

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

8.1 Promoters and substantial shareholders

8.1.1 Shareholdings

The direct and indirect interest of our Promoters and substantial shareholders in our Company before our IPO and after our IPO is set out below:-

	Nationality/ Country of incorporation	Before IPO				After IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares (‘000)	%	No. of Shares (‘000)	%	No. of Shares (‘000)	%	No. of Shares (‘000)	%
<u>Promoters and substantial shareholders</u>									
Sindora	Malaysia	255,000	65.4	-	-	255,000	50.6	-	-
Dato’ Hak	Malaysian	96,000	24.6	⁽¹⁾ 39,000	10.0	90,900	18.0	⁽¹⁾ 29,100	5.8
Datin Hamidah	Malaysian	39,000	10.0	⁽²⁾ 96,000	24.6	29,100	5.8	⁽²⁾ 90,900	18.0
Kulim	Malaysia	-	-	⁽³⁾ 255,000	65.4	-	-	⁽³⁾ 255,000	50.6
<u>Other substantial shareholder</u>									
JCorp	Malaysia	-	-	⁽⁴⁾ 255,000	65.4	-	-	⁽⁴⁾ 255,000	50.6

Notes:-

- (1) Deemed interested by virtue of his spouse’s shareholdings in our Company pursuant to Section 6A of the Act.
- (2) Deemed interested by virtue of her spouse’s shareholdings in our Company pursuant to Section 6A of the Act.
- (3) Deemed interested by virtue of its interest in Sindora pursuant to Section 6A of the Act.
- (4) Deemed interested by virtue of its interest in Kulim pursuant to Section 6A of the Act.

Save as disclosed above, our Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises control over our Company.

8.1.2 Profiles of Promoters

Kulim, Sindora, Dato’ Hak and Datin Hamidah are the Promoters as well as the substantial shareholders of our Company.

Kulim was incorporated as a private limited company in Malaysia under the Act on 3 July 1975 as Kulim (Malaysia) Sdn Bhd and converted to a public company as Kulim (Malaysia) Berhad on 18 August 1975. Kulim was listed on the Main Board of Bursa Securities (presently known as Main Market of Bursa Securities) on 14 November 1975.

Kulim is principally engaged in oil palm plantation, investment holdings and property investment. The principal activities of its subsidiaries consist mainly of oil palm planting, crude palm oil processing, plantation management services and consultancy, sea transportation, sales of wood based products, as well as property investment.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

As at the LPD, the authorised share capital of Kulim is RM500,000,000 comprising 2,000,000,000 ordinary shares of RM0.25 each. The issued and paid-up share capital of Kulim as at the LPD is approximately RM323,642,408 comprising 1,294,569,631 ordinary shares of RM0.25 each ("Kulim Share(s)") excluding 15,322,000 Kulim Shares which are held as treasury shares. As at the LPD, there are 124,153,940 of warrants ("Warrant(s)") and 54,106,250 employees' share option scheme options ("ESOS Option(s)") that have yet to be exercised into Kulim Shares.

The directors of Kulim and their respective holdings in Kulim Shares, Warrants and ESOS Option as at the LPD are set out below:-

Directors	Nationality	Direct		Indirect		Direct		Indirect		Direct		Indirect	
		No. of shares ('000)	(1)%	No. of shares ('000)	(1)%	No. of Warrants ('000)	(2)%	No. of Warrants ('000)	(2)%	No. of ESOS Options ('000)	(3)%	No. of ESOS Options ('000)	(3)%
Dato' Kamaruzzaman bin Abu Kassim (M)	Malaysian	-	-	-	-	-	-	-	-	1,000	1.85	-	-
Ahamad bin Mohamad (M)	Malaysian	963	0.08	-	-	-	-	-	-	500	0.92	-	-
Wong Seng Lee (M)	Malaysian	301	0.02	-	-	56	0.05	-	-	200	0.37	-	-
Abdul Rahman bin Sulaiman (M)	Malaysian	-	-	-	-	-	-	-	-	250	0.46	-	-
Jamaludin bin Md Ali (M)	Malaysian	50	(5)	-	-	-	-	-	-	200	0.37	-	-
Rozan bin Mohd Sa'at (M)	Malaysian	9	(5)	-	-	(6)	(5)	-	-	150	0.28	-	-
Datin Paduka Siti Sa'diah binti Sheikh Bakir (F)	Malaysian	278	0.02	-	-	35	0.03	-	-	150	0.28	-	-
Zulkifli bin Ibrahim (M)	Malaysian	-	-	-	-	-	-	-	-	150	0.28	-	-
Tan Sri Dato' Seri Utama Arshad bin Ayub (M)	Malaysian	2,477	0.19	(4)4,901	0.38	-	-	(4)250	0.20	150	0.28	-	-
Datuk Haron bin Siraj (M)	Malaysian	-	-	-	-	-	-	-	-	150	0.28	-	-
Dr. Radzuan bin A. Rahman (M)	Malaysian	-	-	-	-	-	-	-	-	150	0.28	-	-
Leung Kok Keong (M)	Malaysian	-	-	-	-	-	-	-	-	150	0.28	-	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Notes:-

- (1) Based on 1,279,247,631 Kulim Shares in issue, which does not include 15,322,000 treasury shares held by Kulim as at the LPD.
- (2) Based on 124,153,940 outstanding Warrants as at the LPD.
- (3) Based on 54,106,250 outstanding ESOS Options as at the LPD.
- (4) Deemed interested through his interest in Zalaraz Sdn Bhd pursuant to Section 6A of the Act.
- (5) Negligible
- (6) Represents 100 units of Warrants.

The substantial shareholders of Kulim and their respective shareholdings and warrant holdings in Kulim as at the LPD are set out below:-

Substantial shareholders	Country of Incorporation	Direct		Indirect		Indirect	
		No. of Shares ('000)	0.16%	No. of Shares ('000)	0.16%	No. of Warrants ('000)	12.16%
JCorp	Malaysia	679,785	53.14	(3)94,563	7.39	15,176	12.22
Kumpulan Wang Persaraan (Diperbadankan)	Malaysia	107,330	8.39	-	-	-	-
						(4)50,332	40.54
						-	-

Notes:-

- (1) Based on 1,279,247,631 Kulim Shares in issue, which does not include 15,322,000 treasury shares held by Kulim as at the LPD.
- (2) Based on 124,153,940 outstanding Warrants as at the LPD.
- (3) Deemed interest through its interests in JCorp Capital Solutions Sdn Bhd (formerly known as Jedcon Engineering Survey Sdn Bhd), Johor Ventures Sdn Bhd, Intrapreneur Development Sdn Bhd, Tenaga Utama (J) Berhad and Waqaf An-Nur Corporation Berhad pursuant to Section 6A of the Act.
- (4) Deemed interest through its interests in JCorp Capital Solutions Sdn Bhd (formerly known as Jedcon Engineering Survey Sdn Bhd), Johor Ventures Sdn Bhd, Tenaga Utama (J) Berhad and Waqaf An-Nur Corporation Berhad pursuant to Section 6A of the Act.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Sindora was incorporated as a public company in Malaysia under the Act on 30 December 1972. Sindora commenced its business operations in 1974 and was subsequently listed on the Main Board of Bursa Securities (presently known as the Main Market of Bursa Securities) on 7 December 1995. The entire issued and paid-up share capital of Sindora was removed from the Official List of Bursa Securities on 30 November 2011 following the completion of the take-over offer made by Kulim. The notice of the take-over was served on 16 August 2011 and wholly satisfied in cash. Kulim had at the close of acceptances received acceptances of more than 90.0% of the offer shares not held by Kulim and persons acting in concert, and had invoked compulsory acquisition proceedings to successfully complete the privatisation of Sindora. Sindora is principally involved in intrapreneur ventures business and operation of oil palm plantations, palm oil milling and rubber estate.

As at the LPD, Sindora has an authorised share capital of RM200,000,000 comprising 200,000,000 ordinary shares of RM1.00 each, of which RM96,000,000 comprising 96,000,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

As at the LPD, the Directors of Sindora are Ahamad bin Mohamad, Abdul Rahman bin Sulaiman, Jamaludin bin Md Ali and Nasharuddin bin Shukor. As at the LPD, Sindora is a wholly-owned subsidiary of Kulim.

Dato' Hak, a Malaysian aged 60, is our Managing Director. He was appointed to our Board on 1 February 2002. He is responsible for the day-to-day operations and business activities of our Group.

