 1 (Cont'd)							<p>(vii) The licensee is required to submit the duly executed letter of undertaking and stamped at the Stamp Office of Malaysia within 30 days from the date of the letter of approval.</p> <p>(viii) The licensee is required to comply with the following conditions:</p> <p>(a) submit the certified true copy of the final lease agreement between the licensee and the lessee, duly stamped and endorsed by the Collector of Stamp Duties, Inland Revenue Board of Malaysia within 30 days from the date of execution of the final lease agreement;</p> <p>(b) comply with the Income Tax (Transfer Pricing) Rules 2012 issued by the Inland Revenue Board of Malaysia for the transfer of assets (where applicable); and</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Piai 1 (Cont'd)							
46.	ICON Piai 2	LFSA	LFA/L/427	Letter of approval for licence to carry on leasing business in Labuan pursuant to Section 92(1) of the LFSSA for the following: (i) approval granted to ICON Piai 2 to carry on leasing business under Section 86 of the LFSSA, in, from or through Labuan; (ii) approval granted to ICON Piai 2 to conduct leasing transaction with ICON Ocean for the lease of the vessel, Tanjung Piai 2 on bareboat basis; and	04.12.2013	-	(c) comply with all other requirements issued by the LFSA and other domestic authorities (where applicable). (ix) Failure to documents under items (vii) and (viii) within the stipulated time may cause the approval to be deemed null and void. (i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected. (ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding. (iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension.	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Piai 2 (Cont'd)			(iii) approval for the appointments of the following individuals as Directors of ICON Piai 2: (a) Dr. Jamal bin Yusof @ Gordon Duclos as Director; (b) Rahman bin Yusof as Alternate Director to Dr. Jamal bin Yusof @ Gordon Duclos; (c) Syed Yasir Arafat bin Syed Abd Kadir as Director; and (d) Nik Johaan bin Nik Hashim as Director.			(iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA. (v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations. (vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement. (vii) The licensee is required to submit the duly executed letter of undertaking and stamped at the Stamp Office of Malaysia within 30 days from the date of the letter of approval. (viii) The licensee is required to comply with the following conditions:	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Plai 2 (Cont'd)						<p>(a) submit the certified true copy of the final lease agreement between the licensee and the lessee, duly stamped and endorsed by the Collector of Stamp Duties, Inland Revenue Board of Malaysia within 30 days from the date of execution of the final lease agreement;</p> <p>(b) comply with the Income Tax (Transfer Pricing) Rules 2012 issued by the Inland Revenue Board of Malaysia for the transfer of assets (where applicable); and</p> <p>(c) comply with all other requirements issued by the LFSA and other domestic authorities (where applicable).</p> <p>(ix) Failure to submit documents under items (vii) and (viii) within the stipulated time may cause the approval to be deemed null and void.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
47.	ICON Puteri 1	LFSA	LFA/L/433	Letter of approval for licence to carry on leasing business in Labuan pursuant to Section 92(1) of the LFSSA for the following: (i) approval granted to ICON Puteri 1 to carry on leasing business under Section 86 of the LFSSA, in, from or through Labuan; (ii) approval granted to ICON Puteri 1 to conduct leasing transaction with ICON Corridor for the lease of the vessel, Tanjung Puteri 1 on bareboat basis; and (iii) approval for the appointments of the following individuals as Directors of ICON Puteri 1: (a) Dr. Jamal bin Yusof @ Gordon Duclos as Director;	04.12.2013	-	(i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected. (ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding. (iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension. (iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA. (v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Puteri 1 (Cont'd)			(b) Rahman Yusof bin Yusof as Alternate Director to Dr. Jamal bin Yusof @ Gordon Duclos;			(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement.	Complied
				(c) Syed Yasir Arafat bin Syed Abd Kadir as Director; and			(vii) The licensee is required to submit the duly executed letter of undertaking and stamped at the Stamp Office of Malaysia within 30 days from the date of the letter of approval.	
				(d) Nik Johaan bin Nik Hashim as Director.			(viii) The licensee is required to comply with the following conditions: (a) submit the certified true copy of the final lease agreement between the licensee and the lessee, duly stamped and endorsed by the Collector of Stamp Duties, Inland Revenue Board of Malaysia within 30 days from the date of execution of the final lease agreement;	

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Puteri 1 (Cont'd)						<p>(b) comply with the Income Tax (Transfer Pricing) Rules 2012 issued by the Inland Revenue Board of Malaysia for the transfer of assets (where applicable); and</p> <p>(c) comply with all other requirements issued by the LFSA and other domestic authorities (where applicable).</p>	Complied
48.	ICON Puteri 2	LFSA	LFA/L/434	Letter of approval for licence to carry on leasing business in Labuan pursuant to Section 92(1) of the LFSSA for the following: (i) approval granted to ICON Puteri 2 to carry on leasing business under Section 86 of the LFSSA, in, from or through Labuan;	04.12.2013	-	<p>(ix) Failure to submit documents under items (vii) and (viii) within the stipulated time may cause the approval to be deemed null and void.</p> <p>(i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected.</p> <p>(ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Puteri 2 (Cont'd)			<p>(ii) approval granted to ICON Puteri 2 to conduct leasing transaction with ICON Corridor for the lease of the vessel, Tanjung Puteri 2 on bareboat basis; and</p> <p>(iii) approval for the appointments of the following individuals as Directors of ICON Puteri 2:</p> <p>(a) Dr. Jamal bin Yusof @ Gordon Duclos as Director;</p> <p>(b) Rahman bin Yusof as Alternate Director to Dr. Jamal bin Yusof @ Gordon Duclos;</p> <p>(c) Syed Yasir Arafat bin Syed Abd Kadir as Director; and</p>			<p>(iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension.</p> <p>(iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA.</p> <p>(v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.</p> <p>(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Puteri 2 (Cont'd)			(d) Nik Johaan bin Nik Hashim as Director.			<p>(vii) The licensee is required to submit the duly executed letter of undertaking and stamped at the Stamp Office of Malaysia within 30 days from the date of the letter of approval.</p> <p>(viii) The licensee is required to comply with the following conditions:</p> <p>(a) submit the certified true copy of the final lease agreement between the licensee and the lessee, duly stamped and endorsed by the Collector of Stamp Duties, Inland Revenue Board of Malaysia within 30 days from the date of execution of the final lease agreement;</p> <p>(b) comply with the Income Tax (Transfer Pricing) Rules 2012 issued by the Inland Revenue Board of Malaysia for the transfer of assets (where applicable); and</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Puteri 2 (Cont'd)							
49.	ICON Sari	LFSA	LFA/L/435	Letter of approval for licence to carry on leasing business in Labuan pursuant to Section 92(1) of the LFSSA for the following: (i) approval granted to ICON Sari to carry on leasing business under Section 86 of the LFSSA, in, from or through Labuan; (ii) approval granted to ICON Sari to conduct leasing transaction with ICON Corridor for the lease of the vessel, Tanjung Sari, on bareboat basis; and	04.12.2013	-	(c) comply with all other requirements issued by the LFSA and other domestic authorities (where applicable). (ix) Failure to submit the documents under items (vii) and (viii) within the stipulated time may cause the approval to be deemed null and void. (i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected. (ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding. (iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension.	Completed

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Sari (Cont'd)			(iii) approval for the appointments of the following individuals as Directors of ICON Sari: (a) Dr. Jamal bin Yusof @ Gordon Duclos as Director; (b) Rahman bin Yusof Alternate Director to Dr. Jamal bin Yusof @ Gordon Duclos; (c) Syed Yasir Arafat bin Syed Abd Kadir as Director; and (d) Nik Johaan bin Nik Hashim as Director.			(iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA. (v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations. (vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement. (vii) The licensee is required to submit the duly executed letter of undertaking and stamped at the Stamp Office of Malaysia within 30 days from the date of the letter of approval. (viii) The licensee is required to comply with the following conditions:	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Sari (Cont'd)						<p>(a) submit the certified true copy of the final lease agreement between the licensee and the lessee, duly stamped and endorsed by the Collector of Stamp Duties, Inland Revenue Board of Malaysia within 30 days from the date of execution of the final lease agreement;</p> <p>(b) comply with the Income Tax (Transfer Pricing) Rules 2012 issued by the Inland Revenue Board of Malaysia for the transfer of assets (where applicable); and</p> <p>(c) comply with all other requirements issued by the LFSA and other domestic authorities (where applicable).</p> <p>(ix) Failure to submit the documents under items (vii) and (viii) within the stipulated time may cause the approval to be deemed null and void.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
50.	ICON Tigris	LFSA	LFA/L/432	Letter of approval for licence to carry on leasing business in Labuan pursuant to Section 92(1) of the LFSSA for the following: (i) approval granted to ICON Tigris to carry on leasing business under Section 86 of the LFSSA, in, from or through Labuan; (ii) approval granted to ICON Tigris to conduct leasing transaction with ICON Corridor for the lease of the vessel, OMNI Tigris on bareboat basis; and (iii) approval for the appointments of the following individuals as Directors of ICON Tigris: (a) Dr. Jamal bin Yusof @ Gordon Duclos as Director,	04.12.2013	-	(i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected. (ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding. (iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension. (iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA. (v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Tigris (Cont'd)			(b) Rahman bin Yusof Alternate Director to Dr. Jamal bin Yusof @ Gordon Duclos;			(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement.	Complied
				(c) Syed Yasir Arafat bin Syed Abd Kadir as Director; and			(vii) The licensee is required to submit the duly executed letter of undertaking and stamped at the Stamp Office of Malaysia within 30 days from the date of the letter of approval.	
				(d) Nik Johaan bin Nik Hashim as Director.			(viii) The licensee is required to comply with the following conditions: (a) submit the certified true copy of the final lease agreement between the licensee and the lessee, duly stamped and endorsed by the Collector of Stamp Duties, Inland Revenue Board of Malaysia within 30 days from the date of execution of the final lease agreement;	

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Tigris (Cont'd)						<p>(b) comply with the Income Tax (Transfer Pricing) Rules 2012 issued by the Inland Revenue Board of Malaysia for the transfer of assets (where applicable); and</p> <p>(c) comply with all other requirements issued by the LFSA and other domestic authorities (where applicable).</p>	Complied
51.	ICON Lotus	LFSA	LFA/L/428	Letter of approval for licence to carry on leasing business in Labuan pursuant to Section 92(1) of the LFSSA for the following: (i) approval granted to ICON Lotus to carry on leasing business under Section 86 of the LFSSA, in, from or through Labuan;	04.12.2013	-	<p>(ix) Failure to submit documents under items (vii) and (viii) within the stipulated time may cause the approval to be deemed null and void.</p> <p>(i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected.</p> <p>(ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Lotus (Cont'd)			(ii) approval granted to ICON Lotus to conduct leasing transaction with ICON Ocean for the lease of the vessel, ICON Lotus on bareboat basis; and			(iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension.	Complied
				(iii) approval for the appointments of the following individuals as Directors of ICON Lotus:			(iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA.	
			(a) Dr. Jamal bin Yusof @ Gordon Duclos as Director;				(v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.	
			(b) Rahman bin Yusof Alternate Director to Dr. Jamal bin Yusof @ Gordon Duclos;				(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement.	
			(c) Syed Yasir Arafat bin Syed Abd Kadir as Director; and					
			(d) Nik Johaan bin Nik Hashim as Director.					

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Lotus (Cont'd)						<p>(vii) The licensee is required to submit the duly executed letter of undertaking and stamped at the Stamp Office of Malaysia within 30 days from the date of the letter of approval.</p> <p>(viii) The licensee is required to comply with the following conditions:</p> <p>(a) submit the certified true copy of the final lease agreement between the licensee and the lessee, duly stamped and endorsed by the Collector of Stamp Duties, Inland Revenue Board of Malaysia within 30 days from the date of execution of the final lease agreement;</p> <p>(b) comply with the Income Tax (Transfer Pricing) Rules 2012 issued by the Inland Revenue Board of Malaysia for the transfer of assets (where applicable); and</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
ICON Lotus (Cont'd)								
52.	ICON Sophia	LFSA	LFA/L/429	Letter of approval for licence to carry on leasing business in Labuan pursuant to Section 92(1) of the LFSSA for the following: (i) approval granted to ICON Sophia to carry on leasing business under Section 86 of the LFSSA, in, from or through Labuan; (ii) approval granted to ICON Sophia to conduct leasing transaction with ICON Ocean for the lease of the vessel, ICON Sophia on bareboat basis; and	04.12.2013	-	(c) comply with all other requirements issued by the LFSA and other domestic authorities (where applicable). (ix) Failure to submit documents under items (vii) and (viii) within the stipulated time may cause the approval to be deemed null and void. (i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected. (ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding. (iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension.	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Sophia (Cont'd)			(iii) approval for the appointments of the following individuals as Directors of ICON Sophia: (a) Dr. Jamal bin Yusof @ Gordon Duclos as Director; (b) Rahman bin Yusof as Alternate Director to Dr. Jamal bin Yusof @ Gordon Duclos; (c) Syed Yasir Arafat bin Syed Abd Kadir as Director; and (d) Nik Johaan bin Nik Hashim as Director.			(iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA. (v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations. (vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement. (vii) The licensee is required to submit the duly executed letter of undertaking and stamped at the Stamp Office of Malaysia within 30 days from the date of the letter of approval. (viii) The licensee is required to comply with the following conditions:	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Sophia (Cont'd)						<p>(a) submit the certified true copy of the final lease agreement between the licensee and the lessee, duly stamped and endorsed by the Collector of Stamp Duties, Inland Revenue Board of Malaysia within 30 days from the date of execution of the final lease agreement;</p> <p>(b) comply with the Income Tax (Transfer Pricing) Rules 2012 issued by the Inland Revenue Board of Malaysia for the transfer of assets (where applicable); and</p> <p>(c) comply with all other requirements issued by the LFSA and other domestic authorities (where applicable).</p> <p>(ix) Failure to submit the documents under items (vii) and (viii) within the stipulated time may cause the approval to be deemed null and void.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
53.	ICON Corridor	LFSA	LFA/L/399	Letter of approval for licence to carry on leasing business in Labuan pursuant to Section 92(1) of the LFSSA for the following: (i) approval granted to ICON Corridor to carry on leasing business under Section 86 of the LFSSA, in, from or through Labuan; (ii) approval granted to ICON Corridor to conduct leasing transaction with ICON Ship for the lease of the vessels, ICON Ikhlas and SK Line 77; and (iii) approval for the appointments of the following individuals as Directors of ICON Corridor: (a) Dr. Jamal bin Yusof @ Gordon Duclos as Director ⁽³⁾ ;	25.07.2013	-	(i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected. (ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding. (iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/ extension. (iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA. (v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
ICON (Cont'd)	Corridor			(b) Rahman bin Yusof Alternate Director to Dr. Jamal bin Yusof @ Gordon Duclos;			(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement.	Complied
				(c) Syed Yasir Arafat bin Syed Abd Kadir as Director; and			(vii) The licensee is required to within 30 days from the date of the letter of approval:	
				(d) Nik Johaan bin Nik Hashim as Director.			(a) make the payment of the annual licence fee amounting to RM60,000 to the LFSA; and (b) submit the duly executed letter of undertaking and stamped at the Stamp Office of Malaysia within 30 days from the date of the letter of approval.	
							(viii) The licensee is required to pay the annual licence fee to the LFSA on or before 15 January each year.	
							(ix) The licensee is required to comply with the following conditions:	