He graduated with a Bachelor of Science in Marine Engineering from Merchant Marine Academy, Jakarta in 1976. He also holds a Master of Science in Project Engineering from the University of Lancaster, United Kingdom, a Diploma in Ship Survey from Det Norske Veritas, Oslo, Norway, and the Certificate of Competency as a Foreign Going Marine Engineer. He is currently registered as a Professional Engineer with the Board of Engineers, Malaysia. He began his career as a marine engineer onboard ocean going vessels owned by Malaysian International Shipping Corporation Sdn Bhd in 1976 prior to becoming a project manager with Malaysian Fisheries Development Authority in 1981. In mid of 1981, he worked as a mill engineer at Sime Darby Plantation Berhad for approximately two (2) years and later became the project engineer at Bank Pembangunan Malaysia Berhad in mid-1983 until end of 1983. Subsequent to his departure, he joined Det Norske Veritas (Singapore) Pte Ltd as a ship and engineering surveyor. His job scope involved surveying ships in service/in operation, surveying ships under construction, surveying of offshore structures under construction, approval of ship designs, conducting trainings to newly recruited Ship and Engineering Surveyors, and giving feedback/contributing to the development of "Det Norske Veritas' Steel Ship Rules". During his tenure with Det Norske Veritas (Singapore) Pte Ltd, he was posted to various countries and was subsequently promoted to be a principal surveyor in 1990. In the same year, he also became the managing director of Det Norske Veritas Sdn Bhd, of which he held the position until 2002.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

In 2002, he joined our Company as the Managing Director, focusing on our Company's business strategy and has overseen the growth of our Company from chartering of vessels from third party owners to vessel owning and also shipbuilding. Currently, he is actively involved in the local maritime fraternity and holds many positions in various shipping related non-governmental organisations. He was formerly the President of Institut Kelautan Malaysia (IKMAL). Presently, he is the Vice Chairman of Malaysian Shipowners Association (MASA), Member of Australia Asia Committee for Bureau Veritas, Member for Nippon Kaiji Kyokai Malaysia Committee, and Chancellor of Ranaco Education and Training Institute (RETI) Terengganu. He is also the industry advisor to University Kuala Lumpur, Malaysian Institute of Marine Engineering Technology (UNIKL MIMET) and University Technology Malaysia (UTM) for maritime studies. Since 2010, he has been part of the Malaysian delegation at International Maritime Organisation (IMO)'s Marine Environment Protection Committee (MEPC) meetings in London.

Datin Hamidah, a Malaysian aged 53, is our Promoter and substantial shareholder. She graduated with a Certificate of Accounting from Goon College, Kuala Lumpur in 1979. She began her career as an accounts clerk in Hilton Hotel, Kuala Lumpur. A year later, she joined the Malaysian Fisheries Development Authority (LKIM) as an assistant auditor until 1983. After she resigned in 1983, she became a housewife until 1993, when she established E.A. Technique with the initial business of cargo broking. Later on in 1995, with the assistance of Ir. Zulklifi Mohd Amin, they ventured into new businesses such as marine consultancy services and ship chartering. During her tenure in our Company, she managed all the financial aspects of our Company on a day-to-day basis. She retired in 2007 but currently holds substantial shares in our Company.

8.1.3 Profile of other substantial shareholder

The profile of our other substantial shareholder apart from Kulim, Sindora, Dato' Hak and Datin Hamidah is as follows:-

JCorp was incorporated under the Johor Corporation Enactment No. 4 of 1968 (as amended by Enactment No. 5 of 1995). JCorp is principally engaged in palm oil business, property development and management and investment holding. The principal activities of the JCorp Group consist mainly of palm oil business, healthcare services, property development and management, intrapreneur ventures, quick service restaurants and investment holding.

As at the LPD, the Directors of JCorp are Dato' Seri Mohamed Khaled bin Nordin, Tan Sri Dr Ali bin Hamsa, Dato' Kamaruzzaman bin Abu Kassim, Dato' Haji Ismail bin Karim, Dato' Ishak bin Sahari, Tuan Haji Marsan bin Kassim, Tuan Haji Md Jais bin Haji Sarday, Dato' Hafisah binti Hashim, Dato' Siti Zauyah binti Mohd Desa and Encik Izaddeen bin Daud.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**8.1.4 Changes in shareholdings**

The table below sets forth our Promoters' and substantial shareholders' direct and indirect interests in our Company for the past three financial years up to the LPD:-

Promoters and substantial shareholders	Shareholdings in our Company as at 31 December 2011						Shareholdings in our Company as at 31 December 2012									
	Direct			Indirect			Direct			Indirect						
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of RCCP Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of RCCP Shares ('000)	%				
Sindora	22,461	51.0	-	-	6,578	73.1	-	-	22,461	51.0	-	-	6,578	73.1	-	-
Dato' Hak	14,974	34.0	(1)6,606	15.0	1,679	18.7	(1)741	8.2	14,974	34.0	(1)6,606	15.0	1,679	18.7	(1)741	8.2
Datin Hamidah	6,606	15.0	(2)14,974	34.0	741	8.2	(2)1,679	18.7	6,606	15.0	(2)14,974	34.0	741	8.2	(2)1,679	18.7
Kulim	-	-	(3)22,461	51.0	-	-	(3)6,578	73.1	-	-	(3)22,461	51.0	-	-	(3)6,578	73.1
Other substantial shareholder	-	-	(4)22,461	51.0	-	-	(4)6,578	73.1	-	-	(4)22,461	51.0	-	-	(4)6,578	73.1
JCorp	-	-	(4)22,461	51.0	-	-	(4)6,578	73.1	-	-	(4)22,461	51.0	-	-	(4)6,578	73.1

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Promoters and substantial shareholders	Shareholdings in our Company as at 31 December 2013				Shareholdings in our Company as at the LPD			
	Direct		Indirect		Direct		Indirect	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	(1)%	No. of RCCP Shares ('000)	%
Sindora	198,900	51.0	-	-	255,000	65.4	-	-
Dato' Hak	132,600	34.0	(1)58,500	15.0	96,000	24.6	(1)39,000	10.0
Datin Hamidah	58,500	15.0	(2)132,600	34.0	39,000	10.0	(2)96,000	24.6
Kulim	-	-	(3)198,900	51.0	-	-	(3)255,000	65.4
Other substantial shareholder	-	-	-	-	-	-	(4)255,000	65.4
JCorp	-	-	(4)198,900	51.0	-	-	(4)255,000	65.4

Notes:-
#

Ordinary shares of RM1.00 each in our Company. Prior to a share split involving the subdivision of every one (1) existing ordinary share of RM1.00 each held our Company into four (4) Shares which was completed on 30 December 2013.

(1) Deemed interested by virtue of his spouse's shareholdings in our Company pursuant to Section 6A of the Act.

(2) Deemed interested by virtue of her spouse's shareholdings in our Company pursuant to Section 6A of the Act.

(3) Deemed interested by virtue of its interest in Sindora pursuant to Section 6A of the Act.

(4) Deemed interested by virtue of its interest in Kulim pursuant to Section 6A of the Act.

(5) On 30 December 2013, all outstanding RCCP Shares had been converted to Shares.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**8.2 Directors****8.2.1 Shareholdings**

The following table sets forth the direct and indirect shareholdings of each of our Directors before and after the IPO, assuming our Directors will subscribe for their respective pink form allocation as set out in Section 3.4.1(iii) of this Prospectus:-

Director	Designation	Nationality	Before IPO			After IPO		
			Direct	Indirect	%	Direct	Indirect	%
			No. of Shares ('000)	No. of Shares ('000)		No. of Shares ('000)	No. of Shares ('000)	
Ahamad bin Mohamad	Non-Independent Non-Executive Chairman	Malaysian	-	-	-	500	-	0.1
Dato' Hak	Managing Director	Malaysian	96,000	(1)39,000	10.0	90,900	(1)29,100	18.0 5.8
Rozan bin Mohd Sa'at	Non-Independent Non-Executive Director	Malaysian	-	-	-	328	-	0.1
Azli bin Mohamed	Non-Independent Non-Executive Director	Malaysian	-	-	-	328	-	0.1
Datuk Anuar bin Ahmad	Senior Independent Non-Executive Director	Malaysian	-	-	-	328	-	0.1
Datuk Mohd Nasir bin Ali	Independent Non-Executive Director	Malaysian	-	-	-	328	-	0.1
Md Tamyas bin Hj A.Rahim	Independent Non-Executive Director	Malaysian	-	-	-	328	-	0.1
Abdul Azmin bin Abdul Halim	Independent Non-Executive Director	Malaysian	-	-	-	328	-	0.1

Note:

(1) Deemed interested by virtue of his spouse's shareholding in our Company pursuant to Section 6A of the Act.

Notwithstanding the pink form allocation reserved for our Directors, our Directors may subscribe for the Issue Shares under the Public Offer.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

8.2.2 Profiles of Directors

Save for the profile of Dato' Hak which is set out in **Section 8.1.2** of this Prospectus, the profiles of our other Directors are as follows:-

Ahamad bin Mohamad, a Malaysian aged 60, is our Non-Independent Non-Executive Chairman. He was appointed to our Board on 12 October 2009. He is also the Chairman of our Nomination and Remuneration Committee.

He graduated in 1976 with a Bachelor of Economics (Honours) degree from the University of Malaya. He joined JCorp in June 1979 as a company secretary for various companies within the JCorp Group. He was involved in many of JCorp's projects, among others, the Johor Specialist Hospital and the Kotaraya Complex in Johor Bahru. Presently, he is the managing director of Kulim which he held this position since 30 June 1994 and is also a member of the board of directors of KPJ Healthcare Berhad and New Britain Palm Oil Limited (Papua New Guinea). He is also the chairman and director of several other companies within the JCorp Group and a director of Waqaf An-Nur Corporation Berhad, an Islamic endowment institution that spearheads JCorp Group's Corporate Responsibility programmes, namely the Corporate Waqaf Concept initiated by JCorp.

Rozan bin Mohd Sa'at, a Malaysian aged 55, is our Non-Independent Non-Executive Director. He was appointed to our Board on 1 January 2007.

He graduated with a Bachelor of Economics (Honours) majoring in Statistics from Universiti Kebangsaan Malaysia in 1982. He started his career in 1983 as an administrative officer in Planning & Research Department of JCorp before being seconded as an operations manager in Sergam Berhad, a subsidiary of JCorp in 1986. From 1987 to 1988, he served in the Corporate Communications Department of JCorp as an administrative officer. From 1988 to 1993, he was appointed as the executive director of several other subsidiaries in JCorp Group. In 1994, he was appointed as the general manager of JCorp's Tourism Division before assuming the post as chief executive of the same Division on 15 June 1996, a post which he held until his appointment as the general manager, Business Development, JCorp, in early 1999. Prior to his appointment as the managing director of Sindora on 1 September 2002, he served as the senior general manager, Business Development of JCorp from 2000 until August 2002. In March 2014, he resigned as the managing director of Sindora to assume his new position as the managing director of PIJ Holdings Sdn Bhd, a subsidiary company of Johor State Government Linked Company, Perbadanan Islam Johor.

Azli bin Mohamed, a Malaysian aged 46, is our Non-Independent Non-Executive Director. He was appointed to our Board on 15 April 2014. He is a graduate of the Association of Chartered Certified Accountants, United Kingdom and also a member of the Malaysian Institute of Accountants.

He began his career as an audit assistant in PricewaterhouseCoopers in 1992 and promoted as a manager which he stayed on until 2001. He left the firm and joined KPJ Healthcare Berhad in 2001 until 2007 as the group accountant. He then served JCorp in 2007 as a general manager, Finance Division until he assumed the current position as the vice president/chief financial officer of Kulim since 2011. Currently, he also sits on the board of other companies within the JCorp Group and Kulim group. Given his extensive training and experience in corporate accounting and reporting practices within the JCorp Group, he has been appointed as a member of our Audit Committee.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Datuk Anuar bin Ahmad, a Malaysian aged 60, is our Senior Independent Non-Executive Director. He was appointed to our Board on 15 April 2014. He is the Chairman of our Audit Committee and a member of our Remuneration Committee. He graduated in 1977 with a Bachelor of Economics (Honours) from the London School of Economics and Political Science University of London.

He started his career in 1977 with PETRONAS. During his 36 years of service with the PETRONAS Group, he held various senior managerial and leadership positions in marketing, trading, corporate planning and human resource management until his retirement in April 2014 where his last position held was the executive vice president of Gas and Power Business. During his stint with PETRONAS Group, he was appointed as the managing director and chief executive officer in PETRONAS Dagangan from 1998 to 2002. He was also a member of PETRONAS Management Committee and member of PETRONAS board from 2002 to April 2014. He also sat on the board of various companies within PETRONAS Group. In 1997, between his years of service with the PETRONAS Group, he underwent a three (3) months business management course under the Advanced Management Program at Harvard Business School.

Presently, he is a non-independent non-executive director of PETRONAS Dagangan and is an independent non-executive director of PDZ Holdings Berhad, both of which are companies listed on Bursa Securities. He also holds directorships in a few private companies.

Datuk Mohd Nasir bin Ali, a Malaysian aged 56, is our Independent Non-Executive Director. He was appointed to our Board on 17 October 2014. He graduated in 1980 with a Bachelor of Economics (Honours) degree from the University of Malaya. He also obtained a Master of Science (Finance) from the University of Strathclyde, United Kingdom in 1988.

He was with Permodalan Nasional Berhad as a senior financial and marketing analyst in 1982 prior to joining BBMB Unit Trust Management Berhad as an investment manager in 1988. He later joined Mayban Securities Sdn Bhd as a general manager of Dealing & Research Department from 1991 to 1995. Following that, he was appointed as the chief executive officer of Kuala Lumpur City Securities Sdn Bhd until 2000. He then became the group executive director of Utusan Melayu (Malaysia) Berhad in 2000 until his retirement on 5 June 2014.

Presently, he is the chairman and independent non-executive director of The Nomad Group Bhd, a company listed on Bursa Securities and the chairman of ICB Islamic Bank Limited, a company listed in Bangladesh. He also holds directorships in a few private companies.

Md Tamyas bin Hj A.Rahim, a Malaysian aged 63, is our Independent Non-Executive Director. He was appointed to our Board on 15 April 2014. He is also a member of our Remuneration and Nomination Committee. He obtained a Bachelor of Arts degree majoring in Economics in 1974 from Universiti Malaya.

He commenced his career in JCorp in 1974 and has held various positions in subsidiary companies and divisions within the JCorp Group. He was the Senior General Manager, Human Resource Development and Administration, JCorp prior to his retirement in year 2008. Previously, he sat on the board of various companies within the JCorp Group during his tenure of service with JCorp.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

He was appointed as our Independent Non-Executive Director after taking into consideration his wealth of knowledge and experience in human resource and administrative related matters. He left the JCorp Group more than five (5) years ago and since then has not had any business dealings nor holds any directorship in our company or any of the companies within the JCorp Group following his retirement at the end of year 2008. He is not accustomed to act nor obliged formally or informally to act under the instructions of any other party. We concluded that his length of service in the JCorp Group previously does not interfere with the exercise of independent judgement and ability to act in the best interests of our Company. In addition, we believes that his past experience in the JCorp Group's business and his proven commitment, experience and competence will greatly benefit our Company.

Abdul Azmin bin Abdul Halim, a Malaysian aged 61, is our Independent Non-Executive Director. He was appointed to our Board on 15 April 2014. He is also a member of our Audit and Nomination Committee. He obtained a Diploma in Banking Studies from Mara Institute of Technology in 1974. He also obtained a Bachelor of Science degree from Syracuse University, United States in 1976 and Master of Business Administration from Central Michigan University in 1978.