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
	ICON (Cont'd)	Corridor					<p>(a) submit the certified true copy of the final lease agreement between the licensee and the lessee within 30 days from the date of execution of the final lease agreement;</p> <p>(b) submit a copy of the insurance policy(s) for the coverage of the vessel within 30 days from the date of execution of the final lease agreement;</p> <p>(c) comply with the Income Tax (Transfer Pricing) Rules 2012 issued by the Inland Revenue Board of Malaysia for the transfer of assets (where applicable); and</p> <p>(d) comply with all other requirements issued by the LFSA and other domestic authorities (where applicable);</p> <p>(ix) Failure to submit the payment and documents under items (vii), (viii) and (ix) within the stipulated time may cause the approval to be deemed null and void.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
54.	ICON Corridor	LFSA	LFA/L/399	Letter of approval to conduct subsequent leasing transaction pursuant to Section 92(1) of the LFSSA for the following: (i) approval granted to ICON Corridor to conduct subsequent leasing transactions with ICON Ship for the lease of the following vessels on bareboat basis: (a) the vessel, OMNI Tigris; (b) the vessel, Tanjung Puteri 1; (c) the vessel, Tanjung Puteri 2; (d) the vessel, Tanjung Sari; (e) the vessel, OMNI Victory; (f) the vessel, OMNI Stella; and	04.12.2013	-	(i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected. (ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding. (iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension. (iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA. (v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
ICON (Cont'd)	Corridor			(g) the vessel, OMNI Perkasa.			<p>(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement.</p> <p>(vii) The licensee is required to make payment of the subsequent leasing transaction fee amounting to RM20,000 to the LFSA within 30 days from the date of the letter of approval.</p> <p>(viii) The licensee is required to submit the certified true copy of the final lease agreement between the licensee and the lessee within 30 days from the date of execution of the final lease agreement.</p> <p>(ix) Failure to submit the payment and documents under items (vii) and (viii) within the stipulated time may cause the approval to be deemed null and void.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
55.	ICON Ocean	LFSA	LFA/L/343	Letter of approval for licence to carry on leasing business in Labuan pursuant to Section 92(1) of the LFSSA for the following: (i) approval granted to ICON Ocean to carry on leasing business for the lease of the vessels, ICON Azra and ICON Samudera on a bareboat basis with ICON Ship; and (ii) approval for the appointments of the following individuals as Directors of ICON Ocean: (a) Dr. Jamal bin Yusof @ Gordon Duclos as Director; (b) Rahman bin Yusof as Alternate Director to Dr. Jamal bin Yusof @ Gordon Duclos;	04.03.2013	-	(i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected. (ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding. (iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension. (iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA. (v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Ocean (Cont'd)			(c) Syed Yasir Arafat bin Syed Abd Kadir as Director; and (d) Nik Johaan bin Nik Hashim as Director.			(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement. (vii) The licensee is required to within 30 days from the date of the letter of approval: (a) make the payment of the annual licence fee amounting to RM40,000 to the LFSA; and (b) submit the duly executed letter of undertaking and stamped at the Stamp Office of Malaysia within 30 days from the date of the letter of approval. (viii) The licensee is required to pay the annual licence fee to the LFSA on or before 15 January each year. (ix) The licensee is required to submit the certified true copy of the final lease agreement between the licensee and the lessee within 30 days from the date of execution of the final lease agreement.	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Ocean						(x) Failure to submit the payment and documents under items (vii) (viii) and (ix) within the stipulated time may cause the approval to be deemed null and void.	Complied
56.	ICON Ocean	LFSA	LFA/L/343	Letter of approval to conduct subsequent leasing transaction pursuant to Section 92(1) of the LFSSA for the following: (i) approval granted to ICON Ocean to conduct subsequent leasing transactions with ICON Ship for the lease of the following vessels on bareboat basis: (a) the vessel, Tanjung Pinang 1; (b) the vessel, Tanjung Pinang 2; (c) the vessel, Tanjung Pinang 3;	04.12.2013	-	(i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected. (ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding. (iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension. (iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA.	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Ocean (Cont'd)			(d) the vessel, Tanjung Pinang 4;			(v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.	Complied
			(e) the vessel, Tanjung Biru1;				(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement.	
			(f) the vessel, Tanjung Biru 2;				(vii) The licensee is required to make payment of the subsequent leasing transaction fee amounting to RM20,000 to the LFSA within 30 days from the date of the letter of approval; and	
			(g) the vessel, Tanjung Dahan 1;				(viii) The licensee is required to comply with the following conditions within 30 days from the date of execution of the final lease agreement:	
			(h) the vessel, Tanjung Dahan 2;				(a) submit the certified true copy of the final lease agreement between the licensee and the lessee; and	
			(i) the vessel, Tanjung Huma;					
			(j) the vessel, Tanjung Dawai;					
			(k) the vessel, Tanjung Gaya;					
			(l) the vessel, Tanjung Piai 1;					
			(m) the vessel, Tanjung Piai 2;					
			(n) the vessel, ICON Lotus;					

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Ocean (Cont'd)			(o) the vessel, ICON Sophia;			(b) submit a copy of the insurance policies for the coverage of the vessel, ICON Lotus and the vessel, ICON Sophia.	Completed
				(p) the vessel, OMNI Gagah;			(ix) Failure to submit the payment and documents under items (vii) and (viii) within the stipulated time may cause the approval to be deemed null and void.	
				(q) the vessel, OMNI Anteia;				
				(r) the vessel, OMNI Emery; and				
				(s) the vessel, OMNI Marissa.				
57.	OMNI Flotilla (For the vessel, OMNI Perkasa)	LFSA	LFAL/194	Acknowledgement by the LFSA of the application by OMNI Flotilla to conduct subsequent leasing transaction with ICON Corridor for the lease of the vessel, OMNI Perkasa on a bareboat basis.	27.12.2013	-	(i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected. (ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding.	Completed

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	OMNI Flotilla (Cont'd)						<p>(iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension.</p> <p>(iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA.</p> <p>(v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.</p> <p>(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	OMNI Flotilla (Cont'd)						(vii) The licensee is required to submit a certified true copy of the final lease agreement between the licensee and the lessee, duly stamped and endorsed by the Collector of Stamp Duties, Inland Revenue Board of Malaysia within 30 days from the date of its execution.	Complied
58.	OMNI Flotilla (For the vessel, OMNI Gagah)	LFSA	LFA/L/194	Acknowledgement by the LFSA of the application by OMNI Flotilla to conduct subsequent leasing transaction with ICON Ocean for the lease of the vessel, OMNI Gagah on a bareboat basis.	30.12.2013	-	(i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected. (ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding. (iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension.	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	OMNI Flotilla (Cont'd)						<p>(iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA.</p> <p>(v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.</p> <p>(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement.</p> <p>(vii) The licensee is required to submit a certified true copy of the final lease agreement between the licensee and the lessee, duly stamped and endorsed by the Collector of Stamp Duties, Inland Revenue Board of Malaysia within 30 days from the date of its execution.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
59.	OMNI Marissa (For the vessel, OMNI Marissa)	LFSA	LFAL/286	Acknowledgement by the LFSA of the application by OMNI Marissa to conduct subsequent leasing transaction with ICON Ocean for the lease of the vessel, OMNI Marissa on a bareboat basis.	30.12.2013	-	<p>(i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected.</p> <p>(ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding.</p> <p>(iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/ extension.</p> <p>(iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA.</p> <p>(v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	OMNI (Cont'd)	Marissa					<p>(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement.</p> <p>(vii) The licensee is required to submit a certified true copy of the final lease agreement between the licensee and the lessee, duly stamped and endorsed by the Collector of Stamp Duties, Inland Revenue Board of Malaysia within 30 days from the date of its execution.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
60.	OMNI Offshore (For the vessel, OMNI Anteia)	LFSA	LFA/L/162	Acknowledgement by the LFSA of the application by OMNI Offshore to conduct subsequent leasing transaction with ICON Ocean for the lease of the vessel, OMNI Anteia on a bareboat basis.	30.12.2013	-	<p>(i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected.</p> <p>(ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding.</p> <p>(iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension.</p> <p>(iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA.</p> <p>(v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	OMNI (Cont'd)						<p>(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement.</p> <p>(vii) The licensee is required to provide statistics and information as may be required by LFSA in relation to prudential information, general business conduct and volume and direction of business in Labuan.</p> <p>(viii) The licensee is required to submit a certified true copy of the final lease agreement between the licensee and the lessee, duly stamped and endorsed by the Collector of Stamp Duties, Inland Revenue Board of Malaysia within 30 days from the date of its execution.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
61.	OMNI Stella (For the vessel, OMNI Stella)	LFSA	LFA/L/287	Acknowledgement by the LFSA of the application by OMNI Stella to conduct subsequent leasing transaction with ICON Corridor for the lease of the vessel, OMNI Stella on a bareboat basis.	30.12.2013	-	<p>(i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected.</p> <p>(ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding.</p> <p>(iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/ extension.</p> <p>(iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA.</p> <p>(v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	OMNI Stella (Cont'd)						(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement.	Completed
							(vii) The licensee is required to submit a certified true copy of the final lease agreement between the licensee and the lessee, duly stamped and endorsed by the Collector of Stamp Duties, Inland Revenue Board of Malaysia within 30 days from the date of its execution.	
62.	OMNI Emery	LFSA	LFA/L/165	Acknowledgement by the LFSA of the application by OMNI Emery to conduct subsequent leasing transaction with ICON Ocean for the lease of the vessel, OMNI Emery on a bareboat basis.	4.12.2013	-	(i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected.	Completed
							(ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding.	

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	OMNI Emery (Cont'd)						<p>(iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension.</p> <p>(iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA.</p> <p>(v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.</p> <p>(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	OMNI Emery (Cont'd)						(vii) The licensee is required to submit a certified true copy of the final lease agreement between the licensee and the lessee, duly stamped and endorsed by the Collector of Stamp Duties, Inland Revenue Board of Malaysia within 30 days from the date of its execution.	Complied
63.	OMNI Victory (For the vessel, OMNI Victory)	LFSA	LFAL/217	Acknowledgement by the LFSA of the application by OMNI Victory to conduct subsequent leasing transaction with ICON Corridor for the lease of the vessel, OMNI Victory on a bareboat basis.	30.12.2013	-	(i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected. (ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding. (iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension.	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	OMNI Victory (Cont'd)						<p>(iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA.</p> <p>(v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.</p> <p>(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement.</p> <p>(vii) The licensee is required to submit a certified true copy of the final lease agreement between the licensee and the lessee, duly stamped and endorsed by the Collector of Stamp Duties, Inland Revenue Board of Malaysia within 30 days from the date of its execution.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
64.	OMNI Group (L) Inc. (now known as ICON Samudera) (For the vessel, ICON Samudera)	LFSA	LFA/L/344	Letter of approval for licence to carry on leasing business in Labuan pursuant to Section 92(1) of the LFSSA for the following: (i) approval granted to OMNI Group (L) Inc. to carry on leasing business for the lease of the vessel, ICON Samudera on a bareboat basis with ICON Ocean; and (ii) approval for the appointments of the following individuals as Directors of OMNI Group (L) Inc: (a) Dr. Jamal bin Yusof @ Gordon Duclos as Director; (b) Rahman bin Yusof as Alternate Director to Dr. Jamal bin Yusof @ Gordon Duclos;	04.03.2013	-	(i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected. (ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding. (iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension. (iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA. (v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
ICON (Cont'd)	Samudera			<p>(c) Syed Yasir Arafat bin Syed Abd Kadir as Director; and</p> <p>(d) Nik Johaan bin Nik Hasflim as Director.</p>			<p>(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement.</p> <p>(vii) The licensee is required to submit the duly executed letter of undertaking and stamped at the Malaysian stamped office within 30 days from the date of the letter of approval.</p> <p>(viii) The licensee is required to submit the certified true copy of the final lease agreement between the licensee and the lessee; and</p> <p>(ix) Failure to submit the documents under items (vii) and (viii) within the stipulated time may cause the approval to be deemed null and void.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
65.	OMNI Voyager (L) Inc. (now known as ICON Azra) (For the vessel ICON Azra)	LFSA	LFA/L/218	Letter of approval to conduct subsequent leasing transaction pursuant to Section 92(1) of the LFSSA for the following: (i) approval granted to OMNI Voyager to carry on leasing business for the lease of the vessel, ICON Azra on a bareboat basis with ICON Ocean; and (ii) approval for the appointments of the following individuals as Directors of OMNI Voyager ⁽⁵⁾ : (a) Syed Yasir Arafat bin Syed Abd Kadir as Director; and (b) Nik Johaan bin Nik Hashim ⁽⁷⁾ as Director.	04.03.2013	-	(i) The licensee is required to notify the LFSA of any changes to its constituent documents and business plan within 30 days of the changes being effected. (ii) The licensee is required to obtain an approval from the LFSA on new appointment or change on its directorship and shareholding. (iii) The licensee is required to notify the LFSA on the termination/extension of any leasing transaction within 30 days upon termination/extension. (iv) The licensee is required to ensure that the directors and officers responsible for the management of the company are fit and proper persons pursuant to Section 4 of the LFSSA and the Guidelines on Fit and Proper Person issued by the LFSA. (v) The licensee is required to appoint an approved external auditor to undertake an audit in respect of its accounts and business operations.	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Azra (Cont'd)						<p>(vi) The licensee is required to submit to the Supervision and Enforcement Department of the LFSA within six months after the close of each financial year, a copy of its financial statement.</p> <p>(vii) The licensee is required to within 30 days from the date of final execution of the lease agreement between the licensee and the lease:</p> <p>(a) submit the certified true copy of the final lease agreement between the licensee and the lease; and</p> <p>(b) submit a copy of the insurance policy for the coverage of the vessel.</p> <p>(ix) Failure to submit the documents under item (vii) within the stipulated time may cause the approval to be deemed null and void.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
66.	ICON Ship	Labuan Corporation	56098	Trading licence to carry on business as a shipping, forwarding/ packaging agent, management agent and service agent and management office	30.12.2013	31.12.2014	<p>(i) No person shall carry on in Sabah, whether as principal or agent, any business in respect of which a valid trading licence is not for the time being in force or carry on any such business in any place other than that specified in such licence.</p> <p>(ii) A trading licence shall continue in force until the thirty-first day of December next following the date of commencement.</p> <p>(iii) A trading licence may with the approval of and on endorsement by the licensing authority and on payment of the prescribed fee be transferred to different premises or to different ownership.</p> <p>(iv) Every trading licence or certified copy thereof shall be exhibited in a conspicuous place on the premises in respect of which it is in force.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
67.	ICON Ship	Kemaman Municipal Council	7583	Business licence to operate a warehouse and / or store of a size between 280m ² and 420m ²	16.03.2014	31.12.2014	(i) No person shall deal in any form of trade, business and industry in any place or premise within Kemaman unless he is licensed to do so. (ii) A licence shall unless sooner suspended or cancelled remain in force for one year commencing from the 1st of January and shall expire on the 31st of December every year. (iii) Failure to obtain a business premise licence is an offence and on conviction, will be liable to a fine not exceeding RM2,000 or imprisonment for a term not exceeding one year or both, and a further fine not exceeding RM200 every day during which the offence is continued after conviction.	Complied
68.	TKS (now known as /CON Ship)	RMC	KE.TE(80)001/(01-03)-131Klt.2(10)	Letter of approval for renewal of forwarding agent and shipping agent licence in Terengganu	Forwarding agent approval: 17.12.2012 Shipping agent approval: 27.12.2012	22.01.2015 22.01.2015	(i) The company or its business cannot be renamed, sold, subjected to a change of ownership or be transferred to another party without the prior approval of the RMC.	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Ship (Cont'd)							
							(ii) Any changes in the ownership, management or personnel commissioned with the RMC must obtain the prior approval of the Director of the Customs, Terengganu .	Complied
							(iii) In respect of companies providing freight forwarding agency services, there must be at least 51% Bumiputera participation in the equity, board of directors and employees as well as management and operation personnel of the company at all times.	Complied
							(iv) In respect of companies providing ship agency services, there must be at least 30% Bumiputera participation in the equity, board of directors as well as management and operation personnel of the company.	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date of renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Ship (Cont'd)						<p>(v) In respect of companies providing both freight forwarding agency services and ship agency services, there must be at least 51% Bumiputera participation in the equity, board of directors and employees as well as management and operation personnel of the company at all times.</p> <p>(vi) In respect of Malaysian companies with a paid-up capital of more than RM50,000, at least 30% of the share capital must be held by Bumiputeras or there must be a Bumiputera participation scheme approved by the Ministry of Finance, Malaysia.</p> <p>(vii) The licence expires upon notice of termination or expiration of bond.</p> <p>(viii) The provisions of the Customs Act 1967 and any subsidiary provisions or orders and any instructions made by the RMC must be complied with.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Ship (Cont'd)						<p>(ix) The company is only permitted to represent companies that have been approved by the Director of Customs, Terengganu and subject to any terms that may be specified.</p> <p>(x) The approval may be suspended or terminated in the event the company or any of its employees contravene any provision under the Customs Act 1967, any subsidiary provisions or orders, or any instructions issued by the RMC.</p> <p>(xi) The approval may be terminated if the company or business is found guilty of involvement in fraud/ corruption.</p> <p>(xii) The approval is subject to any terms as may be specified by the Director of Customs, Terengganu.</p> <p>(xiii) The RMC may add to, or amend the conditions without providing any reason.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
69.	TKS (now known as ICON Ship)	RMC	KE.TE(80)00 1/(01-03)- 131Kit.2(11)	Letter of approval for the renewal of the external branch in Labuan as forwarding and shipping agent	Forwarding agent approval: 17.12.2012 Shipping agent approval: 27.12.2012	22.01.2015 22.01.2015	(i) The approval of the branch is subject to the main approval. (ii) The company or its business cannot be renamed, sold, subjected to a change of ownership or be transferred to another party without the prior approval of the RMC. (iii) Any changes in the ownership, management or personnel commissioned with the RMC must obtain the prior approval of the Director of the Customs, Terengganu. (iv) In respect of companies providing freight forwarding agency services, there must be at least 51% Bumiputera participation in the equity, board of directors and employees as well as management and operation personnel of the company at all times. (v) In respect of companies providing ship agency services, there must be at least 30% Bumiputera participation in the equity, board of directors as well as management and operation personnel of the company.	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Ship (Cont'd)						<p>(vi) In respect of companies providing both freight forwarding agency services, and ship agency services, there must be at least 51% Bumiputera participation in the equity, board of directors and employees as well as management and operation personnel of the company at all times.</p> <p>(vii) In respect of Malaysian companies with a paid-up capital of more than RM50,000, at least 30% of the share capital must be held by Bumiputeras or there must be a Bumiputera participation scheme approved by the Treasury.</p> <p>(viii) The licence expires upon notice of termination or expiration of bond.</p> <p>(ix) The provisions of the Customs Act 1967 and any subsidiary provisions or orders and any instructions made by the RMC must be complied with.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee/ Contractor	Approving authority	Permit/ Licence/ Registration number	Description of licence	Date of grant/ Date renewal	Date of expiry	Salient conditions	Status of compliance
	ICON Ship (Cont'd)						<p>(x) The company is only permitted to represent companies that have been approved by the Director of Customs, Terengganu and subject to any terms that may be specified.</p> <p>(xi) The approval may be suspended or terminated in the event the company or any of its employees contravene any provision under the Customs Act 1967, any subsidiary provisions or orders, or any instructions issued by the RMC.</p> <p>(xii) The approval may be terminated if the company or business is found guilty of involvement in fraud/corruption.</p> <p>(xiii) The approval is subject to any terms as may be specified by the Director of Customs, Terengganu.</p> <p>(xiv) The RMC may add to, or amend the conditions without providing any reason.</p>	Complied