He commenced his career in Esso Production Malaysia Inc. in 1978 to 1981 as a management executive in the Accounts Department. In 1981, he joined Motorola Malaysia for eight (8) months as a cost accountant prior to joining PETRONAS until his retirement in 2008. During his tenure with PETRONAS, he was a management executive in 1981 to 1989 and was subsequently promoted to a manager, where he was posted to the Commercial Department at the gas processing plant in Kertih, Terengganu in 1989 to 1994 under PETRONAS Gas Sdn Bhd. He later served PETRONAS Carigali in 1994 to 2002 as senior manager in the Contracts and Procurement Department and was subsequently transferred to PETRONAS headquarters in 2002 to 2008 as senior manager in Tenders and Contracts Division being in charge of companies' tenders and overall licencing and registration.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

8.2.3 Principal business performed outside our Group

The following table sets out the principal directorships of our Directors as at the LPD and that which were held within the past five (5) years up to the LPD, and the principal business activities performed by our Directors outside of our Group as at the LPD:-

Name	Companies	Principal activities	Date of appointment	Date of resignation	Involvement in business activities performed outside our Group other than director
Dato' Hak	<u>Present directorships:-</u> Berkat Global Sdn Bhd ("Berkat") ⁽¹⁾ Marginal Field ⁽²⁾	Provides consultancy and project management services in the maritime and O&G industries Principally engaged in provision of marginal oilfield solutions, focusing on light weight platform system and FEED	15 January 2002	N/A	Shareholder (direct: 90.0%)
	Core Laboratories (Malaysia) Sdn Bhd	Analysis on the reservoir fluid, surveyor	1 March 2014	N/A	Shareholder (direct: 31.0%)
	<u>Previous directorships:-</u> Sindora* (Kulim)	Principally involved in intrapreneur ventures and plantations	1 January 2008	16 January 2012	N/A
	Orkim	Principally involved in provision of sea transportation and related services	22 February 2009	23 April 2013	N/A
	Delmar Marine Ventures Sdn Bhd	Principally involved in provision of sea transportation and related services	6 October 2009	23 April 2013	N/A
	Orkim Energy Sdn Bhd	Principally involved in provision of sea transportation and related services	6 October 2009	23 April 2013	N/A

Notes:-

(1) There is no situation of conflict of interest that exists or is likely to exist in relation to Dato' Hak's directorship and shareholdings in Berkat as Berkat is a separate and distinct business from our Group which is run by a pool of engineers providing very specialised engineering services comprising, amongst others, ship design, ship survey, third party inspection for ship construction and on hire/off hire survey services. As the nature of our business is different from Berkat, our employees does not possess the above skills (except for Dato' Hak and Ir. Zulkifli bin Mohd Amin) nor do we provide such services to our customers. We only engage Berkat as and when the need arises and such transactions moving forward will require the approval of our Audit Committee to ensure that such transactions entered between our Group and Berkat will be on arm's length basis and normal commercial terms.

(2) There is no situation of conflict of interest that exists or is likely to exist in relation to Dato' Hak's directorship and shareholdings in Marginal Field as he is merely a passive investor and is not involved in the day-to-day activities and operations of Marginal Field. Marginal Field is managed by an experienced and well qualified management team. In addition, the business of Marginal Field is relatively smaller in term of the scale of operation, revenue and asset as compared to our Group.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Companies	Principal activities	Date of appointment	Date of resignation	Involvement in business activities performed outside our Group other than director
Dato' Hak	<u>Previous directorships</u> (Cont'd):				
	Orkim Ship Management Sdn Bhd	Management company	6 October 2009	23 April 2013	N/A
	Tanjung Langsat Port Sdn Bhd	Principally involved in port operations	6 October 2009	16 January 2012	N/A
Ahamad bin Mohamad	<u>Present directorships:</u>				
	Kulim®	Principally involved in oil palm plantation, investment holdings and property investment	24 January 1991	N/A	Shareholder (direct: 0.08%)
	EPA Management Sdn Bhd [#] (Kulim)	Investment holding, provision of management services and consultancy, and mechanical equipment assembler	1 January 1993	N/A	N/A
	Panquest Ventures Ltd (British Virgin Island)	Investment holding	28 October 1994	N/A	N/A
	Pembinaan Prefab Sdn Bhd	Construction	1 January 1997	N/A	N/A
	New Britain Palm Oil Limited (Papua New Guinea) ^{@#} (Kulim)	Principally involved in the production and sale of palm oil and palm based products	19 May 1997	N/A	N/A
	Kulim Plantations (Malaysia) Sdn Bhd [#] (Kulim)	Oil palm plantation	1 January 2003	N/A	N/A
	KPJ Healthcare Berhad ("KPJ") [@]	Investment holding and provision of management services to subsidiaries mainly the operation of specialist hospitals	1 January 2005	N/A	Shareholder (direct: ^)
	Kumpulan Bertam Plantations Berhad [#] (Kulim)	Oil palm plantation	1 January 2005	N/A	N/A

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Companies	Principal activities	Date of appointment	Date of resignation	Involvement in business activities performed outside our Group other than director
Ahamad bin Mohamad	<i>Present directorships (Cont'd):</i>				
	Waqaf An-Nur Corporation Berhad	Trustees and manager of Waqaf	7 December 2005	N/A	N/A
	Kulim Energy Sdn Bhd* (Kulim)	Investment holding and oil palm	2 August 2006	N/A	N/A
	Mahamurni Plantations Sdn Bhd* (Kulim)	Oil palm plantation	1 February 2011	N/A	N/A
	Sindora* (Kulim)	Principally involved in intrapreneur ventures and plantations	16 January 2012	N/A	N/A
	Rentak Alam Sdn Bhd	Agriculture	1 October 2012	N/A	N/A
	Kulim Topplant Sdn Bhd* (Kulim)	Production of oil palm clones	1 January 2013	N/A	N/A
	Yayasan Ansar	Manage and administer of foundation for corporate social responsibility activities of Kulim group staff & family	3 April 2013	N/A	N/A
	QSR Brands (M) Holdings Sdn Bhd	Investment holding and provision of management services	1 June 2013	N/A	N/A
	Massive Equity Sdn Bhd	Investment holding	1 June 2013	N/A	N/A
	<i>Previous directorships:</i>				
	Skellerup Polymer Products Sdn Bhd	Dissolved on 31 July 1995	1 January 1994	N/A	N/A
	Natural Oleochemicals Sdn Bhd	Production of fatty acids and glycerine hydro triglycerides	20 July 1994	24 September 2010	N/A

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Companies	Principal activities	Date of appointment	Date of resignation	Involvement in business activities performed outside our Group other than director
Ahamad bin Mohamad	<i>Previous directorships (Cont'd):</i>				
	Dubois-Natural Esters Sdn Bhd	Production of esters	28 April 1995	24 September 2010	N/A
	The Secret of Secret Garden Sdn Bhd [#] (Kulim)	Trading and marketing of personal care products	18 January 2005	1 February 2011	N/A
	The World of Secret Garden Sdn Bhd	Personal care products	22 December 2005	1 February 2011	N/A
	JTP Trading Sdn Bhd [#] (Kulim)	Trading/distribution of tropical fruits	1 March 2006	1 February 2011	N/A
	QSR Brands Bhd [#] (Kulim)	Investment holding	7 June 2006	15 February 2013	N/A
	KFC Holdings (Malaysia) Bhd	Investment holding	27 June 2006	15 February 2013	N/A
	Nexsol (Malaysia) Sdn Bhd [#] (Kulim)	Manufacturer of biodiesel	27 July 2006	1 January 2013	N/A
	Kentucky Fried Chicken (Malaysia) Sendirian Berhad	Restaurants	29 August 2006	1 February 2013	N/A
	KFC (Sabah) Sdn Bhd	Restaurants	29 August 2006	1 February 2013	N/A
	KFC (Sarawak) Sdn Bhd	Restaurants	29 August 2006	1 February 2013	N/A
	KFC (Peninsular Malaysia) Sdn Bhd	Restaurants and commissary	29 August 2006	1 February 2013	N/A
	Ayamas Food Corporation Sdn Bhd	Poultry processing and investment holding	29 August 2006	1 February 2013	N/A
	Pizza Hut Restaurants Sdn Bhd	Restaurants	29 August 2006	1 February 2013	N/A
	Ayamas Integrated Poultry Industry Sdn Bhd	Breeder, broiler farms, hatchery, feedmill and investment holding	29 August 2006	2 January 2010	N/A
	Pizza Hut Holding (Malaysia) Sdn Bhd	Dormant	29 August 2006	1 February 2013	N/A