ANNEXURE A: LIST OF OUR MAJOR LICENCES AND PERMITS (Cont'd)

Notes:

- (1) *Unconditional licences which are valid up to one year are issued to Malaysian ships which have fulfilled all the following conditions: (a) Bumiputera participation of not less than 30% in terms of equity, directorship and employees; (b) at least 75% of the crew complement of the ship must be Malaysian citizens; and (c) the age of the ship is between 10 and 19 years old.*
- (2) *Unconditional licences which are valid up to two years are issued to Malaysian ships which have fulfilled all the following conditions: (a) Bumiputera participation of not less than 30% in terms of equity, directorship and employees; (b) at least 75% of the crew complement of the ship must be Malaysian citizens; and (c) the age of the ship is less than 10 years old.*
- (3) *Conditional licences are issued to: (a) Malaysian ships that do not meet the conditions of an unconditional licence, or (b) Malaysian ships that meet the conditions of an unconditional licence but the ship is more than 20 years old.*
- (4) *Temporary licences are issued to Malaysian ships that have a temporary certificate of registry issued by the Malaysian Ship Registry or the Malaysian International Ship Registry.*
- (5) *Notwithstanding that approvals from the LPSA were granted for the appointment of Syed Yasir Arafat bin Syed Abd Kadir and Nik Johaan bin Nik Hashim as Directors of OMNI Voyager, Syed Yasir Arafat bin Syed Abd Kadir and Nik Johaan bin Nik Hashim were not appointed as directors of OMNI Voyager.*

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ANNEXURE B: LIST OF OUR MATERIAL PROPERTIES

B.1 PROPERTY OWNED BY OUR GROUP

The details of the material property owned by us as at the LPD are set out below:

No.	Name of registered owner/ owner/Title Postal Address/Tenure	Description of property/ Existing use	Date of issuance of CCC or equivalent	Built-up area/ Land area (m ²)	Category of land use/ Express conditions	Major encumbrances	Audited NBV as at 31 December 2013 (RM)
1.	<p>Name of registered owner</p> <p>ICON Ship</p> <p>Title identification</p> <p>Geran Mukim 9928, Lot no. 18427 in the Place of Bakau Tinggi, Mukim of Cukai, Daerah of Kemaman, State of Terengganu</p> <p>Location/Postal Address</p> <p>Lot 13837, Jalan Penghiburan Bakau Tinggi, Cukai, 24000 Kemaman, Terengganu, Malaysia</p> <p>Tenure</p> <p>Freehold status</p>	<p>Three storey linked shop-lot/ currently all three floors are used by our Company as our branch office to carry out day-to-day operations</p>	25 March 2009	648 / 216	<p>Category of land use</p> <p>Building</p> <p>Express conditions</p> <p>(i) Only shop-lots can be erected on the land.</p> <p>(ii) The shop-lot must be erected and completed according to the plan approved by the Kemaman Municipal Council within a period of two years from the date of conversion of the land or within the extended period approved by the administrator of Kemaman.</p>	Nil	773,630

The above property is not in breach of any land use condition and/or is in non-compliance with current statutory requirements, land laws or building regulations which will have a material adverse impact on our operations or the utilisation of our assets on the said property. No valuation has been conducted on the said property.

ANNEXURE B: LIST OF OUR MATERIAL PROPERTIES**B.2 PROPERTIES TENANTED BY OUR GROUP**

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

No.	Name of landlord/tenant/ Location/Postal address	Description of property/Existing use	Tenanted area (m ²)	Tenure/ Date of expiry	Rental per month (RM)
1.	Value Add Sdn. Bhd. (as landlord) / ICON Ship (as sub-tenant)				
	Office Suite E-12A-01 & E-12A-02, Level 12A, East Wing, The Icon, No. 1 Jalan 1/68F, Off Jalan Tun Razak, 55000 Federal Territory of Kuala Lumpur, Malaysia ⁽¹⁾	Two office units at Level 12A of a commercial building/ Currently used as our corporate and head office	1,350	Initial term of three years, expiring on 31 August 2015, with the option to renew for a further three years	87,210
2.	Pangkalan Bekalan Kemaman Sdn. Bhd. (as landlord)/ ICON Ship (as tenant)				
	Warehouse No. 03, Phase 1 (Door No. 01 & 07), Kemaman Supply Base, Teluk Kalong, 24007 Kemaman, Terengganu, Malaysia	Industrial land at Kemaman Supply Base comprising one unit of single storey linked warehouse/ Currently used for storing, among others, spare parts, equipment and machineries of our Group's vessels	372	Renewed tenancy term of one year, expiring on 31 July 2014 ⁽²⁾	4,464
3.	Neptune Asia Engineering Services Sdn. Bhd. (as landlord)/ ICON Ship (as tenant)				
	Lot 6875, Bestari Warehouse, Jalan Patau-Patau, 87000 Federal Territory of Labuan, Malaysia	Industrial land at Bestari Warehouse comprising one unit of one and a half- storey intermediate warehouse/ Currently used as branch office in Labuan to carry out day-to-day operations	375	Renewed tenancy term of two years, expiring on 28 February 2015 ⁽³⁾	8,000

ANNEXURE B: LIST OF OUR MATERIAL PROPERTIES (Cont'd)

Notes:

- ⁽¹⁾ The tenancy agreement was entered into between Star Residence Sdn. Bhd. ("**Star Residence**") and ICON Ship on 14 November 2012. The rights and obligations of Star Residence under the agreement was subsequently novated to Value Add Sdn. Bhd. pursuant to a Deed of Novation cum Assignment dated 9 May 2013 entered into between ICON Ship, Star Residence and Value Add Sdn. Bhd.
- ⁽²⁾ In the tenancy agreement dated 1 August 2012, the initial term of tenancy was for a period of one year from 1 August 2012 to 31 July 2013 with the option to extend for a further period of one year. ICON Ship had exercised the option to extend and the tenancy agreement has been extended for a period of one year from 1 August 2013 to 31 July 2014 by way of a letter dated 22 August 2013 from Pangkalan Bekalan Kemaman Sdn. Bhd. to ICON Ship.
- ⁽³⁾ In the tenancy agreement dated 1 March 2011, the initial term of tenancy was for a period of two years from 1 March 2011 to 28 February 2013, with the right to extend the term of tenancy. The parties had mutually agreed to extend the tenancy agreement for a further period of two years from 1 March 2013 to 28 February 2015 by way of a letter dated 18 January 2013 from Neptune Asia Engineering Services Sdn. Bhd. to ICON Ship.

The properties rented by our Group as disclosed above are in compliance with all land use conditions, relevant statutory requirements, land laws and building regulations.

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ANNEXURE C: BY-LAWS GOVERNING OUR ESS

**BY-LAWS OF THE
ICON OFFSHORE BERHAD
EMPLOYEES' SHARE SCHEME**

1. DEFINITIONS

1.1 Except where the context otherwise requires, the following expressions in these By-Laws shall have the following meanings:

Adviser	:	the corporate finance adviser that may act as a principal adviser under the Principal Advisers Guidelines issued by Securities Commission Malaysia;
Authorised Nominee	:	a person who is authorised to act as a nominee as specified in accordance with the schedule prescribed under Part VIII of the Rules of the Bursa Depository;
Board	:	the Board of Directors of ICON;
Book Closure Date	:	for the purposes of By-Law 11 and the First Schedule , the date as at the close of business on which shareholders of the Company must be registered as a member and whose names appear in the Record of Depositors maintained at Bursa Depository in order to be entitled to any dividends, rights, allotments or other distributions;
Bursa Depository	:	Bursa Malaysia Depository Sdn. Bhd. (Company No.: 165570-W);
Bursa Securities	:	Bursa Malaysia Securities Berhad (Company No.: 635998-W);
By-Laws	:	the By-Laws governing the Scheme set out herein, as may be supplemented from time to time pursuant to By-Law 15;
CDS	:	the Central Depository System governed under SICDA;
CDS Account	:	the account established by Bursa Depository for the recording of the deposit and withdrawal of securities and for dealing in such securities by the depositor of securities;
Companies Act	:	the Companies Act, 1965;
Deposited Security(ies)	:	a security standing to the credit of a CDS Account and includes a security in a CDS Account that is in suspense;
Director	:	has the meaning assigned to it in Section 2(1) of the Capital Markets and Services Act, 2007;

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

Disciplinary Proceedings	:	proceedings instituted by a corporation within the ICON Group against an Eligible Person for any alleged misbehaviour, misconduct and/or any other act of the Eligible Person deemed to be unacceptable by that said corporation in the course of that Eligible Person's employment, whether or not such proceedings may give rise to a dismissal or termination of the contract of service of such Eligible Person;
Duration of the Scheme	:	shall have the meaning prescribed to it in By-Law 7.1, unless terminated earlier in accordance with By-Law 16;
Effective Date	:	means 1 January 2015, or such other date as may be determined by the ESS Committee (upon full compliance with all relevant requirements under law and the Listing Requirements), for the Scheme to take effect;
Eligible Employee	:	such employees (excluding the Eligible Senior Management Employees) of any corporation within the ICON Group who meet the condition and criteria of eligibility for participation in the ESOS as determined by the ESS Committee in accordance with By-Law 5;
Eligible Senior Management Employee	:	an Executive Director or such senior management employees of the ICON Group who meet the condition and criteria of eligibility for participation in the ESGP as determined by the ESS Committee in accordance with By-Law 5;
Eligible Person	:	an Eligible Senior Management Employee or Eligible Employee, or both, as the case may be;
ESGP	:	the employees' share grant plan as established by these By-Laws and as may be modified or altered from time to time;
ESGP Grant	:	a grant of Shares by the Company to the relevant ESGP Grant Holder, which may be conditional or unconditional, as determined by the ESS Committee, constituted by the issuance of an ESGP Grant Letter after the acceptance of an ESGP Grant Offer;
ESGP Grant Conditions	:	the conditions, if any, determined by the ESS Committee and stipulated in the ESGP Grant Offer which must be fulfilled for the Shares to be vested in an ESGP Grant Holder;
ESGP Grant Holder	:	an Eligible Senior Management Employee who is a holder of a valid ESGP Grant Letter;
ESGP Grant Letter	:	a letter for an ESGP Grant issued by the Company in relation to an accepted ESGP Grant Offer;

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

ESGP Grant Offer	:	an offer made in writing by the Company to an Eligible Senior Management Employee to participate in the ESGP in the manner provided in these By-Laws;
ESGP Grant Price	:	the reference price which is used to determine the number of ESGP Shares to be granted under the ESGP Grant Letter (as determined by the ESS Committee) at which an ESGP Grant Holder is entitled to receive Existing ESGP Shares or be issued with New ESGP Shares pursuant to the acceptance of the ESGP Grant, as set out in By-Law 31;
ESGP Shares	:	means the Existing ESGP Shares and/or the New ESGP Shares, as the case may be;
ESGP Transfer Date	:	means such date within the Duration of the Scheme where SFSB transfers the Existing ESGP Shares to the Trustee, and such transfer shall occur: <ul style="list-style-type: none"> (i) no earlier than the date falling six (6) months from the date of listing of the entire enlarged issued share capital of the Company on the Main Market of Bursa Securities; and (ii) upon full compliance with all relevant requirements under law and the Listing Requirements;
ESGP Vesting Date	:	the date or dates on which some or all of the ESGP Shares (as the case may be) to which an ESGP Grant relates are vested on the ESGP Grant Holder;
ESOS	:	the employees' share option scheme established by these By-Laws, as may be modified or altered from time to time;
ESOS Option(s)	:	an option contract between the Company and the relevant ESOS Holder, the exercise of which may be conditional or unconditional, as determined by the ESS Committee, constituted by the issuance of an ESOS Letter after the acceptance of an ESOS Offer;
ESOS Holder	:	an Eligible Employee who is a holder of a valid ESOS Letter;
ESOS Letter	:	a letter for an ESOS Option issued by the ESS Committee in relation to an accepted ESOS Offer;
ESOS Offer	:	an offer made in writing by the ESS Committee to an Eligible Person to participate in the ESOS in the manner provided in these By-Laws;
ESOS Option Period	:	the period during which an ESOS Offer may be exercised, as may be specified in the ESOS Offer;

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

ESOS Option Price	:	the exercise price per Share set out in the ESOS Letter (as determined by the ESS Committee) at which an ESOS Holder shall be entitled to subscribe for the ESOS Shares pursuant to the exercise of an ESOS Option, as set out in By-Law 39;
ESOS Shares	:	means the new Shares to be issued and allotted in connection with the ESOS Option;
ESS Committee	:	the committee comprising such persons as may be appointed by the Board in accordance with By-Law 8 to implement and administer the Scheme in accordance with these By-Laws;
Executive Director	:	a Director on the board of any corporation within the ICON Group holding office in an executive capacity who is involved in the day to day management and on the payroll of the ICON Group;
Existing ESGP Shares	:	the relevant number of Shares held and contributed by SFSB to the Trust, which shall be held on trust by the Trustee for the benefit of the ESGP Grant Holders, from the ESGP Transfer Date until such time where such number of Shares under an ESGP Grant are vested with the relevant ESGP Grant Holder;
ICON or Company	:	Icon Offshore Berhad (Company No.: 984830-D);
ICON Group or Group	:	collectively, the Company and its Subsidiaries;
Listing Requirements	:	the Main Market Listing Requirements of Bursa Securities;
Market Day	:	a day on which Bursa Securities is open for trading of securities;
Maximum Allowable Allotment	:	the maximum number of new Shares in respect of which Offers may be made to Eligible Persons, as provided in By-Law 6 hereof;
New ESGP Shares	:	means the new Shares to be issued and allotted in connection with the ESGP Grant;
Offer	:	either an ESOS Offer or an ESGP Grant Offer, or both, as applicable;
Offer Date	:	the date on which an Offer is made in writing by the Company to an Eligible Person to participate in the Scheme;
Offer Period	:	in respect of each ESGP Grant or ESOS Option, a period of fourteen (14) days commencing from the Offer Date or such longer period as the ESS Committee may in its discretion decide during which an ESGP Grant or an ESOS Option may be accepted, as set out in By-Laws 33 and 40,

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

PROVIDED THAT no Offer Period shall extend beyond the Duration of the Scheme;

Performance Period	:	the period determined by the ESS Committee for the achievement of the performance targets or criteria stipulated by the ESS Committee and set out in the Offer;
Record of Depositors	:	a record of depositors provided by Bursa Depository to an issuer pursuant to an application under Chapter 24 of the Rules of Bursa Depository;
RM and Sen	:	Ringgit Malaysia and sen, respectively;
Rules of Bursa Depository	:	the Rules of Bursa Depository as issued pursuant to the SICDA;
Scheme or ESS	:	the ICON Employees' Share Scheme, comprising the ESOS and ESGP;
Scheme Shares	:	means the ESGP Shares and the ESOS Shares;
SFSB	:	means Sempena Fokus Sdn. Bhd. (Company No. 1078227-X), a wholly-owned subsidiary of Ekuinas Capital Sdn. Bhd (Company No.: 876279-W), which is in turn wholly-owned by Yayasan Ekuiti Nasional (Company No.: 868262-X);
Shares	:	ordinary shares of RM0.50 (unless otherwise adjusted) each in the Company;
SICDA	:	the Securities Industry (Central Depositories) Act, 1991;
Subsidiary	:	a subsidiary of the Company (as defined in Section 5 of the Companies Act) and shall include such subsidiaries which are existing as at the Effective Date and those subsequently acquired or incorporated at any time during the Duration of the Scheme, unless determined by the Board and/or ESS Committee to fall outside the expression "Subsidiary" pursuant to these By-Laws;
Take-Overs Code	:	Malaysian Code on Take-Overs and Mergers, 2010 (or any replacement thereof);
Trust	:	means the trust established by the Trust Deed to facilitate the implementation and administration of the ESGP;
Trust Deed	:	means the trust deed constituting the Trust; and
Trustee	:	the trustee as appointed by the Company for purposes of the ESGP.