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Companies	Principal activities	Date of appointment	Date of resignation	Involvement in business activities performed outside our Group other than director
Ahamad bin Mohamad	<u>Previous directorships</u> (Cont'd):				
	WQSR Holdings (S) Pte Ltd (Singapore)	Investment holding	29 September 2006	1 February 2013	N/A
	Kentucky Fried Chicken Management Pte Ltd (Singapore)	Kentucky Fried Chicken restaurants in Singapore	29 September 2006	1 February 2013	N/A
	WQSR Holdings (S) Pte Ltd (Singapore)	Investment holding	29 September 2006	1 February 2013	N/A
	Kentucky Fried Chicken Management Pte Ltd (Singapore)	Kentucky Fried Chicken restaurants in Singapore	29 September 2006	1 February 2013	N/A
	Pizza Hut Singapore Pte Ltd (Singapore)	Restaurants	29 September 2006	1 February 2013	N/A
	Multibrand QSR Holdings Pte Ltd (Singapore)	Investment holding	29 September 2006	1 February 2013	N/A
	KFC (B) Sdn Bhd (Brunei)	Restaurants	1 November 2006	1 February 2013	N/A
	Renown Value Sdn Bhd [#] (Kulim)	Cultivation of pineapples and other agricultural produce	7 May 2007	1 February 2011	N/A
	Akli Resources Sdn Bhd [#] (Kulim)	Provider of in-house and external training programmes	1 January 2008	1 February 2011	N/A
	Cita Tani Sdn Bhd [#] (Kulim)	Cultivation of sugar cane	15 February 2008	1 February 2011	N/A
	Kulim Civilworks Sdn Bhd [#] (Kulim)	Facilities maintenance	15 February 2008	1 February 2011	N/A
	SIM Manufacturing Sdn Bhd [#] (Kulim)	Manufacturers and dealers in rubber products of all kinds and articles made from rubber	15 February 2008	1 February 2011	N/A
	Kampuchea Food Corporation Co Limited (Cambodia)	Restaurants	29 February 2008	1 February 2013	N/A
	Kulim Livestock Sdn Bhd [#] (Kulim)	Breeding and sales of cattle	14 August 2008	1 February 2011	N/A

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Companies	Principal activities	Date of appointment	Date of resignation	Involvement in business activities performed outside our Group other than director
Ahamad bin Mohamad	<u>Previous directorships</u> (Cont'd):				
	Special Appearance Sdn Bhd# (Kulim)	Production house and event management	19 January 2009	1 February 2011	N/A
	Superior Harbour Sdn Bhd# (Kulim)	Aquaculture Operations for food consumption	19 January 2009	1 February 2011	N/A
	JTP Montel Sdn Bhd# (Kulim)	Cultivations of bananas	22 January 2009	1 February 2011	N/A
	Kulim Nursery Sdn Bhd# (Kulim)	Operator of strategic business	22 January 2009	1 February 2011	N/A
	KFC India Holding Sdn Bhd	Investment holding	13 May 2009	1 February 2013	N/A
	Mauritius Food Corporation Pvt Ltd (Mauritius)	Investment holding	13 August 2009	1 February 2013	N/A
	DPIM Consult Sdn Bhd	Operator of strategic business	1 January 2010	1 July 2011	N/A
	Extreme Edge Sdn Bhd# (Kulim)	Computer equipment supplier and services	1 January 2010	1 February 2011	N/A
	Akademi JCorp Sdn Bhd	Operator of strategic business school and corporate training programmes	14 January 2010	16 January 2012	N/A
	Grating Solar Sdn Bhd	Dormant	29 January 2010	1 February 2013	N/A
	KFC/C Assets Sdn Bhd	Property holding	29 January 2010	1 February 2013	N/A
	KFCH Education (M) Sdn Bhd	Management of college/learning institution	29 January 2010	1 February 2013	N/A
	Exquisite Livestock Sdn Bhd	Commercial cattle farming	1 February 2010	1 February 2011	N/A
	Pizza (Kampuchea) Private Limited	Dormant	1 April 2010	1 February 2013	N/A
	KFCH Restaurants Private Limited (India)	Restaurants	19 May 2010	11 March 2013	N/A
	PHD Delivery Sdn Bhd	Pizza delivery	9 July 2010	1 February 2013	N/A
	Kulim Safety Training and Services Sdn Bhd# (Kulim)	Occupational Safety and Health Administration Training and services	22 July 2010	1 February 2011	N/A

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Companies	Principal activities	Date of appointment	Date of resignation	Involvement in business activities performed outside our Group other than director
Ahamad bin Mohamad	<i>Previous directorships</i>				
	<i>(Cont'd):</i>				
	Pinnacle Platform Sdn Bhd# (Kulim)	Software maintenance and supplier	22 July 2010	1 February 2011	N/A
	KCW Electrical Sdn Bhd# (Kulim)	Electrical installation services	22 July 2010	1 March 2011	N/A
	KCW Kulim Marine Services Sdn Bhd# (Kulim)	Marine maintenance	22 July 2010	1 February 2011	N/A
	Perfect Synergy Trading Sdn Bhd# (Kulim)	Fertiliser supplier	22 July 2010	1 February 2011	N/A
	Optimum Status Sdn Bhd# (Kulim)	Mill maintenance and fabrication	22 July 2010	1 February 2011	N/A
	KCW Hardware Sdn Bhd# (Kulim)	Hardware supplier	22 July 2010	1 February 2011	N/A
	Yayasan Amal Bistari	Dormant	1 September 2010	22 March 2013	N/A
	Cemerlang Sinergi Sdn Bhd Orkim	Strike off on 28 March 2014	1 February 2011	1 February 2013	N/A
		Principally involved in provision of sea transportation and related services	15 May 2011	23 April 2013	N/A
	Ihsan Permata Sdn Bhd	Providing consultancy and management services for cattle breeding	1 March 2012	15 March 2014	N/A
	Super Heritage Brand Sdn Bhd	Importer and trader of poultry business and other related activities	7 March 2012	6 April 2014	N/A
	Felda Ayamas Ventures Sdn Bhd	Dormant	30 November 2012	1 February 2013	N/A

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Companies	Principal activities	Date of appointment	Date of resignation	Involvement in business activities performed outside our Group other than director
Rozan bin Mohd Sa'at	<i>Present directorships:</i>				
	Kulim®	Principally involved in oil palm plantation, investment holdings and property investment	1 January 2008	N/A	Shareholder (direct: ^)
	Johor Land Berhad	Property management	1 January 2011	N/A	N/A
	JCorp Hotels and Resort Sdn Bhd	Hotel	1 February 2011	N/A	N/A
	PIJ Holdings Sdn Bhd	Holding company	15 March 2014	N/A	N/A
	PIJ Property Development Sdn Bhd	Property	15 March 2014	N/A	N/A
	PIJ Plantation & Agriculture Sdn Bhd	Plantation	15 March 2014	N/A	N/A
	PIJ Manufacturing Sdn Bhd	Manufacturing	15 March 2014	N/A	N/A
	Isdecor Bina Sdn Bhd	Construction	15 March 2014	N/A	N/A
	Pandan Baru Sdn Bhd	Developer	15 March 2014	N/A	N/A
	Jismil Plantation Sdn Bhd	Plantation	15 March 2014	N/A	N/A
	Perisind Samudra Sdn Bhd	Property management	15 March 2014	N/A	N/A
	Perisind Venture Sdn Bhd	Ducting provider	15 March 2014	N/A	N/A
	Koridor Utiliti (Johor) Sdn Bhd	Ducting provider	8 April 2014	N/A	N/A
	Isedecor Infra Sdn Bhd	Civil engineering	8 April 2004	N/A	N/A
	Sutera Samudra Sdn Bhd	Project management	27 May 2014	N/A	Shareholder (Direct: 50.0%)
	<i>Previous directorships:</i>				
	Sindora* (Kulim)	Principally involved in intrapreneur ventures and plantations	1 September 2002	15 March 2014	N/A
	Tiram Travel Sdn Bhd	Sale of flight tickets and package for umrah, haj and tourism	15 October 2003	1 October 2014	N/A