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

- 1.2 Unless the context otherwise requires, in these By-Laws, words importing gender include all genders and words importing the singular number shall include the plural number and vice versa.
- 1.3 The headings and sub-headings herein are inserted for convenience only and shall not affect the interpretation of these By-Laws.
- 1.4 Any reference to a statute, statutory provision, guidelines, regulations or rules includes a reference to that statute, statutory provision (and all statutory instruments or orders made pursuant to it), guidelines, regulations and rules, as from time to time amended, extended, reenacted or consolidated.
- 1.5 Any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision and the Listing Requirements, policies and/or guidelines of Bursa Securities (whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed to by Bursa Securities).
- 1.6 Any liberty, power or discretion which may be exercised or any decision or determination which may be made hereunder by the ESS Committee (including any selection) may be exercised in the ESS Committee's sole and absolute discretion having regard only to the By-Laws (where applicable) and the ESS Committee shall not be under any obligation to give any reasons therefore, except as may be required by the relevant authorities.
- 1.7 If an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day.

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ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)**PART A: GENERAL PROVISIONS****2. NAME OF THE SCHEME**

This Scheme will be known as the "ICON Employees' Share Scheme" and shall comprise of the ESGP and ESOS.

3. APPLICATION OF PART A: GENERAL PROVISIONS

Unless expressly provided otherwise, the provisions of this **Part A** shall apply generally to the ESGP and ESOS.

4. MAXIMUM NUMBER OF SCHEME SHARES ALLOWABLE UNDER THE SCHEME

4.1 The allocation of Shares to be made available for Offers under the ESGP and ESOS shall be determined by the ESS Committee at its absolute discretion at any time and from time to time, PROVIDED ALWAYS THAT:

- (a) all ESOS Options under the ESOS shall only be satisfied by the issuance of new ESOS Shares by ICON to the ESOS Holders;
- (b) all ESGP Grants under the ESGP shall be satisfied by the issuance of New ESGP Shares by ICON to the ESGP Grant Holders and/or the transfer of Existing ESGP Shares from the Trustee to the ESGP Grant Holders; and
- (c) no New ESGP Shares shall be offered via an ESGP Grant Offer to any Eligible Senior Management Employees, until and unless all Existing ESGP Shares have been offered to and duly accepted by the relevant Eligible Senior Management Employees in receipt of ESGP Grant Offers, provided always that the number of Existing ESGP Shares comprised in an ESGP Grant Offer shall not be less than one hundred (100) Shares. Where the remaining Existing ESGP Shares available for offer under an ESGP Grant Offer is not sufficient for purposes of satisfying an ESGP Grant Offer or is less than one hundred (100) Shares, the ESS Committee may in its discretion determine that such number of New ESGP Shares shall be offered to satisfy such ESGP Grant Offer or ESGP Grant.

4.2 Subject to By-Law 4.3, the maximum number of Shares which may be made available under the Scheme and/or allotted and issued and/or acquired and/or transferred upon the vesting of Shares under the Scheme, shall not exceed five percent (5%) of the issued and paid-up ordinary share capital (excluding treasury shares, if any) of the Company from time to time or at any point of time, during the Duration of the Scheme.

4.3 Notwithstanding the provision of By-Law 4.2 or any other provisions herein contained, in the event the aggregate number of Scheme Shares comprised in the ESGP Grants and ESOS Options granted under the Scheme exceeds the aggregate five percent (5%) of the issued and paid-up ordinary share capital (excluding treasury shares) of the Company as a result of the Company purchasing its own Shares in accordance with the provisions of Section 67A of the Companies Act or undertaking any other corporate proposal and thereby reducing its issued and paid-up ordinary capital, then such ESGP Grants and ESOS Options granted prior to the adjustment of the issued and paid-up ordinary capital of the Company shall remain valid and exercisable in accordance with the provisions of this Scheme.

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

- 4.4 No further Offers shall be made to any Eligible Person if the aggregate number of Scheme Shares comprised in the ESGP Grants and ESOS Options granted exceeds five percent (5%) of the issued and paid-up ordinary share capital (excluding treasury shares) of the Company as a result of the Company purchasing its own Shares or undertaking any other corporate proposal and thereby reducing its issued and paid-up capital.
- 4.5 The Company will during the Duration of the Scheme use all reasonable efforts to ensure that:
- (a) there are sufficient authorised and unissued Shares to satisfy all outstanding ESOS Options and ESGP Grants throughout the Duration of the Scheme; and
 - (b) the Trustee has sufficient Shares to satisfy all outstanding ESGP Grants throughout the Duration of the Scheme.

5. ELIGIBILITY

- 5.1 Subject to By-Law 5.4, an Eligible Senior Management Employee shall be eligible to participate in the ESGP, if, as at the Offer Date, the Eligible Senior Management Employee:
- (a) is a full time senior management employee (as shall be determined by the ESS Committee) whose employment with the ICON Group has been confirmed in writing and has not served a notice of resignation or received a notice of termination;
 - (b) has been in employment with the ICON Group for a minimum of one (1) year, consecutively;
 - (c) has attained eighteen (18) years of age;
 - (d) if he is an Executive Director, the specific allocation of the Shares offered or granted by the Company to him in his capacity as an Executive Director under the ESGP has been approved by the shareholders of the Company at a general meeting;
 - (e) is not an undischarged bankrupt; and
 - (f) fulfills any other criteria and/or falls within such category as may be determined by the ESS Committee from time to time.
- 5.2 Subject to By-Law 5.4, an Eligible Employee shall be eligible to participate in the ESOS, if, as at Offer Date, the Eligible Employee:
- (a) is a full time employee (not being an Eligible Senior Management Employee) whose employment with the ICON Group has been confirmed in writing and has not served a notice of resignation or received a notice of termination (including employees serving in a specific designation under an employment contract for a fixed duration);
 - (b) has been in employment with the ICON Group for a minimum of one (1) year, consecutively;
 - (c) has attained eighteen (18) years of age;
 - (d) is not an undischarged bankrupt; and
 - (e) fulfills any other criteria and/or falls within such category as may be determined by the ESS Committee from time to time.

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

- 5.3 No Offers shall be made to any Director, chief executive or major shareholder of the Company or any persons connected (all as defined in the Listing Requirements) to any of the aforesaid persons unless the specific Offer to such person shall have previously been approved by the shareholders of the Company in a general meeting.
- 5.4 Subject to By-Law 4.1, the ESS Committee may from time to time and at its absolute discretion select and identify suitable Eligible Senior Management Employees to be offered ESGP Grants and suitable Eligible Employees to be offered ESOS Options under the Scheme. The ESS Committee shall have the absolute discretion, at any time and from time to time, to extend the benefit of the Scheme to any former employee of ICON Group who has retired from permanent employment from ICON Group but who still provides services to the ICON Group pursuant to a contract of services.
- 5.5 Eligibility does not confer on an Eligible Person a claim or right to participate in the Scheme unless the ESS Committee has made an Offer to the Eligible Person and the Eligible Person has accepted the Offer in accordance with the terms of the Offer and the Scheme.
- 5.6 Notwithstanding anything to the contrary, no Eligible Person, ESGP Grant Holder or ESOS Holder may participate at any time in another employee share option scheme or share scheme of another corporation outside the ICON Group without the prior written consent of the ESS Committee.

6. MAXIMUM ALLOWABLE ALLOCATION AND THE BASIS OF ALLOCATION

- 6.1 Subject to any adjustments which may be made under By-Law 13 hereof, the maximum aggregate number of Scheme Shares that may be allotted and issued and/or acquired and/or transferred to an Eligible Person shall be determined at the discretion of the ESS Committee after taking into consideration factors that the ESS Committee may deem relevant (e.g. the position, ranking, performance, seniority and the length of service of the Eligible Persons and such other matters which the ESS committee may in its sole and absolute discretion deem fit), subject however to the following:
- (a) subject to By-Law 4.3, the number of ESOS Shares and ESGP Shares allotted and issued and/or granted under the Scheme shall not exceed the amount stipulated in By-Law 4.2;
 - (b) the Eligible Senior Management Employees do not participate in the deliberation or discussion in respect of their own allocation; and
 - (c) the allocation to any Eligible Person who, either singly or collectively through persons connected with him/her, holds twenty percent (20%) or more of the issued and paid-up capital (excluding treasury shares) of the Company, shall not exceed ten percent (10%) of the ESGP Shares or ESOS Shares, as the case may be, issued or granted pursuant to the Scheme.

For the purpose of this paragraph, "persons connected with the Eligible Person" shall have the meaning given to the expression "persons connected with a director or major shareholder" as defined in Paragraph 1.01 of the Listing Requirements.

- 6.2 In the circumstances where the maximum share allocation as provided in the Listing Requirements on employees share scheme is amended by Bursa Securities from time to time, the ESS Committee shall have the discretion to make the necessary adjustments so that the number of Shares comprised in the ESGP Grant Offers or ESOS Offers shall be in accordance with the provisions of the Listing Requirements on employees share scheme prevailing during the Duration of the Scheme.

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

- 6.3 Notwithstanding any of the provisions in these By-Laws, the ESS Committee shall be under no obligation to allocate or grant the specified maximum number or any number of Shares to the Eligible Persons.
- 6.4 The Company and/or ESS Committee shall ensure that:
- (a) the allocation of Shares to Eligible Persons is verified at the end of each financial year of the Company by the Company's audit committee, as being in compliance with the criteria referred to in By-Law 6.1; and
 - (b) a statement by the audit committee, verifying such allocation, is included in the Company's annual report.
- 6.5 The ESS Committee may at its sole and absolute discretion at any time and from time to time during the Duration of the Scheme (as the case may be), determine whether to make such Offers pursuant to the Scheme to Eligible Persons (as the case may be) via one (1) single Offer or several Offers.
- 7. DURATION OF THE SCHEME**
- 7.1 The Scheme shall take effect on the Effective Date and shall continue to be in force for a period of five (5) years ("**Duration of the Scheme**"), PROVIDED THAT the following conditions have been fulfilled:
- (a) submission of the final copy of the By-Laws and the Trust Deed to Bursa Securities pursuant to paragraph 6.42 of the Listing Requirements;
 - (b) receipt of approval or approval-in-principle of Bursa Securities (as the case may be), for the listing of and quotation for the New ESGP Shares and/or ESOS Shares (excluding treasury shares, if any) to be issued under the Scheme;
 - (c) procurement of the Company's shareholders approval at a general meeting for the Scheme;
 - (d) receipt of approval of any other relevant authorities, where applicable; and
 - (e) fulfillment of all conditions attached to the above approvals, if any.
- 7.2 Within five (5) Market Days from the Effective Date, the Company shall through its Adviser submit a confirmation to Bursa Securities of full compliance with approvals and/or conditions set out in By-Law 7.1 stating the Effective Date, together with a certified true copy of the relevant resolution passed by the shareholders of the Company in the general meeting approving the Scheme.
- 7.3 The ESS Committee shall be entitled to extend the duration of the Scheme for such number of years ("**Extended Duration**"), PROVIDED THAT the aggregate number of years in relation to the Duration of the Scheme and the Extended Duration shall not exceed ten (10) years from the Effective Date, and that the approval of the Company's shareholders in a general meeting is obtained prior to the expiry of the Duration of the Scheme.

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

8. ADMINISTRATION

- 8.1 The Scheme shall be administered by the ESS Committee on behalf of the Board. The ESS Committee shall consist of such persons appointed by the Board. The Board shall have power from time to time to revoke and/or rescind:
- (a) the appointment of any person to the ESS Committee, and/or appoint additional or replacement members to the ESS Committee, as it deems fit; and/or
 - (b) amend any terms of reference applicable to the ESS Committee.
- 8.2 The ESS Committee shall administer the Scheme in such manner as it shall in its discretion deem fit with such powers and duties as are conferred upon it by the Board including the powers to:
- (a) subject to the provisions of the Scheme, construe and interpret the Scheme and ESGP Grants or ESOS Options granted under it, to define the terms therein and to recommend to the Board to establish, amend and revoke rules and regulations relating to the Scheme and its administration subject always to the compliance of the requirements, regulations, guidelines and directives issued by the relevant authorities governing the Scheme. The ESS Committee in the exercise of this power may correct any defect, omission, or reconcile any inconsistency in the Scheme or in any agreement providing for an ESGP Grant or an ESOS Option in a manner and to the extent it shall deem necessary to implement, expedite and make the Scheme fully effective; and
 - (b) determine all questions of policy and expediency that may arise in the administration of the Scheme and generally exercise such powers and perform such acts deemed necessary or expedient to promote the best interests of the Company.
- 8.3 For the purpose of administering the Scheme, the ESS Committee may do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements, and make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Scheme, as the ESS Committee may in its discretion deem fit, necessary and/or expedient for the implementation of the Scheme.
- 8.4 The Board shall have power at any time and from time to time to assume and/or exercise or execute any of the powers and authorities conferred upon the ESS Committee pursuant to these By-Laws.

9. IMPLEMENTATION OF THE SCHEME AND TRUST

- 9.1 The Company shall establish a Trust to be administered by the Trustee consisting of such trustee or its authorised nominee appointed by the Company from time to time for the purposes of acquiring, administering, managing and holding the ESGP Shares on trust in accordance with the Trust Deed, at such times as the ESS Committee shall direct.
- 9.2 On the ESGP Transfer Date, SFSB shall transfer the Existing ESGP Shares to the Trustee, and the Trustee shall receive (under the "Approved Reasons for Transfer of Securities" by Bursa Depository), the Existing ESGP Shares, and the Existing ESGP Shares shall be held on trust by the Trustee in accordance with this By-Laws and the Trust Deed for purposes of the ESGP.

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

- 9.3 The ESS Committee shall have the discretion to direct the Trustee to subscribe for New ESGP Shares and/or acquire, manage or exercise such powers in relation to any part or all ESGP Shares, in such manner as set out in the written direction of the ESS Committee, at any time and from time to time, and also to revoke or suspend any such direction that has earlier been given to the Trustee.
- 9.4 To enable the Trustee to acquire and manage the ESGP Shares for purposes of the ESGP and to pay expenses in relation to the administration of the Trust, the Trustee will, to the extent permitted by law, be entitled from time to time to accept funding and/or assistance, financial or otherwise from the Company and/or any third party.
- 9.5 The Trustee shall administer the Trust in accordance with the Trust Deed. For the purpose of administering the Trust, the Trustee shall do all such acts and things and enter into any transaction, agreements, deeds, documents or arrangements and make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Trust, as the ESS Committee may in its discretion direct for the implementation and administration of the Trust.
- 9.6 The Company shall have power from time to time to appoint or rescind the appointment of any Trustee as it deems fit in accordance with the provisions of the Trust Deed. The Company and/or ESS Committee shall have the power from time to time, at any time, to negotiate with the Trustee to amend the provisions of the Trust Deed.

10. LISTING AND QUOTATION OF NEW SHARES

- 10.1 The New ESGP Shares and ESOS Shares (if any) allotted and issued under the Scheme will be listed or quoted on the Main Market of Bursa Securities.

11. RIGHTS ATTACHED TO THE SCHEME SHARES

- 11.1 The ESOS Shares and the New ESGP Shares to be allotted and issued pursuant to the Scheme shall rank *pari passu* in all respects with the then existing Shares.
- 11.2 The ESOS Shares to be allotted upon exercise of the ESOS Options shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Company's shareholders, for which the Book Closure Date is prior to the date on which such ESOS Shares are credited to the CDS Account of the relevant ESOS Holder.
- 11.3 The ESGP Grant Holders shall not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid to the Company's shareholders in connection with such New ESGP Shares to be allotted to the relevant ESGP Grant Holders pursuant to the ESGP, for which the Book Closure Date is prior to the date on which such New ESGP Shares are credited into the CDS Account of the relevant ESGP Grant Holders.
- 11.4 The Trustee shall be vested with any dividends, rights, allotments and/or any other distributions which may be declared, made or paid to the Company's shareholders in connection with the New ESGP Shares, for which the Book Closure Date is prior to the date on which such New ESGP Shares are credited into the CDS Account of the relevant ESGP Grant Holders, which shall be utilised in accordance with the Trust Deed.
- 11.5 The ESGP Grant Holders shall not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid to the Company's shareholders in connection with such Existing ESGP Shares to be transferred to them pursuant to the ESGP, for which the Book Closure Date is prior to the date on which such Existing ESGP Shares are credited into the CDS Account of the relevant ESGP Grant Holders.

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

11.6 Subject to By-Law 9.2 above, with effect from the ESGP Transfer Date:

- (a) SFSB shall no longer be entitled to any dividends, rights, allotments and/or participation in any form of distribution in connection with the Existing ESGP Shares; and
- (b) the Trustee shall be entitled and vested with any dividends, rights, allotments, other distributions and/or participation in any form of distribution which may be declared, made or paid to the Company's shareholders in connection with the Existing ESGP Shares,, for which the Book Closure Date is prior to, the date on which such Existing ESGP Shares are credited into the CDS Account of the relevant ESGP Grant Holders, which shall be utilised in accordance with the Trust Deed.

12. RETENTION PERIOD

- 12.1 The ESGP Shares and the ESOS Shares to be issued, allotted or granted to the relevant ESGP Grant Holders and ESOS Holders (as the case may be) pursuant to the Scheme will not be subject to any retention period unless the ESS Committee stipulates otherwise in the Offer.
- 12.2 The expression "retention period" referred to in By-Law 12.1, shall mean the period in which the ESGP Shares and the ESOS Shares allotted, issued or granted pursuant to the Scheme must not be sold, transferred, assigned or otherwise disposed of by the relevant ESGP Grant Holders and ESOS Holders (as the case may be).

13. ALTERATION IN SHARE CAPITAL

13.1 In the event of any alteration in the capital structure of the Company during the Duration of the Scheme, whether by way of capitalisation of profits or reserves, rights issues, bonus issue, reduction of capital, subdivisions of shares or consolidation of shares or any other variation of capital or otherwise howsoever taking place, the ESS Committee may make such corresponding alterations (if any) to the Scheme:

- (a) the ESGP Grant Price and/or ESOS Option Price; and/or
- (b) the number of ESGP Shares and ESOS Shares comprised in an Offer, ESGP Grant, ESOS Option or any portion thereof that is unvested or unexercised,

and shall be adjusted in accordance with the provisions set out in the **First Schedule**, PROVIDED ALWAYS THAT:

- (A) no adjustment to the ESOS Option Price shall be made which would result in the ESOS Shares to be issued on the exercise of the ESOS Option being issued at a discount to the par value (if any) of the Shares, and if such an adjustment would but for this provision have so resulted, the ESOS Option Price payable shall be the par value (if any) of the ESOS Shares;
- (B) no adjustments shall be made to any ESGP Grant Price, the ESOS Option Price in respect of ESOS Options which have already been exercised, the number of ESGP Shares in respect of ESGP Shares which have already been vested, or the number of ESOS Shares in respect of ESOS Options which have already been exercised;

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

- (C) upon any adjustment being made pursuant to these By-Laws, the ESS Committee shall within thirty (30) days of the effective date of the alteration in the capital structure of the Company notify the relevant ESGP Grant Holder, ESOS Holder or holders of Offers (or his legal or personal representatives where applicable), as the case may be, in writing informing him of the adjustments; and
- (D) all adjustments shall comply with the requirements of any applicable statutes, rules, regulations and/or conditions issued by the relevant authorities and shall, to the extent possible, endeavor to give each Eligible Person the same proportion of the issued and paid-up share capital of the Company as they were previously entitled to.
- 13.2 All adjustments (other than on a bonus issue) must be confirmed in writing by the external auditors of the Company or the Adviser (in each case, acting as experts and not as arbitrators), to be in his opinion fair and reasonable and such determination and certification shall be final and binding on the ESGP Grant Holder and ESOS Holder.
- 13.3 In the event that a fraction of a Share arises from the adjustments referred to in By-Law 13.1, the number of Shares in the ESOS Options, ESGP Grants or Offers shall automatically be rounded down to the nearest one (1) Share. Where any adjustments to the ESOS Option Price shall result in a fraction of a Sen, the new ESOS Option Price shall be rounded up to the nearest Sen.
- 13.4 The provisions of By-Law 13.1 shall not apply where the alteration in the capital structure of the Company arises from:
- (a) the issue of new Shares or other securities convertible into Shares or securities with rights to acquire or subscribe for new Shares, and in any such case, in consideration or part consideration for an acquisition of any other securities, assets or business;
 - (b) as a special issue of Shares to Bumiputera parties approved by the relevant authorities to comply with Government policy on Bumiputera capital participation;
 - (c) a private placement or restricted issue of new Shares by the Company;
 - (d) a share buy-back arrangement by the Company and cancellation of all or a portion of the Shares pursuant to the relevant provisions of the Companies Act;
 - (e) any issue of new Shares arising from the exercise of any conversion rights attached to securities convertible to new Shares or upon exercise of any other rights including warrants, convertible loan stocks or other instruments by the Company;
 - (f) an issue of new Shares pursuant to the Scheme; or
 - (g) an issue of new Shares upon any other share scheme established by the Company.

14. DISCIPLINARY PROCEEDINGS

- 14.1 In the event that an Eligible Person is subject to Disciplinary Proceedings (whether or not such Disciplinary Proceedings will give rise to a dismissal or termination of service), any Offer made by the ESS Committee that has not been accepted at that material time, shall become void, of no effect and incapable of acceptance.

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

- 14.2 In the event that an ESGP Grant Holder or ESOS Holder (as the case may be) is subject to Disciplinary Proceedings (whether or not such Disciplinary Proceedings will give rise to a dismissal or termination of service), the ESS Committee may, in its discretion, suspend the right of the ESGP Grant Holder or ESOS Holder in respect of his ESGP Grant or ESOS Option (as the case may be), pending the outcome of such Disciplinary Proceedings.
- 14.3 The ESS Committee may impose such terms and conditions as the ESS Committee shall deem appropriate having regard to the nature of the charges made or brought against the ESGP Grant Holder or ESOS Holder (as the case may be) and the outcome of such Disciplinary Proceedings, PROVIDED ALWAYS THAT:
- (a) if the ESGP Grant Holder or ESOS Holder is subsequently found not guilty of the charges which gave rise to such Disciplinary Proceedings, the ESS Committee shall reinstate the rights of such ESGP Grant Holder or ESOS Holder in respect of his ESGP Grant or ESOS Option, PROVIDED THAT such reinstatement is within the Duration of the Scheme;
 - (b) if the Disciplinary Proceedings results in the dismissal or termination of service of the ESGP Grant Holder or ESOS Holder, the ESGP Grant or ESOS Option shall immediately lapse and be null and void and of no further force and effect upon pronouncement of the dismissal or termination of the service of such ESGP Grant Holder or ESOS Holder (notwithstanding that such dismissal or termination may subsequently be challenged, successfully or otherwise, by the ESGP Grant Holder or ESOS Holder in any forum) without any requirement for notice to be given to the ESGP Grant Holder or ESOS Holder of the termination of the ESGP Grant or ESOS Option; or
 - (c) if the ESGP Grant Holder or ESOS Holder is found guilty of misconduct but no dismissal or termination of service is recommended, the ESS Committee shall have the right to determine at its absolute discretion whether or not the ESGP Grant Holder or ESOS Holder may continue to be vested with the ESGP Shares under the ESGP Grant or continue to exercise his ESOS Options or any part thereof and if so, to impose such terms and conditions as it deems appropriate, on such ESGP Grant or ESOS Option.

15. AMENDMENT, VARIATION AND/OR MODIFICATION TO THE SCHEME

- 15.1 The ESS Committee may at any time and from time to time recommend to the Board, and the Board shall have the power at any time and from time to time, by resolution, add, amend or modify and/or delete all or any of the provisions of these By-Laws or the Scheme, PROVIDED THAT no such addition, amendment, modification and/or deletion shall be made without the prior approval of the Company's shareholders at a general meeting, if it would:
- (a) materially prejudice the rights then accrued to any ESGP Grant Holder, ESOS Holder or holders of Offers without their prior consent, or provide any advantage to any of them in respect of any provisions of the Scheme;
 - (b) increase the maximum number of new Shares in respect of which Offers may be made beyond the Maximum Allowable Allotment; and
 - (c) alter any provisions under these By-Laws which are required to be contained herein by virtue of the Listing Requirements, to the advantage of any ESGP Grant Holder, ESOS Holder or holders of Offer under the Scheme,

unless otherwise allowed by the provisions of the Listing Requirements.

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

15.2 The Company shall submit a confirmation letter to Bursa Securities each time an addition, amendment and/or modification is made that the said addition, amendment and/or modification does not contravene the applicable requirements governing share option schemes including without limitation to the Listing Requirements and the Rules of Bursa Depository.

16. TERMINATION OF THE SCHEME

16.1 Notwithstanding the provisions of By-Law 7, the Company has the right to terminate the Scheme at any time during the Duration of the Scheme provided it obtains the approval of the shareholders of the Company at a general meeting wherein at least a majority of the shareholders present and voting voted in favour of the termination.

16.2 For the purpose of By-Law 16.1:

(a) the circular sent to the Company's shareholders to obtain their approval must include the information prescribed in the Listing Requirements and the Company shall also comply with all relevant provisions of the Listing Requirements as are applicable to the termination of the Scheme; and

(b) the Scheme shall be terminated on the date of the ordinary resolution or (if later) the date of receipt of the last of the consents referred to in By-Law 16.1.

16.3 Subject to compliance with By-Laws 16.1 and 16.2, upon termination of the Scheme, no further Offers shall be made by the ESS Committee, and all Offers outstanding but not accepted by the relevant Eligible Persons at the said date shall lapse in accordance with the terms of such resolution and shall thereafter be null and void.

17. TRANSFER AND SECONDMENT OUTSIDE THE ICON GROUP

17.1 If an ESGP Grant Holder or ESOS Holder (as the case may be) is seconded or transferred on a temporary basis (which for the purpose of these By-Laws shall mean a period of not more than one (1) year) to an organisation which is not within the ICON Group, the ESS Committee may at its discretion allow the ESGP Grant Holder or ESOS Holder (as the case may be) to continue to enjoy his rights in respect of his ESGP Grant(s) or ESOS Option(s) (as the case may be) as though the ESGP Grant Holder or ESOS Holder is still in the employment of the ICON Group.

18. SUBSIDIARY OF ICON

18.1 In the event there is any new member to the ICON Group as a result of any acquisition or incorporation of any Subsidiary during the Duration of the Scheme, the Scheme shall apply to such Eligible Senior Management Employee and Eligible Employee of the new Subsidiary falling within the expression of "Eligible Senior Management Employee" and "Eligible Employee" under By-Law 1, and the provisions of these By-Laws shall apply.

18.2 The Board and/or ESS Committee may determine, in its absolute discretion, that a subsidiary of the Company (including those subsequently incorporated or acquired during the Duration of the Scheme and excluding subsidiaries which are dormant) shall not fall within the expression "Subsidiary".

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

19. DIVESTMENT FROM ICON GROUP

- 19.1 If an Eligible Person was in the employment or directorship of any of the Subsidiary which subsequently ceased to be a Subsidiary as a result of a restructuring or divestment exercise or otherwise (other than a takeover under By-Laws 35 and 42 hereof), then any Offer made by the ESS Committee that has not been accepted at that material time, shall become void, of no effect and incapable of acceptance.
- 19.2 If an ESGP Grant Holder or ESOS Holder (as the case may be) was in the employment of any of the Subsidiary which subsequently ceased to be a Subsidiary as a result of a restructuring or divestment exercise or otherwise (other than a takeover under By-Laws 35 and 42 hereof), then:
- (a) the ESS Committee may at its discretion allow the ESGP Grant Holder or ESOS Holder to continue to enjoy his rights in respect of his ESGP Grant(s) or ESOS Option(s) (as the case may be), as though the ESGP Grant Holder or ESOS Holder is still in the employment of the ICON Group, failing which the ESGP Grant(s) or ESOS Option(s) shall automatically lapse and be null and void and of no further force and effect; and
 - (b) such ESGP Grant Holder or ESOS Holder shall not be granted further ESGP Grants or ESOS Options under the Scheme.

20. COSTS, EXPENSES AND TAXES

- 20.1 All fees, costs, expenses (including expenses incurred by the Trustee) and Trustee's fees (including but not limited to administrative and handling charges) incurred in relation to the Scheme including but not limited to the costs and expenses relating to the transfer and vesting of the ESGP Shares, as well as the issue, allotment and listing of the new Shares upon the vesting of any ESGP Shares or the exercise of any ESOS Options, shall be borne by the Company.
- 20.2 All stamp duty and taxes (including income tax) arising from the transfer or vesting of any Shares or exercise of any ESOS Options under the Scheme shall be borne by the ESOS Holder or the ESGP Grant Holder (as the case may be).

21. SCHEME NOT A TERM OF EMPLOYMENT

- 21.1 This Scheme does not form part nor shall it in any way be construed as part of the terms and conditions of employment of any employee of the ICON Group or appointment of any Director.

22. ARTICLES OF ASSOCIATION

- 22.1 Notwithstanding the terms and conditions contained in this Scheme, if a situation of conflict should arise between this Scheme and the Articles of Association of the Company, the provisions of the Articles of Association of the Company shall at all times prevail to the extent of such conflict.

23. INSPECTION OF FINANCIAL STATEMENTS

- 23.1 Subject to the Articles of Association of the Company, all ESGP Grant Holders and ESOS Holders shall be entitled to inspect the latest available audited financial statements of the Company on any Market Day during the normal working hours of the Company at the registered office of the Company.

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

24. SEVERABILITY

- 24.1 If any provision in these By-Laws is illegal, invalid or unenforceable, such provision shall be ineffective to the extent of such illegality, invalidity or unenforceability, without affecting the remaining provisions herein.