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Companies	Principal activities	Date of appointment	Date of resignation	Involvement in business activities performed outside our Group other than director
Rozan bin Mohd Sa'at	<i>Previous directorships (Cont'd):</i>				
	Metro Parking (M) Sdn Bhd [#] (Damansara Realty Berhad)	Parking operations and the provision of related consultancy services	1 July 2004	15 December 2012	N/A
	Willis (Malaysia) Sdn Bhd	Insurance brokers	12 July 2004	14 December 2009	N/A
	DPIM Korporat Sdn Bhd	Management consultant	31 July 2004	1 July 2011	N/A
	Sindora Timber Sdn Bhd [#] (Kulim)	Timber products	1 January 2005	1 January 2011	N/A
	EPASA Shipping Agency Sdn Bhd [#] (Kulim)	Shipping and forwarding agent services	1 April 2005	15 July 2012	N/A
	MM Vitaols Sdn Bhd [#] (Kulim)	Producer and wholesale of palm oil and other edible oil and fats	1 July 2005	11 October 2011	N/A
	Puteri Hotels Sdn Bhd	Hotel operations	1 September 2005	6 April 2014	N/A
	Waqaf An-Nur Corporation Berhad	Trustees and manager of waqaf	7 December 2005	1 October 2014	N/A
	GranuLab (M) Sdn Bhd [#] (Kulim)	Trading granular synthetic bone graft	17 May 2007	15 July 2012	N/A
	Bistari Young Entrepreneur Sdn Bhd	Producing, promoting and marketing Catur Bistari and Service related	22 October 2007	16 January 2012	N/A
	Amazing Cuisine Sdn Bhd	Cold-cuts and sausages production	10 July 2008	16 January 2012	N/A
	KPJ®	Investment holding and provision of management services to subsidiaries mainly the operation of specialist hospitals	1 January 2009	1 January 2014	Shareholder (direct: ^)

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Companies	Principal activities	Date of appointment	Date of resignation	Involvement in business activities performed outside our Group other than director
Rozan bin Mohd Sa'at	<i>Previous directorships (Cont'd):</i>				
	EPA Management Sdn Bhd# (Kulim)	Investment holding, provision of management services and consultancy, and mechanical equipment assembler	1 January 2009	15 March 2014	N/A
	Teraju Fokus Sdn Bhd Orkim	Security services Principally involved in provision of sea transportation and related services	1 January 2009 22 June 2009	1 January 2011 23 April 2013	N/A N/A
	DPIM Consult Sdn Bhd Akademi JCorp Sdn Bhd	Management consultant Operator of Strategic Business School and Corporate Training Programmes	1 January 2010 14 January 2010	16 January 2012 15 July 2012	N/A N/A
	Microwell Bio Solutions Sdn Bhd# (Kulim)	Business in agriculture and natural products, water treatment, biotechnology research and development	23 April 2010	15 July 2012	N/A
	Microwell Trading Sdn Bhd# (Kulim)	Trading in Biochemical Fertiliser	23 April 2010	15 July 2012	N/A
	Healthcare Technical Services Sdn Bhd# (Damansara Realty Berhad)	Project management and engineering maintenance services	7 May 2010	15 February 2011	N/A
	JKing Sdn Bhd MIT Insurance Brokers Sdn Bhd# (Kulim)	Producer of sports attire Insurance	20 July 2010 1 December 2010	16 January 2012 1 October 2014	N/A N/A
	Kumpulan Perbadanan Johor Sdn Bhd# (Kulim)	Management services	1 January 2011	1 January 2013	N/A
	Mahamurni Plantations Sdn Bhd# (Kulim)	Oil palm plantation	1 February 2011	15 March 2014	N/A
	Hotel Selesa (JB) Sdn Bhd Sibu Island Resorts Sdn Bhd	Hotel operations Island resorts operator	1 February 2011 1 February 2011	6 April 2014 6 April 2014	N/A N/A

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Companies	Principal activities	Date of appointment	Date of resignation	Involvement in business activities performed outside our Group other than director
Rozan bin Mohd Sa'at	<i>Previous directorships (Cont'd):</i>				
	Tanjung Tuan Hotel Sdn Bhd	Hotel operations	1 February 2011	6 April 2014	N/A
	Hotel Selesa Sdn Bhd	Investment holding	1 September 2011	6 April 2014	N/A
	Metro Equipment Systems (M) Sdn Bhd [#] (Damansara Realty Berhad)	Trading of parking and other related equipment	15 September 2011	15 December 2012	N/A
	Smart Parking Management Systems Sdn Bhd [#] (Damansara Realty Berhad)	Trading of parking and other related services	15 September 2011	15 December 2012	N/A
	Pusat Pakar Kluang Utama Sdn Bhd [#] (KPJ)	Specialist hospital	1 January 2012	1 January 2014	N/A
	Pasir Gudang Specialist Hospital Sdn Bhd [#] (KPJ)	Specialist hospital	1 January 2012	1 January 2014	N/A
	Kulim Civilworks Sdn Bhd [#] (Kulim)	Facilities maintenance	6 January 2012	15 July 2012	N/A
	Akademi Mutawwif Sdn Bhd	Training of Mutawwif	2 September 2013	15 March 2014	N/A
	Selasih Catering Services Sdn Bhd (Formerly known as Johor Land Property Management Sdn Bhd)	Sale and purchase and cater food and drinks	1 January 2014	15 April 2014	N/A
	KCW Roadworks Sdn Bhd [#] (Kulim)	Dormant	1 January 2014	15 March 2014	N/A
	Golden Clay Industries Sdn Bhd	Roofing tiles	15 March 2014	8 April 2014	N/A
	GCI Marketing Sdn Bhd	Roofing tiles	15 March 2014	8 April 2014	N/A
	Kukup Garden Sdn Bhd	Chalet Operator	15 March 2014	8 April 2014	N/A
	Johor Plant Tech Sdn Bhd	Tissue culture	15 March 2014	8 April 2014	N/A
	Karisma Astaka Sdn Bhd	Quarry	15 March 2014	8 April 2014	N/A
	Isedecor Batu Bata Sdn Bhd	Construction	15 March 2014	8 April 2014	N/A
	PPL Plantation Sdn Bhd	Management of Ladang Terosot	15 March 2014	24 June 2014	N/A

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Companies	Principal activities	Date of appointment	Date of resignation	Involvement in business activities performed outside our Group other than director
Rozan bin Mohd Sa'at	<u>Previous directorships</u> (Cont'd):				
	Isedcor Pengangkutan & Pelancungan Sdn Bhd	Dormant	15 March 2014	16 October 2014	N/A
Azli bin Mohamed	<u>Present directorships:</u>				
	EPA Management Sdn Bhd [#] (Kulim)	Investment holding, provision of management services and consultancy, and mechanical equipment assembler	1 July 2009	N/A	N/A
	Permodalan Teras Sdn Bhd	Investment holding	26 April 2010	N/A	N/A
	Mahamurni Plantations Sdn Bhd [#] (Kulim)	Oil palm plantation	1 February 2011	N/A	N/A
	KCW Roadworks Sdn Bhd [#] (Kulim)	Dormant	1 July 2011	N/A	N/A
	Kulim Plantations (Malaysia) Sdn Bhd [#] (Kulim)	Oil palm plantation	1 July 2011	N/A	N/A
	Kumpulan Bertam Plantations Berhad [#] (Kulim)	Oil palm plantation	1 July 2011	N/A	N/A
	Nexsol (Malaysia) Sdn Bhd [#] (Kulim)	Manufacturer of bio diesel	1 July 2011	N/A	N/A
	Superior Harbour Sdn Bhd [#] (Kulim)	Aquaculture operations	1 July 2011	N/A	N/A
	Pristine Bay Sdn Bhd [#] (Kulim)	Investment holding	1 November 2011	N/A	N/A
	Pinnacle Platform Sdn Bhd [#] (Kulim)	Software maintenance and supplier	2 July 2012	N/A	N/A
	EPASA Shipping Agency Sdn Bhd [#] (Kulim)	Shipping and forwarding agent services	1 January 2013	N/A	N/A

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Companies	Principal activities	Date of appointment	Date of resignation	Involvement in business activities performed outside our Group other than director
Azli bin Mohamed	<u>Present directorships (Cont'd):</u>				
	KCW Electrical Sdn Bhd# (Kulim)	Electrical installation services	1 January 2013	N/A	N/A
	KCW Kulim Marine Services Sdn Bhd# (Kulim)	Marine maintenance	1 January 2013	N/A	N/A
	Kulim Civilworks Sdn Bhd# (Kulim)	Facilities maintenance	1 January 2014	N/A	N/A
	<u>Previous directorships:</u>				
	TMR Urusharta (M) Sdn Bhd# (Damansara Realty Berhad)	Principally engaged in the business of real estate services, involved in general services, facility management, project consultant and project management	1 January 2009	1 July 2011	N/A
	Johor Ventures Sdn Bhd	Investment holding	1 July 2009	1 January 2014	N/A
	Rajaudang Sdn Bhd	Rental of marine livestock pond and engaging business in aquaculture	1 July 2009	1 July 2011	N/A
	Rajaudang Aquaculture Sdn Bhd	Engaging in business of fishing, sourcing, breeding, hatching and growing of water plants	1 July 2009	1 July 2011	N/A
	Aquapreneur Sdn Bhd	Rental of marine livestock pond and engaging business in aquaculture	1 July 2009	1 July 2011	N/A
	Rajaudang Trading Sdn Bhd	Trading/ Supplier agent	1 July 2009	1 July 2011	N/A
	Sindora Ventures Sdn Bhd	Investment Holding	1 July 2009	1 July 2011	N/A
	Tunjuk Laut Resort Sdn Bhd	Dormant	1 July 2009	1 July 2011	N/A
	East Asian Marine Foods Sdn Bhd	Processing and marketing of tiger prawns and seafood	1 July 2009	1 July 2011	N/A
	Intrapreneur Development Capital Sdn Bhd	Investment holding	1 July 2009	2 September 2013	N/A

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Companies	Principal activities	Date of appointment	Date of resignation	Involvement in business activities performed outside our Group other than director
Azli bin Mohamed	<u>Previous directorships</u> (Cont'd):				
	Johor Franchise Development Sdn Bhd	Investment holding and estate management	1 July 2009	1 January 2012	N/A
	Aquabuilt Sdn Bhd	Aquaculture management services	1 July 2009	1 July 2011	N/A
	Intrapreneur Development Sdn Bhd	Investment	15 July 2009	2 September 2013	N/A
	Johor Foods Sdn Bhd	Investment holding and oil palm plantation	1 August 2009	1 January 2013	N/A
	Johor Tea Sdn Bhd	Tea plantation	1 August 2009	16 January 2012	N/A
	Tanjung Tuan Hotel Sdn Bhd	Hotelier	16 November 2009	1 January 2014	N/A
	Effective Corporate Resources Sdn Bhd	Accounting services	1 January 2010	1 July 2011	N/A
	JCorp Hotels & Resorts Sdn Bhd	Investment holding	5 May 2010	1 July 2011	N/A
	JCorp Capital Solutions Sdn Bhd (Formerly known as Jedcon Engineering Survey Sdn Bhd)	Investment holding	1 February 2011	15 August 2011	N/A
	TPM Technopark Sdn Bhd	Development and sale of industrial land	1 February 2011	15 August 2011	N/A
	Puteri Hotels Sdn Bhd	Hotel operations	1 April 2011	16 January 2012	N/A
	Skellerup Industries (Malaysia) Sdn Bhd [#] (Kulim)	Production of rubber products	1 July 2011	2 July 2012	N/A
	Kulim Safety Training And Services Sdn Bhd [#] (Kulim)	Occupational Safety and Health Administration Training and services	1 January 2013	1 January 2014	N/A
	Optimum Status Sdn Bhd [#] (Kulim)	Mill maintenance and fabrication	1 January 2013	1 January 2014	N/A
	Ara Offshore Engineering & Services Sdn Bhd	Dormant	30 December 2013	24 April 2014	N/A

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Companies	Principal activities	Date of appointment	Date of resignation	Involvement in business activities performed outside our Group other than director
Datuk Anuar bin Ahmad	<u>Present directorships:</u>				
	Concrete Acres Sdn Bhd	Investment	29 December 2011	N/A	Shareholder (direct: 50.0%)
	Angeles Foods Sdn Bhd	Food/Cafe	8 April 2013	N/A	N/A
	Syarikat Wandeerfull Sdn Bhd	Property development	1 July 2014	N/A	N/A
	Mampan Esa (Melaka) Sdn Bhd	Property development	4 July 2014	N/A	Shareholder (indirect interest held through Concrete Acres Sdn Bhd: 20.0%)
	PETRONAS Dagangan®	Retailing & marketing of petroleum product	1 August 2014	N/A	N/A
	PDZ Holdings Berhad®	Investment holding	4 September 2014	N/A	N/A
	TNB Fuels Services Sdn Bhd	Business of supplying fuel and coal for power generation	10 October 2014	N/A	N/A
	<u>Previous directorships:</u>				
	PETRONAS	O&G	1 October 2002	16 April 2014	N/A
	Prince Court Medical Centre Sdn Bhd	Healthcare	24 September 2004	1 September 2011	N/A
	Institute of Technology PETRONAS Sdn Bhd	Education	1 August 2005	16 April 2014	N/A
	PETRONAS Carigali	O&G exploration and production	1 September 2005	20 July 2010	N/A
	PETRONAS Carigali Overseas Sdn Bhd	O&G exploration and production	1 September 2005	20 July 2010	N/A
	PETRONAS Lubricants International Sdn Bhd	Marketing & manufacturing of lubricants	12 September 2007	15 July 2010	N/A
	PETRONAS Chemicals Group Berhad	Manufacturing and marketing of petrochemicals	22 June 2010	15 September 2011	N/A
	Malaysia LNG Sdn Bhd	Natural gas liquidation	16 July 2010	16 April 2014	N/A

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Companies	Principal activities	Date of appointment	Date of resignation	Involvement in business activities performed outside our Group other than director
Datuk Anuar bin Ahmad	<u>Previous directorships (Cont'd):</u> Malaysia LNG Dua Sdn Bhd Malaysia LNG Tiga Sdn Bhd Trans Thai-Malaysia (Malaysia) Sdn Bhd International Conference and Exhibition Professionals PETRONAS Gas Berhad® PETRONAS LNG Sdn Bhd PETRONAS Power Sdn Bhd PETRONAS LNG 9 Sdn Bhd	Manage and operate second LNG plant Manage and operate third LNG plant Transmission of natural gas Conference & exhibition management Natural gas processing & transmission Marketing of LNG Electricity generation Natural gas liquefaction	16 July 2010 16 July 2010 23 August 2010 23 September 2010 17 October 2010 21 March 2011 11 November 2011 13 January 2012	16 April 2014 16 April 2014 11 August 2011 11 April 2013 15 May 2014 16 April 2014 16 April 2014 10 September 2012	N/A N/A N/A N/A N/A N/A N/A N/A
Datuk Mohd Nasir bin Ali	<u>Present directorships:</u> Langkah Bahagia Sdn Bhd The Nomad Group Berhad ("Nomad") Vertical Theme Sdn Bhd The Nomad Hotel Penang Sdn Bhd# (Nomad) ICB Islamic Bank Limited® Yayasan Kelana Ehsan	Investment holding Investment holding Investment holding Hotelier and hotel related services Banking and financial business activities Financial assistance, donation, gifts, sponsorship and scholarship	15 October 1996 5 August 1998 9 March 2005 18 June 2013 10 June 2014 11 September 2014	N/A N/A N/A N/A N/A N/A	Shareholder (direct: 1.0%) Shareholder (direct: ^) N/A N/A N/A N/A

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Companies	Principal activities	Date of appointment	Date of resignation	Involvement in business activities performed outside our Group other than director
Datuk Mohd Nasir bin Ali	<u>Previous directorships:</u>				
	Utusan Melayu (Malaysia) Berhad ("Utusan")@	Publication, printing and distribution of newspapers	2 October 2000	5 June 2014	Shareholder (direct: ^)
	Utusan Publications and Distributors Sdn Bhd# (Utusan)	Publication and distribution of reading materials	26 January 2001	5 June 2014	N/A
	Utusan Media Sales Sdn Bhd# (Utusan)	Advertising agents	26 January 2001	5 June 2014	N/A
	Swan Malaysia Sdn Bhd# (Utusan)	Manufacturing and trading educational aids; and writing instruments and related products	26 January 2001	5 June 2014	N/A
	Utusan Karya Sdn Bhd# (Utusan)	Publication of magazines and advertising	4 June 2003	5 June 2014	N/A
	Perfiso Solutions Sdn Bhd# (Utusan)	Information technology, multimedia and online advertising	14 September 2006	15 December 2013	N/A
	Swan Solar Sdn Bhd# (Utusan)	Installation of non-electric solar energy collectors	17 July 2013	5 August 2013	N/A
Md Tamyas bin Hj A.Rahim	<u>Present directorships:</u>				
	N/A	N/A	N/A	N/A	N/A
	<u>Previous directorships:</u>				
	N/A	N/A	N/A	N/A	N/A