25. ERRORS AND OMISSIONS

- 25.1 If in consequences of an error or omission, the ESS Committee discovers or determines that:
- (a) an Eligible Person who was selected to participate in this Scheme has not been given the opportunity to participate in this Scheme on any occasion;
 - (b) an employee of the ICON Group was erroneously selected to participate in this Scheme; or
 - (c) the number of Shares allotted and issued and/or transferred to any ESGP Grant Holder or ESOS Holder on any occasion is found to be incorrect,

and such error or omissions cannot be corrected within the relevant period specified in the Scheme, the ESS Committee may do all such acts and things to rectify such error or omission and ensure that the Eligible Person is given the opportunity to participate in the Scheme and/or the ESGP Grant Holder or ESOS Holder is credited with the correct number of Shares or amount of monies to which he is entitled (whichever is applicable).

26. NOTICES

- 26.1 Any notice or request to be given by the Company or the ESS Committee to an Eligible Person, ESGP Grant Holder or ESOS Holder (as the case may be) pursuant to the Scheme shall be in writing and shall be in the first instance collected in person by the Eligible Person, ESGP Grant Holder or ESOS Holder (as the case may be) within seven (7) days of a general notice being placed in one or more conspicuous place(s) at the workplace of the companies within the Group requesting all such persons to collect the notice during normal working hours from the Human Resource Department of the Company or such other designated person as shall be stipulated in the general notice.
- 26.2 In the event the notice is not collected within the specified period of time, the notice shall be sent to the Eligible Person, ESGP Grant Holder or ESOS Holder (as the case may be) and shall be deemed to be sufficiently given or made:
- (a) if sent by ordinary post to (i) in the case of an Eligible Person, his last known address to the Company, or (ii) in the case of an Eligible Person, ESGP Grant Holder or ESOS Holder (as the case may be), such notice or request shall be deemed to have been received by the addressee three (3) Market Days after posting;
 - (b) if delivered by hand to the Eligible Person, ESGP Grant Holder or ESOS Holder (as the case may be), such notice or request shall be deemed to have been received by the addressee on the date of delivery; or
 - (c) if delivered by electronic mail to the Eligible Person, ESGP Grant Holder or ESOS Holder (as the case may be), such notice or request shall be accompanied by a read receipt request and be deemed to have been received by the addressee three (3) Market Days after receipt of the read receipt by the sender.

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

27. DISCLAIMER OF LIABILITY

- 27.1 Notwithstanding any provision contained herein, and subject to all applicable laws, the ESS Committee and/or the Company, shall not, under any circumstances, be held liable for any damages, cost, loss and expense whatsoever and howsoever incurred, arising and/or suffered by any Eligible Persons, ESGP Grant Holders or ESOS Holders, including but not limited to any delay in allotting and issuing new Shares and/or applying for or procuring the listing of the new Shares on Bursa Securities and/or transferring or vesting the ESGP Shares in accordance with these By-laws for any reason whatsoever.

28. COMPENSATION

- 28.1 An Eligible Person, ESGP Grant Holder or ESOS Holder (as the case may be) who ceases to hold office or employment shall not be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the Scheme which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office.
- 28.2 No Eligible Person, ESGP Grant Holder or ESOS Holder (as the case may be) or legal or personal representatives shall bring any claim, action or proceeding against the Company or any member of the Group, the Board or the ESS Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension of his rights in respect of the ESGP Grant or ESOS Option or his ESGP Grant or ESOS Option ceasing to be valid pursuant to the provisions of these By-Laws, or as the same may be amended from time to time in accordance with By-Law 15 hereof.

29. DISPUTES

- 29.1 In the event of any dispute or difference between the ESS Committee and an Eligible Person, ESGP Grant Holders or ESOS Holders, as to any matter or thing of any nature arising hereunder, the ESS Committee shall determine such dispute or difference by a written decision given to the Eligible Person, Grant Holder or ESOS Holder, as the case may be. The said decision shall be final and binding on the parties.

30. GOVERNING LAW AND JURISDICTION

- 30.1 These By-Laws shall be governed by and construed in accordance with the laws of Malaysia. Each Eligible Person, ESGP Grant Holder and ESOS Holder shall submit to the non-exclusive jurisdiction of the Courts of Malaysia in relation to any matters that arise from these By-Laws.

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ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)**PART B: ESGP****31. TERMS OF ESGP GRANT OFFERS**

- 31.1 Subject to By-Law 4 above, the ESS Committee may at its absolute discretion at any time and from time to time within the Duration of the Scheme as it shall deem fit make one or more ESGP Grant Offers to any Eligible Senior Management Employee whom the ESS Committee may in its discretion select based on the criteria of allotment set out in By-Law 5, to receive ESGP Shares pursuant to an ESGP Grant.
- 31.2 Notwithstanding the foregoing, the ESS Committee may at its discretion, not make any ESGP Grant Offers to any Eligible Senior Management Employees even though such participant may meet the eligibility criteria. The ESS Committee shall not be under any obligation to give any reasons for its decision in respect of its selection of Eligible Senior Management Employees to participate in the ESGP. The decision of the ESS Committee in respect of its selection of Eligible Senior Management Employees to participate in the ESGP shall be final and binding.
- 31.3 Nothing herein shall prevent the ESS Committee from making more than one ESGP Grant Offer to any Eligible Senior Management Employee provided always that the total aggregate number of ESGP Shares in respect of the ESGP Grants granted shall not exceed the Maximum Allowable Allotment of such Eligible Senior Management Employee, and the number of New ESGP Shares comprised in the ESGP Grant Offer shall not be less than one hundred (100) Shares.
- 31.4 Each ESGP Grant Offer shall be made in writing by the ESS Committee and may contain, among others:
- (a) the date which an ESGP Grant Offer is made to an Eligible Senior Management Employee;
 - (b) the performance targets or criteria, if any;
 - (c) the starting date and duration of the Performance Period;
 - (d) the number of ESGP Shares to be vested pursuant to an ESGP Grant on the ESGP Vesting Date, based on the achievement of the prescribed performance targets or criteria;
 - (e) the ESGP Grant Price; and
 - (f) such other terms and conditions,
- in such manner and format as shall be determined by the ESS Committee at its absolute discretion. The ESS Committee may from time to time as it deems fit or appropriate, make such changes to the terms of the ESGP Grant Offer.
- 31.5 Each ESGP Grant Offer shall be made in writing to the selected Eligible Senior Management Employee and is personal to such person, cannot be assigned, transferred, encumbered or otherwise disposed of in any other manner whatsoever.
- 31.6 Subject to By-Law 31.7 below, the ESGP Grant Offer shall automatically lapse and be null and void in the event of the Eligible Senior Management Employee ceasing to be an Executive Director and/or a senior management employee (as determined by the ESS

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

Committee from time to time) of the ICON Group for any reason whatsoever prior to the acceptance of the ESGP Grant Offer by the Eligible Senior Management Employee in the manner set out in By-Law 33.

- 31.7 Where an Eligible Senior Management Employee who is an Executive Director of the ICON Group has received an ESGP Grant Offer made by the ESS Committee but prior to the acceptance of the ESGP Grant Offer, the Eligible Senior Management Employee ceases to be an Executive Director of the ICON Group but continues to be employed as an employee of the ICON Group, the ESS Committee shall be entitled to determine at its absolute discretion, whether the ESGP Grant Offer shall continue to subsist and be capable of being accepted by the said Eligible Senior Management Employee in accordance with By-Law 33.1 even though he has ceased to hold office as an Executive Director of the Company.

32. ESGP GRANT PRICE

- 32.1 The ESGP Grant Price for each underlying ESGP Share will be based on the fair value of the ICON Share with no entitlement to any discount, after taking into account among others, the five (5)-day weighted average market price of ICON Shares immediately preceding the Offer Date.

33. ACCEPTANCE OF ESGP GRANT OFFERS

- 33.1 Unless otherwise specified in an ESGP Grant Offer, the ESGP Grant Offer shall be valid for acceptance during the Offer Period. The acceptance of an ESGP Grant Offer shall be made by way of a written notice of acceptance from the Eligible Senior Management Employee to the ESS Committee in the form prescribed by the ESS Committee within the Offer Period. An Eligible Senior Management Employee who accepts the ESGP Grant Offer shall provide the ESS Committee with his CDS Account number or the CDS Account number of his Authorised Nominee (as the case may be) in the notice of acceptance referred to in this By-Law.
- 33.2 In the event that the Eligible Senior Management Employee fails or omits to accept the ESGP Grant Offer within the Offer Period, the ESGP Grant Offer shall be deemed to have been rejected by the Eligible Senior Management Employee and shall automatically lapse (unless otherwise extended by the ESS Committee), and in such instance the ESGP Shares which are the subject of such ESGP Grant Offer may, at the discretion of the ESS Committee, be offered to other Eligible Senior Management Employees. The rejection of the ESGP Grant Offer by the Eligible Senior Management Employee shall not preclude the ESS Committee from making a new ESGP Grant Offer to such Eligible Senior Management Employee subsequently.
- 33.3 Acceptance of the ESGP Grant Offer by an Eligible Senior Management Employee shall be accompanied by the payment of Ringgit Malaysia One (RM1.00) per ESGP Grant Offer, irrespective of the number of ESGP Shares which are subject to such ESGP Grant Offer, or such other amount of payment as may be determined at the discretion of the ESS Committee, as non-refundable consideration for the ESGP Grant. The date of receipt of the written notice of acceptance together with the requisite payment shall constitute the date of acceptance of the ESGP Grant Offer.
- 33.4 The ESS Committee shall within fourteen (14) days from the date of acceptance issue to the offeree an ESGP Grant Letter in such form as may be determined by the ESS Committee.

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

- 33.5 Without prejudice to the generality of the foregoing, any ESGP Grant Offers made by the ESS Committee that has not been accepted upon occurrence of any of the following events, shall become void, of no effect and incapable of acceptance:
- (a) the Eligible Senior Management Employee's death;
 - (b) the Eligible Senior Management Employee having received a letter of termination or ceasing to be an Executive Director or a senior management employee of any corporation within the ICON Group, for any reason whatsoever, in accordance with By-Law 31.6;
 - (c) the Eligible Senior Management Employee giving notice of his resignation from directorship or employment;
 - (d) the corporation which employs the Eligible Senior Management Employee ceasing to be a company within the ICON Group, in accordance with By-Law 19; or
 - (e) the Eligible Senior Management Employee is subject to Disciplinary Proceedings, in accordance with By-Law 14.
- 33.6 The ESGP Grant Offer is personal to the Eligible Senior Management Employee and cannot be assigned, transferred, encumbered or otherwise disposed of in any manner whatsoever, without the prior written consent of the ESS Committee.

34. VESTING OF THE ESGP SHARES

- 34.1 Except where it is otherwise specifically allowed under these By-Laws, the ESGP Shares to be vested on an ESGP Grant Holder under an ESGP Grant will be vested to that ESGP Grant Holder on the ESGP Vesting Date in accordance with the terms and conditions of the ESGP Grant Letter and these By-Laws, PROVIDED THAT:
- (a) the ESGP Grant Holder's employment or directorship with the ICON Group continue to subsist as at the ESGP Vesting Date; and
 - (b) no ESGP Shares pursuant to an ESGP Grant shall vest beyond the Duration of the Scheme.
- 34.2 The determination as to whether the performance targets have been fully and duly satisfied shall be made by the ESS Committee. In the event that the ESS Committee shall determine that the performance targets are not fully and duly satisfied, the ESS Committee may, at its discretion, adjust the number of ESGP Shares (if any) which may vest in the ESGP Grant Holder and take into account the shortfall in such manner as the ESS Committee may in its discretion otherwise deem fit.
- 34.3 Where the ESS Committee has determined that the ESGP Grant Conditions (if any) have been fully and duly satisfied, the ESS Committee shall notify the ESGP Grant Holder of the ESGP Vesting Date and the number of ESGP Shares which will be vested in him on the said ESGP Vesting Date.
- 34.4 No ESGP Grant Holder shall have any right to or interest in the ESGP Shares offered to him under an ESGP Grant until and unless such ESGP Shares are vested onto him, in accordance with this By-Law 34 and By-Law 11. The relevant ESGP Grant Holders shall not be entitled to request that the Trustee sells any part or all of the ESGP Shares held by the Trustee, at any time during the period between the acceptance of an ESGP Grant Offer by the ESGP Grant Holder and the ESGP Vesting Date of such ESGP

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

Shares under the said ESGP Grant.

- 34.5 The Trustee shall within eight (8) Market Days after the ESGP Vesting Date (or such other period as may be prescribed or allowed by Bursa Securities):
- (a) transfer such number of ESGP Shares to the relevant ESGP Grant Holder accordingly, subject to and in accordance with the provisions of the Articles of Association of the Company, the SICDA and the Rules of the Bursa Depository;
 - (b) despatch a notice of transfer (as the case may be) stating the number of ESGP Shares credited into such CDS Account to the ESGP Grant Holder or his Authorised Nominee (with a copy to the ESGP Grant Holder) accordingly; and
 - (c) procure the Company to apply to Bursa Securities for the listing of and quotation for the New ESGP Shares (if any) in accordance with By-Law 10.
- 34.6 The relevant number ESGP Shares shall be credited directly to the CDS Account of the ESGP Grant Holder or his Authorised Nominee (as the case may be), at no cost to the ESGP Grant Holder. No physical share certificates will be delivered to the Grant Holder or his Authorised Nominee (as the case may be).
- 34.7 Notwithstanding the provisions of By-Laws 34.5 and 34.6, the Board, the ESS Committee, the Company and/or any officer of the Company shall not under any circumstances be held liable for any cost, loss, expense and/or damages whatsoever or howsoever arising in any event relating to the delay on the part of the Company in transferring and/or issuing and/or allotting the ESGP Shares, or in applying for Bursa Securities' permission for the listing of and quotation for such New ESGP Shares (in accordance with By-Law 10), within the stipulated deadline.
- 34.8 Every ESGP Grant shall be subject to the condition that no ESGP Shares shall be transferred to an ESGP Grant Holder pursuant to the an ESGP Grant if such transfer would be contrary to any law, enactment, rules and/or regulations of any legislative or non-legislative body which may be in force during the Duration of the Scheme.

35. TAKE-OVERS

- 35.1 Notwithstanding By-Law 37 and subject to the provisions of any applicable statutes, rules, regulations and/or conditions issued by the relevant authorities, in the event of:
- (a) a take-over offer being made for the Company through a take-over offer under the Take-Overs Code to acquire the whole of the issued share capital of the Company (or such part thereof not at the time owned by the person making the take-over offer ("**Offeror**") or any persons acting in concert with the Offeror); or
 - (b) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of Shares under the provisions of any applicable statutes, rules and/or regulations and gives notice to the Company that it intends to exercise such right on a specific date,

the ESS Committee may, at its discretion and to the extent permitted by law, allow the vesting of the ESGP Shares under an ESGP Grant to an ESGP Grant Holder at any time subject to such terms and conditions as may be prescribed notwithstanding that:

- (i) the ESGP Vesting Date is not due or has not occurred; and/or

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

- (ii) other ESGP Grant Conditions set out in the ESGP Grant Letter have not been fulfilled or satisfied.

36. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC.

- 36.1 Notwithstanding By-Law 37 hereof and subject to the discretion of the ESS Committee, in the event of the court sanctioning a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme of arrangement and reconstruction of the Company under Section 176 of the Companies Act or its amalgamation with any other company or companies under Section 178 of the Companies Act or pursuant to any other applicable laws, the ESS Committee may at its discretion allow or disallow the vesting of the ESGP Shares under an ESGP Grant to the ESGP Grant Holder.

37. TERMINATION OF ESGP GRANT

- 37.1 Any ESGP Shares under an ESGP Grant that has not vested in the ESGP Grant Holder shall forthwith lapse and/or be deemed to be cancelled and cease to be capable of being vested upon the occurrence of one or more of the following events:

- (a) subject to By-Laws 37.2 and 37.3, the ESGP Grant Holder ceasing to be in employment with the ICON Group;
- (b) subject to By-Laws 31.6, 37.2 and 37.3, the ESGP Grant Holder vacating the office of a Director due to his resignation or non-re-election as an Executive Director at a general meeting;
- (c) the liquidation or winding-up of the Company;
- (d) the bankruptcy of the ESGP Grant Holder;
- (e) the death of the ESGP Grant Holder; or
- (f) the ESGP Grant Holder being declared insane.

- 37.2 Notwithstanding the provisions of By-Laws 37.1(a) and 37.1(b), the ESS Committee may at its discretion allow the vesting of any ESGP Shares to an ESGP Grant Holder:

- (a) where the ESGP Grant Holder ceases his employment with the ICON Group by reason of:
 - (i) retirement on attaining the retirement age under the ICON Group's retirement policy;
 - (ii) retirement before attaining the normal retirement age but with the consent of the Company;
 - (iii) redundancy or retrenchment or acceptance by that ESGP Grant Holder of a voluntary separation scheme offered by the ICON Group;
 - (iv) ill-health, injury, physical or mental disability; or
 - (v) any other circumstances which are acceptable to the ESS Committee; or
- (b) where the ESGP Grant Holder vacates office as a Director for any reason whatsoever.

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

The approval of the ESS Committee shall be at its absolute discretion and may be given subject to such terms and conditions as it may determine.

- 37.3 In the event of the demise of an ESGP Grant Holder before the ESGP Shares under his ESGP Grant are vested on him, the ESS Committee may at its discretion allow the next of kin or beneficiary of the deceased in question to be vested with the ESGP Shares under the deceased ESGP Grant Holder's ESGP Grant. In this regard, the ESS Committee shall be entitled to require the legal or personal representative to provide evidence satisfactory to the ESS Committee of his status as such legal or personal representative in addition to requiring relevant CDS Account details be made available prior to vesting of the ESGP Shares.
- 37.4 In any of the circumstances specified in By-Laws 37.2 and 37.3, all the unvested ESGP Shares, unless otherwise determined by the ESS Committee, shall automatically lapse and be of no further effect and thereafter no claim shall be made against the Company.

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ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

PART C: ESOS**38. TERMS OF ESOS OFFERS**

- 38.1 Subject to By-Law 4 above, the ESS Committee may at any time and from time to time within the Duration of the Scheme as it shall deem fit make an ESOS Offer to any Eligible Employee whom the ESS Committee may in its discretion select based on the criteria of allotment set out in By-Law 5, to subscribe during the ESOS Option Period the new Shares in accordance with the terms of the ESOS.
- 38.2 Notwithstanding the foregoing, the ESS Committee may at its discretion, not make any ESOS Offers to any Eligible Employee even though such participant may meet the eligibility criteria. The ESS Committee shall not be under any obligation to give any reasons for its decision in respect of its selection of Eligible Employees to participate in the ESOS. The decision of the ESS Committee in respect of its selection of Eligible Employees to participate in the Scheme shall be final and binding.
- 38.3 Nothing herein shall prevent the ESS Committee from making one or more ESOS Offers to any Eligible Employee provided always that the total aggregate number of ESOS Shares in respect of the ESOS Options granted shall not exceed the Maximum Allowable Allotment of such Eligible Employee, and the number of ESOS Shares comprised in the ESOS Offer shall not be less than one hundred (100) Shares.
- 38.4 Each ESOS Offer shall be made in writing by the ESS Committee and may contain, among others:
- (a) the date which an ESOS Offer is made to an Eligible Employee;
 - (b) the performance targets or criteria, if any;
 - (c) the starting date and duration of the Performance Period;
 - (d) the number of ESOS Shares which the Eligible Employee shall be entitled to subscribe for under the ESOS Option at the end of the Performance Period, based on the achievement of the prescribed performance targets or criteria;
 - (e) the ESOS Option Price;
 - (f) the ESOS Option Period; and
 - (g) such other terms and conditions,
- in such manner and format as shall be determined by the ESS Committee at its absolute discretion. The ESS Committee may from time to time as it deems fit or appropriate, make such changes to the terms of the ESOS Offer.
- 38.5 Each ESOS Offer shall be made in writing to the selected Eligible Employee and is personal to such person, cannot be assigned, transferred, encumbered or otherwise disposed of in any other manner whatsoever.
- 38.6 Subject to By-Law 38.7 below, the ESOS Offer shall automatically lapse and be null and void in the event of the Eligible Employee ceasing to be an employee of the ICON Group for any reason whatsoever prior to the acceptance of the ESOS Offer by the Eligible Employee in the manner set out in By-Law 40.

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

39. ESOS OPTION PRICE

39.1 The ESS Committee may at its discretion determine the ESOS Option Price at which the Eligible Employees are entitled to subscribe for the ESOS Shares under the ESOS, PROVIDED THAT the ESOS Option Price shall not be:

- (a) at a discount as determined by the ESS Committee of more than ten percent (10%) (or within any other limit allowed by the relevant authorities from time to time) from the five (5)-day volume weighted average market price of Shares immediately preceding the Offer Date; and
- (b) in any event less than the par value (if any) of Shares.

39.2 The ESOS Option Price shall be subject to adjustments in accordance with By-Law 13.

40. ACCEPTANCE OF ESOS OFFERS

40.1 Unless otherwise specified in an ESOS Offer, the ESOS Offer to participate in the ESOS shall be valid for acceptance during the Offer Period. The acceptance of an ESOS Offer shall be made by way of a written notice of acceptance from the Eligible Employee to the ESS Committee in the form prescribed by the ESS Committee within the Offer Period.

40.2 In the event that the Eligible Employee fails or omits to accept the ESOS Offer within the Offer Period, the ESOS Offer shall be deemed to have been rejected by the Eligible Employee and shall automatically lapse (unless otherwise extended by the ESS Committee), and in such instance the Shares which are the subject of such ESOS Offer may, at the discretion of the ESS Committee, be offered to other Eligible Employees. The rejection of the ESOS Offer by the Eligible Employee shall not preclude the ESS Committee from making a new ESOS Offer to such Eligible Employee subsequently.

40.3 Acceptance of the ESOS Offer by an Eligible Employee shall be accompanied by the payment of Ringgit Malaysia One (RM1.00) per ESOS Offer, irrespective of the number of ESOS Shares available for subscription relating to the ESOS Offer, or such other amount of payment as may be determined at the discretion of the ESS Committee, as non-refundable consideration for the grant of the ESOS Option. The date of receipt of the written notice of acceptance together with the requisite payment shall constitute the date of acceptance of the ESOS Offer.

40.4 The ESS Committee shall within fourteen (14) days from the date of acceptance issue to the offeree an ESOS Letter in such form as may be determined by the ESS Committee.

40.5 Without prejudice to the generality of the foregoing, any ESOS Offers made by the ESS Committee that has not been accepted upon occurrence of any of the following events, shall become void, of no effect and incapable of acceptance:

- (a) the Eligible Employee's death;
- (b) the Eligible Employee having received a letter of termination or ceasing to be an Executive Director or an employee of any corporation within the ICON Group, for any reason whatsoever, in accordance with By-Law 38.6;
- (c) the Eligible Employee giving notice of his resignation from directorship or employment;

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

- (d) the corporation which employs the Eligible Employee ceasing to be a company within the ICON Group, in accordance with By-Law 19; or
 - (e) the Eligible Employee is subject to Disciplinary Proceedings, in accordance with By-Law 14.
- 40.6 An ESOS Offer shall be personal to the Eligible Employee and cannot be assigned, transferred, encumbered or otherwise disposed of in any manner whatsoever without the prior written consent of the ESS Committee.

41. EXERCISE OF THE ESOS OPTIONS

- 41.1 Subject to By-Law 41.2, an ESOS Option may be exercised by the ESOS Holder by notice in writing to the Company in the form prescribed by the ESS Committee on any Market Day during the ESOS Option Period in respect of all or any part of the ESOS Shares comprised in the ESOS Option, PROVIDED THAT where an ESOS Option is exercised in respect of a part of the ESOS Shares comprised therein, the number of ESOS Shares of which such ESOS Option may be exercised shall not be less than one hundred (100) and shall be in multiples of one hundred (100) or such other denominations as determined by Bursa Securities.
- 41.2 Subject to By-Law 13 hereof, the ESS Committee may, at any time and from time to time, before or after an ESOS Option is granted, limit the exercise of the ESOS Option to a maximum number of ESOS Shares and/or such percentage of the total ESOS Shares comprised in the ESOS Option during such periods within the ESOS Option Period and impose any other terms and/or conditions deemed appropriate by the ESS Committee in its discretion.
- 41.3 The minimum period which an ESOS Option must be held by an ESOS Holder before it can be exercised, if any, may be determined by the ESS Committee at its absolute discretion.
- 41.4 Where an ESOS Option is exercised only in part, the ESOS Letter shall be endorsed by the ESS Committee stating, inter-alia, the number of Shares comprised in the ESOS Option which remain capable of exercise. The partial exercise of an ESOS Option shall not preclude the ESOS Holder from exercising the ESOS Option for the remaining duration of the ESOS Option Period in respect of the balance of the ESOS Shares comprised in the ESOS Option.
- 41.5 Any ESOS Shares comprised in an ESOS Option not subscribed for in any year following the date on which the ESOS Option was granted, may be subscribed for in any subsequent year until and including the last day of the ESOS Option Period.
- 41.6 Every such written notice referred to in By-Law 41.1 must be accompanied by the relevant ESOS Letter and a remittance (calculated in accordance with the provisions of By-Law 39) for the full amount of the subscription monies for the ESOS Shares in respect of which notice is given. Within eight (8) Market Days from the receipt by the Company of the aforesaid notice and ESOS Letter, as well as the remittance from the ESOS Holder or such other period as may be permitted by Bursa Securities, the Company shall:
- (a) allot and/or issue such ESOS Shares to the ESOS Holder accordingly, subject to and in accordance with the provisions of the Articles of Association of the Company, the SICDA and the Rules of the Bursa Depository;
 - (b) despatch a notice of allotment in accordance with By-Law 41.6 hereof; and

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

- (c) apply to Bursa Securities for the listing of and quotation for such ESOS Shares in accordance with By-Law 10.
- 41.7 An ESOS Holder who exercises his ESOS Option shall provide the ESS Committee with his CDS Account number or the CDS Account number of his Authorised Nominee (as the case may be) in the notice referred to in By-Law 41.1. The new Shares to be issued pursuant to the exercise of an ESOS Option will be credited into the CDS Account of the ESOS Holder or his Authorised Nominee (as the case may be) and a notice of allotment stating the number of ESOS Shares credited into such CDS Account will be issued and despatched to the ESOS Holder or the ESOS Holder's Authorised Nominee with a copy to the ESOS Holder (as the case may be). No physical share certificate(s) will be issued and delivered to the ESOS Holder.
- 41.8 No ESOS Options shall be exercisable upon the expiry of the ESOS Option Period. All ESOS Options to the extent that they have not been exercised upon the expiry of the ESOS Option Period shall lapse and have no further effect, unless extended at any time and from time to time by the ESS Committee PROVIDED THAT the extended ESOS Option Period shall not in any event exceed the maximum period prescribed by the Listing Requirements.
- 41.9 Notwithstanding the provisions of By-Laws 41.5 and 41.6, the Board, the ESS Committee, the Company and/or any officer of the Company shall not under any circumstances be held liable for any cost, loss, expense and/or damages whatsoever or howsoever arising in any event relating to the delay on the part of the Company in allotting the ESOS Shares, or in applying for Bursa Securities' permission for the listing of and quotation for such new Shares (in accordance with By-Law 10), within the stipulated deadline.
- 41.10 Subject to the discretion of the ESS Committee, failure by the ESOS Holder to comply with the procedures for an exercise of an ESOS Option as stipulated in By-Laws 41.1 to 41.7 will invalidate the purported exercise of such ESOS Option by an ESOS Holder and be deemed to be a rejection of the notice of exercise. In such instance, the ESS Committee shall inform the ESOS Holder of the rejection of the notice of exercise within eight (8) Market Days from the date of receipt of the notice of exercise thereof and the ESOS Holder shall be deemed not to have exercised his ESOS Option.
- 41.11 Every ESOS Option shall be subject to the condition that no ESOS Shares shall be issued to an ESOS Holder pursuant to the exercise of an ESOS Option if such issue would be contrary to any law, enactment, rules and/or regulations of any legislative or non-legislative body which may be in force during the Duration of the Scheme.
- 41.12 All ESOS Options to the extent that they have not been exercised upon the expiry of the ESOS Option Period shall lapse and have no further effect.
- 42. TAKE-OVERS**
- 42.1 Notwithstanding By-Law 41 and subject to the provisions of any applicable statutes, rules, regulations and/or conditions issued by the relevant authorities, in the event of:
- (a) a take-over offer being made for the Company through a take-over offer under the Take-Overs Code to acquire the whole of the issued share capital of the Company (or such part thereof not at the time owned by the person making the take-over offer ("Offeror") or any persons acting in concert with the Offeror), the ESS Committee may, at its discretion and to the extent permitted by law, allow the exercise of any ESOS Options not yet exercised, at any time subject to such terms and conditions as may be prescribed; and

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

- (b) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of Shares under the provisions of any applicable statutes, rules and/or regulations and gives notice to the Company that it intends to exercise such right on a specific date, the ESS Committee may, at its discretion and to the extent permitted by law, allow the exercise of any ESOS Options not yet exercised from the date of service of the notice to the Company until and inclusive of the date on which the right of compulsory acquisition is exercised,

notwithstanding that:

- (i) the ESOS Option Period has not commenced; and/or
- (ii) other terms and conditions set out in the ESOS Letter have not been fulfilled or satisfied,

PROVIDED ALWAYS THAT any ESOS Option which remains unexercised after the expiry of the periods stipulated in the aforesaid circumstances shall automatically lapse and shall become null and void.

43. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC.

- 43.1 Notwithstanding By-Law 41 hereof and subject to the discretion of the ESS Committee, in the event of the court sanctioning a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme of arrangement and reconstruction of the Company under Section 176 of the Companies Act or its amalgamation with any other company or companies under Section 178 of the Companies Act or pursuant to any applicable laws, the ESS Committee may, at its discretion allow any ESOS Holder to exercise all or any part of his ESOS Options remaining unexercised at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court and ending on the date upon which it becomes effective or any other date specified by the ESS Committee, PROVIDED ALWAYS THAT any ESOS Option which remains unexercised after the expiry of the period stipulated above shall, unless the ESS Committee in its absolute discretion otherwise determine, automatically lapse and shall become null and void.

44. TERMINATION OF ESOS OPTIONS

- 44.1 Any ESOS Offer that has not been accepted in the manner set out in By-Law 40 and any remaining unexercised ESOS Options shall forthwith lapse and/or be deemed to be cancelled and cease to be capable of acceptance or exercisable (as the case maybe) in relation to any ESOS Shares forthwith upon the occurrence of one or more of the following events:
- (a) subject to By-Laws 44.2 and 44.3, the ESOS Holder ceasing to be in employment with the ICON Group;
- (b) the contract of services of the ESOS Holder being terminated;
- (c) the liquidation or winding-up of the Company;
- (d) the bankruptcy of the ESOS Holder;
- (e) the death of the ESOS Holder; or
- (f) the ESOS Holder being declared insane.

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

- 44.2 Notwithstanding the provisions of By-Laws 44.1(a) and 44.1(b), the ESS Committee may at its discretion allow an ESOS Holder to accept his ESOS Offer or exercise his unexercised ESOS Option or ESOS Options within the relevant ESOS Option Period or ESOS Option Periods or such other shorter period as the ESS Committee may at its discretion determine, where the ESOS Holder ceases his employment with the Group by reason of:
- (a) retirement on attaining the retirement age under the ICON Group's retirement policy;
 - (b) retirement before attaining the normal retirement age but with the consent of the Company;
 - (c) redundancy or retrenchment or acceptance by that ESOS Holder of a voluntary separation scheme offered by the ICON Group;
 - (d) ill-health, injury, physical or mental disability; or
 - (e) any other circumstances which are acceptable to the ESS Committee.

The approval of the ESS Committee shall be at its absolute discretion and may be given subject to such terms and conditions as it may determine.

- 44.3 In the event of the demise of an ESOS Holder before the expiration of the ESOS Option Period, the ESS Committee may at its discretion allow the next of kin or beneficiary of the deceased in question to exercise the deceased ESOS Holder's unexercised ESOS Options within the relevant ESOS Option Period or ESOS Option Periods or such other shorter period as the ESS Committee may at its discretion determine. In this regard, the ESS Committee shall be entitled to require the legal or personal representative to provide evidence satisfactory to the ESS Committee of his status as such legal or personal representative in addition to requiring relevant CDS Account details be made available prior to allotment of the Shares.
- 44.4 In any of the circumstances specified in By-Laws 44.2 and 44.3, all the unexercised ESOS Options therein mentioned shall lapse and be of no further effect upon a single exercise of such ESOS Option (whether in respect of all new Shares comprised therein or part thereof) or upon the expiration of the period specified therein, whichever is the earlier, and thereupon the unexercised ESOS Options shall be automatically terminated and thereafter no claim shall be made against the Company.

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ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

FIRST SCHEDULE

**ALTERATION OF CAPITAL
(By-Law 13)**

The ESGP Grant Price and/or ESOS Option Price and/or the number of ESGP Shares and/or ESOS Shares to be comprised in an Offer that is unvested or unexercised to which an ESGP Grant Holder and/or ESOS Holder may be entitled, shall from time to time be adjusted, calculated or determined by the ESS Committee and must (except in the case of a capitalisation of profits or reserves under paragraph (b) below) be confirmed in writing by the external auditors of the Company or Adviser (acting as experts and not as arbitrators) in accordance with the following relevant provisions:

(a) **Consolidation, Subdivision or Conversion**

If and whenever a Share by reason of any consolidation or subdivision or conversion shall have a different par value (if any), then the ESGP Grant Price and/or ESOS Option Price and the additional number of Shares comprised in the Offer so far as unexercised ("**Additional Shares**") shall be adjusted, calculated or determined in the following manner:

$$\text{New ESGP Grant Price / ESOS Option Price} = S \times \frac{\boxed{\text{Revised par value}}}{\boxed{\text{Former par value}}}$$

$$\text{Additional number of Shares} = T \times \frac{\boxed{\text{Former par value}}}{\boxed{\text{Revised par value}}} - T$$

Where:

S = Existing ESGP Grant Price and/or ESOS Option Price; and

T = Existing number of Shares comprised in the Offer in respect of the right to be issued with or subscribe for new Shares so far as unexercised

The par value (if any) shall be adjusted to the revised par value. Each such adjustment will be effective from the close of business of the Market Day following the date on which the consolidation or subdivision or conversion becomes effective (being the date on which the Shares are traded on Bursa Securities at the new par value) or such other date as may be prescribed by Bursa Securities.

(b) **Capitalisation of Profits or Reserves**

If and whenever the Company shall make any issue of new Shares credited as fully paid, by way of bonus issue or capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund), then the ESGP Grant Price and/or ESOS Option Price and the Additional Shares shall be adjusted, calculated or determined in the following manner:

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

$$\text{New ESGP Grant Price / ESOS Option Price} = S \times \frac{A}{A + B}$$

$$\text{Additional number of Shares} = T \times \left[\frac{A + B}{A} \right] - T$$

Where:

A = The aggregate number of issued and fully paid-up Shares on the Book Closure Date immediately before such capitalisation issue;

B = The aggregate number of new Shares to be issued pursuant to any allotment to ordinary shareholders credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund);

S = S in paragraph (a) above; and

T = T in paragraph (a) above

Each of such adjustments will be effective (if appropriate retroactively) from the commencement of the Market Day following the Book Closure Date for such issue.

(c) Capital Distribution or Rights Issue

If and whenever Company shall make:

(i) Capital Distribution

a Capital Distribution (as defined in this paragraph, below) to ordinary shareholders whether on a reduction of capital or otherwise (save and except any capital reduction involving the cancellation of capital which is lost or unrepresented by available assets); or

(ii) Rights Issue of Shares

any offer or invitation to ordinary shareholders whereunder they may acquire or subscribe for Shares by way of rights; or

(iii) Rights Issue of Convertible Securities

any offer or invitation to ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into Shares or securities with rights to acquire or subscribe for Shares,

then and in any such case, the ESGP Grant Price and/or ESOS Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{C - D}{C}$$

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

Where:

S = S in paragraph (a) above;

C = The Current Market Price (as defined in paragraph (h) below) of one (1) Share on the Market Day immediately preceding the date on which the Capital Distribution, or as the case may be, the offer or invitation is publicly announced to Bursa Securities or failing any such announcement, immediately preceding the Book Closure Date of the Capital Distribution or, as the case may be, of the offer or invitation; and

D = (aa) in the case of an offer or invitation to acquire or subscribe for Shares under paragraph (c)(ii) above or for securities convertible into Shares or securities with rights to acquire or subscribe for Shares under paragraph (c)(iii) above, the value of rights attributable to one (1) Share (as defined below); or

(bb) in the case of any other transaction falling within this paragraph (c), the fair market value, as determined by the Company in consultation with the external auditors or the Adviser of the Company, of that portion of the Capital Distribution attributable to one (1) Share

For the purpose of definition (aa) of "D" above, the "value of rights attributable to one (1) Share" shall be calculated in accordance with the following formula:

$$\frac{C - E}{F + 1}$$

Where:

C = in this paragraph (c);

E = The subscription consideration for one (1) additional Share under the terms of such offer or invitation to acquire or subscribe for Shares, the conversion value paid for conversion into one (1) additional Share, or the exercise price paid in connection with the rights to acquire or subscribe for one (1) additional Share; and

F = The number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share or security convertible into one (1) additional Share or right to acquire or subscribe for one (1) additional Share.

In the case of paragraph (c)(ii) and (c)(iii), the Additional Shares shall be calculated as follows:

$$\text{Additional number of Shares} = T \times \left[\frac{C}{C - D^*} \right] - T$$

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

Where:

T = in paragraph (a) above;

C = in this paragraph (c); and

D* = the "value of the rights attributable to one (1) Share" (as defined below).

For the purpose of D* above, the "value of the rights attributable to one (1) Share" shall be calculated in accordance with the following formula:

$$\frac{C - E^*}{F^* + 1}$$

Where:

C = C in this paragraph (c);

E* = the subscription consideration for one (1) additional Share under the terms of such offer or invitation to acquire or subscribe for Shares; and

F* = the number of Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share.

For the purpose of this paragraph (c), "**Capital Distribution**" shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of Shares or other securities (other than an issue falling within paragraph (b) above) credited as fully or partly paid up by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account or capital redemption reserve fund). Any dividend charged or provided for in the accounts of any period or made shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders as shown in the audited consolidated profit and loss accounts of the Company.

Each of such adjustments will be effective (if appropriate retroactively) from the commencement of the Market Day following the Book Closure Date for the above transactions.

(d) **Capitalisation of Profits/Reserves and Rights Issue of Shares or Convertible Securities**

If and whenever the Company makes any allotment to its ordinary shareholders as provided in paragraph (b) above and also makes any offer or invitation to its ordinary shareholders as provided in paragraph (c)(ii) or paragraph (c)(iii) above and the Book Closure Date for the purpose of the allotment is also the Book Closure Date for the purpose for the offer or invitation, the ESGP Grant Price and/or ESOS Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times D)}{(G + H + B) \times C}$$

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

and in respect of each case referred to in paragraph (b) and paragraph (c)(ii) above, the Additional Shares shall be calculated in the following manner:

$$\text{Additional number of Shares comprised in ESOS Options} = T \times \left[\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

$$\text{Additional number of ESGP Shares to be vested} = T \times \left[\frac{(G + H + B) \times C}{(G \times C) + (H \times I)} \right] - T$$

Where:

B = in paragraph (b) above;

C = in paragraph (c) above;

G = The aggregate number of issued and fully paid-up Shares on the Book Closure Date for such issue;

H = The aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Shares or securities with rights to acquire or subscribe for Shares, as the case may be;

H* = The aggregate number of Shares under an offer or invitation to acquire or subscribe for Shares by way of rights;

I = The subscription consideration for one (1) additional Share under an offer or invitation to acquire or subscribe for Shares or the exercise price on conversion of securities or exercise of such rights to acquire or subscribe for one (1) additional Share, as the case may be;

I* = The subscription consideration for one (1) additional Share under the offer or invitation to acquire or subscribe for Shares; and

T = in paragraph (a) above,

and in respect of each case referred to in paragraph (b) and paragraph (c)(iii) above, the additional Shares under an ESGP Grant or ESOS Option shall be calculated in accordance with the formula for such adjustment in paragraph (b).

Such adjustments will be effective (if appropriate retroactively) from the commencement of the Market Day following the Book Closure Date for such issues.

(e) **Rights Issue of Shares and Convertible Securities**

If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided in paragraph (c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into Shares or securities with rights to acquire or subscribe for Shares as provided in paragraph (c)(iii) above, the ESGP Grant Price and/or ESOS Option Price shall be adjusted by multiplying it by the following fraction:

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}$$

and the Additional Shares shall be calculated in the following manner:

$$\text{Additional number of Shares comprised in ESOS Options} = T \times \left[\frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

$$\text{Additional number of ESGP Shares to be vested} = T \times \left[\frac{(G + H^* + J) \times C}{(G \times C) + (H^* \times I^*) + (J \times K)} \right] - T$$

Where:

C = C as in paragraph (c) above;

G = G as in paragraph (d) above;

H = H as in paragraph (d) above;

H* = H* as in paragraph (d) above;

I = I as in paragraph (d) above;

I*= I* as in paragraph (d) above;

J = The aggregate number of Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to acquire or subscribe for Shares by the shareholders;

K = The exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share; and

T = T in paragraph (a) above.

Such adjustments will be effective (if appropriate retroactively) from the commencement of the Market Day following the Book Closure Date for the above transaction.

(f) **Capitalisation of Profits/Reserves, Rights Issue of Shares and Rights Issue of Convertible Securities**

If and whenever the Company makes an allotment to its ordinary shareholders as provided in paragraph (b) above and also makes an offer or invitation to acquire or subscribe for Shares to its ordinary shareholders as provided in paragraph (c)(ii) above together with rights to acquire or subscribe for securities convertible into Shares or with rights to acquire or subscribe for Shares as provided in paragraph (c)(iii) above and the Book Closure Date for the purpose of the allotment is also the Book Closure Date for the purpose of offer or invitation, the ESGP Grant Price and/or ESOS Option Price and the Additional Shares shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J + B) \times C}$$

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

and the Additional Shares shall be calculated in the following manner:

$$\text{Additional number of Shares comprised in ESOS Options} = T \times \left[\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

$$\text{Additional number of ESGP Shares to be vested} = T \times \left[\frac{(G + H^* + J + B) \times C}{(G \times C) + (H^* \times I^*) + (J \times K)} \right] - T$$

Where:

B = B as in paragraph (b) above;

C = C as in paragraph (c) above;

G = G as in paragraph (d) above;

H = H as in paragraph (d) above;

H* = H* as in paragraph (d) above;

I = I as in paragraph (d) above;

I* = I* as in paragraph (d) above;

J = J as in paragraph (e) above;

K = K as in paragraph (e) above;

S = S in paragraph (a) above; and

T = T in paragraph (a) above.

Such adjustments will be effective (as appropriate retroactively) from the commencement of the Market Day following the Book Closure Date for the above transaction.

(g) Others

If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders alike and requiring an adjustment under paragraphs (c)(ii), (c)(iii), (d), (e) or (f) above), the Company shall issue either any Shares or any securities convertible into Shares or with rights to acquire or subscribe for Shares, and in any such case, the Total Effective Consideration per Share (as defined below) is less than ninety per cent (90%) of the Average Price for a Share (as defined below) or, as the case may be, the price at which the Shares will be issued and/or transferred upon conversion of such securities or exercise of such rights is determined, then the ESGP Grant Price and/or ESOS Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{L + M}{L + N}$$

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

Where:

- L = The aggregate number of Shares in issue at the close of business on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;
- M = The number of Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price of a Share (exclusive of expenses); and
- N = The aggregate number of Shares so issued or in the case of securities convertible into Shares or with rights to acquire or subscribe for Shares, the maximum number (assuming no adjustment of such rights) of Shares which may be issued upon full conversion of such securities or the exercise in full of such rights.

For the purposes of this paragraph (g), the "**Total Effective Consideration**" shall be as determined by the Board in consultation with the external auditors of the Company or Adviser and shall be:

- (i) in the case of the issue of Shares, the aggregate consideration receivable by the Company on payment in full for such Shares; or
- (ii) in the case of the issue by the Company of securities wholly or partly convertible into Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities (if any); or
- (iii) in the case of the issue by the Company of securities with rights to acquire or subscribe for Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights.

in each case without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the "Total Effective Consideration per Share" shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid or, in the case of securities convertible into Shares, by the maximum number of Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of this paragraph (g), the "**Average Price of a Share**" shall be the average price of one (1) Share as derived from the last transacted price for one (1) or more board lots of Shares as quoted on the Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.

Each such adjustment will be calculated (if appropriate, retroactively) from the close of business on Bursa Securities on the Market Day following the date on which the issue is announced, or (failing any such announcement) on the Market Day following the date on which the Company determines the offering price of such Shares, securities or rights, as the case may be.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day following the day on which the relevant Shares, securities or rights were issued.

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

- (h) For the purpose of paragraphs (c), (d), (e) and (f), the "**Current Market Price**" in relation to one (1) Share for any relevant day shall be the weighted average market price for the five (5) consecutive Market Days before such date or during such other period as may be determined in accordance with any guidelines issued, from time to time, by Bursa Securities.
- (i) The foregoing provisions on adjustment of the ESGP Grant Price and/or ESOS Option Price and the Additional Shares shall be subject to the following:
- (i) on any such adjustment the resultant ESGP Grant Price and/or ESOS Option Price shall be rounded up to the nearest one (1) Sen and in no event shall any adjustment (otherwise than upon the consolidation of Shares into Shares of larger par value (if any)) involve an increase in the ESGP Grant Price and/or ESOS Option Price or reduce the number of Shares comprised in the Offer, ESGP Grant and/or ESOS Option that is unvested or unexercised to which the ESGP Grant Holder and/or ESOS Holder is already entitled to;
 - (ii) no adjustment shall be made to the ESGP Grant Price and/or ESOS Option Price in any case in which the amount by which the same would be reduced in accordance with the foregoing provisions would be less than one (1) Sen or the number of Shares comprised in the Offer, ESGP Grant and/or ESOS Option that is unvested and/or unexercised is less than one (1) Share and any adjustment that would otherwise be required then to be made will not be carried forward;
 - (iii) if an event giving rise to any such adjustment shall be capable of falling within any two or more of paragraphs (a) to (g) in this "First Schedule" (both inclusive) or if such event is capable of giving rise to more than one adjustment, the adjustment shall be made in such manner as the Board and the external auditors of the Company or Adviser may agree;
 - (iv) if for any reason an event giving rise to an adjustment to the ESGP Grant Price and/or ESOS Option Price and/or the number of New ESGP Shares and/or ESOS Shares comprised in the Offer, ESGP Grant and/or ESOS Option that is unvested or unexercised to which an ESGP Grant Holder and/or ESOS Holder may be entitled to is cancelled, revoked or not completed, the adjustment shall not be required to be made or shall be reversed with effect from such date and in such manner as the Board and the external auditors of the Company or Adviser may agree;
 - (v) in any circumstances where the Board considers that adjustments to the ESGP Grant Price and/or ESOS Option Price and/or the number of New ESGP Shares and ESOS Shares comprised in the Offer, ESGP Grants and/or ESOS Options that is unvested or unexercised as provided for hereunder should be made or should not be made or should be calculated on a different basis or different date, the Company may appoint the external auditors of the Company or Adviser to consider whether for any reasons whatsoever (to the extent permissible by the Listing Requirements or any other relevant regulations) the adjustment calculation or determination to be made (or the absence of an adjustment calculation or determination) is appropriate or inappropriate as the case may be. If such external auditors or Adviser shall consider the adjustment calculation or determination to be inappropriate, the adjustment shall be modified or nullified (or an adjustment calculation or determination made even though not required to be made) in such manner as may be considered by such external auditors or Adviser to be appropriate;

ANNEXURE C: BY-LAWS GOVERNING OUR ESS (Cont'd)

- (vi) if the Board and the external auditors of the Company or Adviser are unable to agree upon any adjustment required under these provisions, the Board shall refer the adjustment to the decision of another external auditor or investment bank other than the Adviser acting as expert and not arbitrator and whose decision as to such adjustment shall be final and conclusive; and
- (vii) in making any adjustment hereunder, the other external auditor or investment bank (as the case may be) shall be deemed to be acting as experts and not arbitrators and, in the absence of manifest error, their decision shall be conclusive and binding on all persons having an interest in the Offer, ESGP Grants and/or ESOS Options.

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