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Companies	Principal activities	Date of appointment	Date of resignation	Involvement in business activities performed outside our Group other than director
Abdul Azmin bin Abdul Halim	<u>Present directorships:</u>				
	Ashera Jaya Sdn Bhd	Dormant	8 August 2008	N/A	Shareholder (direct: 40.0%)
	Star Technic Engineering Sdn Bhd	Supply installation of highway guardrails and accessories	21 June 2013	N/A	Shareholder (direct: 50.0%)
	<u>Previous directorships:</u>				
	Global Marine & Offshore Sdn Bhd	Dormant	6 July 2009	19 September 2012	N/A
	Piezzoe Sdn Bhd	Manufacturing of heat ventilating and air conditioning systems	15 October 2009	13 June 2012	N/A

Notes:-

- # : Subsidiary company of a listed company as at the LPD.
 ^ : Negligible
 @ : Listed company
 N/A : Not applicable

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

8.2.4 Directors' remuneration, fees and material benefits-in-kind

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for the FYE 31 December 2013 and FYE 31 December 2014 are as follows:-

Directors	Remuneration band	
	FYE 31 December 2013	Proposed for FYE 31 December 2014
Ahamad bin Mohamad	50,001 – 100,000	50,001 – 100,000
Dato' Hak	800,001 – 850,000	850,001 – 900,000
Rozan bin Mohd Sa'at	0 – 50,000	0 – 50,000
Azli bin Mohamed	^N/A	0 – 50,000
Datuk Anuar bin Ahmad	^N/A	0 – 50,000
Datuk Mohd Nasir bin Ali	^N/A	0 – 50,000
Md Tamyas bin Hj A.Rahim	^N/A	0 – 50,000
Abdul Azmin bin Abdul Halim	^N/A	0 – 50,000

Notes:-

^ Appointed subsequent to FYE 31 December 2013
 N/A Not applicable

The remuneration of our Directors which includes salaries, bonuses, fees and allowances as well as other benefits, is approved by our Board, following recommendations made by our Remuneration Committee and subject to our Articles of Association. Any change in Directors' fees as set out in our Articles of Association must be approved by shareholders of our Company pursuant to an ordinary resolution passed at a general meeting where appropriate notice of any proposed increase should be given. Please refer to **Section 8.3.3** of this Prospectus for further details.

8.3 Board practice

8.3.1 Directorship

In accordance with our Articles of Association, the Directors shall have the power at any time and from time to time to appoint any person to be a Director either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with our Articles of Association which is fifteen (15) directors. At the first annual general meeting of our Company, all our Directors shall retire from office, and at the annual general meeting in every subsequent year, one third (1/3) of our Directors must retire at each annual general meeting of shareholders but are eligible for re-election. Our Directors must submit themselves for re-election at least once in three (3) years.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

As at the LPD, the details of the date of expiration of the current term of office for each of our Directors and the period that each of our Directors has served in office are as follows:-

<u>Name</u>	<u>Date of appointment as Director</u>	<u>Date of expiration of the current term of office</u>	<u>Approximate no. of years in office</u>
Ahamad bin Mohamad	12 October 2009	Subject to retirement at the AGM 2014	5
Dato' Hak	1 February 2002	Subject to retirement at the AGM 2015	12
Rozan bin Mohd Sa'at	1 January 2007	Subject to retirement at the AGM 2016	7
Azli bin Mohamed	15 April 2014	Subject to retirement at the AGM 2017	-
Datuk Anuar bin Ahmad	15 April 2014	Subject to retirement at the AGM 2017	-
Datuk Mohd Nasir bin Ali	17 October 2014	Subject to retirement at the AGM 2017	-
Md Tamyas bin Hj A.Rahim	15 April 2014	Subject to retirement at the AGM 2017	-
Abdul Azmin bin Abdul Halim	15 April 2014	Subject to retirement at the AGM 2017	-

8.3.2 Audit committee

The composition of our Audit Committee is set out below:-

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Datuk Anuar bin Ahmad	Chairman	Senior Independent Non-Executive Director
Abdul Azmin bin Abdul Halim	Member	Independent Non-Executive Director
Azli bin Mohamed	Member	Non-Independent Non-Executive Director

The terms of reference of our Audit Committee, amongst others, include the following:-

- (i) To ensure openness, integrity and accountability in our Group's activities so as to safeguard the rights and interests to our shareholders;

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

- (ii) To provide assistance to our Board in fulfilling its fiduciary responsibilities relating to corporate accounting and reporting practices;
- (iii) To improve our Group's business efficiency, the quality of accounting and audit function and strengthening of public's confidence in our Group's reported results;
- (iv) To maintain a direct line of communication between our Board and the external and internal auditors;
- (v) To enhance the independence of the external and internal auditors;
- (vi) To create a climate of discipline and control, this will reduce the opportunity for fraud;
- (vii) To assess the financial risks and matters relating to related party transactions and conflict of interests;
- (viii) To recommend our Board regarding the appointment of the external auditors; and
- (ix) Obtain advice from independent parties and other professionals, where necessary, in discharging their duties.

8.3.3 Remuneration committee

The composition of our Remuneration Committee is set out below:-

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Ahamad bin Mohamad	Chairman	Non-Independent Non-Executive Director
Datuk Anuar bin Ahmad	Member	Senior Independent Non-Executive Director
Md Tamyas bin Hj A.Rahim	Member	Independent Non-Executive Director

The terms of reference of our Remuneration Committee, amongst others, include the following:-

- (i) Provide assistance to our Board in determining the remuneration of executive directors and, if applicable, senior management. In fulfilling this responsibility, the Remuneration Committee is to ensure that executive directors and applicable senior management of our Company:-
 - (a) are fairly rewarded for their individual contributions to overall performance;
 - (b) that the compensation is reasonable in light of our Company's objectives; and
 - (c) that the compensation is similar to other companies.
- (ii) Establish the Managing Director's goals and objectives; and
- (iii) Review the Managing Director's performance against the goals and objective set.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

8.3.4 Nomination committee

The composition of our Nomination Committee is set out below:-

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Ahamad bin Mohamad	Chairman	Non-Independent Non-Executive Director
Md Tamyas bin Hj A.Rahim	Member	Independent Non-Executive Director
Abdul Azmin bin Abdul Halim	Member	Independent Non-Executive Director

The terms of reference of our Nomination Committee, amongst others, include the following:-

- (i) Identify and recommend to our Board, candidates for board directorships of our Company;
- (ii) Recommend to our Board, directors to fill the seats on Board committees;
- (iii) Evaluate the effectiveness of our Board and Board committees (including its size and composition) and contributions of each individual director; and
- (iv) Ensure an appropriate framework and plan for Board succession for our Company.

In relation to the above, our Board is aware of and supports the Malaysian Code of Corporate Governance 2012 ("**MCCG 2012**") as a basis for practices on corporate governance. Recommendation 3.5 of the MCCG 2012 states that where the position of chairman of the board is not an independent director, the board must comprise of a majority of independent directors.

Although our Company has yet to be in line with the above recommendation, where our current Board comprise, one (1) Non-Independent Non-Executive Chairman, and only four (4) out of the remaining seven (7) Directors are Independent Non-Executive Directors, it is pertinent to note the following:-

- (i) Our Board believes that the interest of shareholders is best served by a Chairman who is sanctioned by the shareholders and who will act in the best interests of the shareholders as a whole. The Chairman exercises independent and broad judgement as well as provides constructive views on proposals put forth by the Managing Director. As the Chairman representing Kulim who is the controlling shareholder of our Company, he is well placed to act on behalf of shareholders and in their best interest. Similarly, there are two (2) other Non-Independent Non-Executive Directors on our Board who represent Kulim and have been appointed to ensure that Kulim's interest in our Company is safeguarded;
- (ii) There is only one (1) executive director on our Board who is the Managing Director and involved in the day-to-day operations of our Group. The Managing Director is hence responsible for reporting our Group's overall business and financial performance to both our Chairman and the remaining six (6) Non-Executive directors of our Company. The high number of Non-Executive directors provide sufficient checks and balances in the functioning of our Board whilst ensuring a high standard of reporting and corporate governance; and

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

- (iii) The four (4) Independent Non-Executive Directors are qualified professionals in their respective fields and bring with them a wealth of knowledge and experience as highlighted under **Section 8.2.2** of this Prospectus.

Notwithstanding the above, the present position on the current board composition may change over time as our Company grows further in terms of size and scale. Our Board undertakes to re-assess and review its position on the independence of our Board on an annual basis and in its deliberations, will take into consideration, amongst others, its performance and conduct during the period under review (in terms of effectiveness, integrity, fairness and independence) and the recommendations prescribed under the MCCG 2012.

As at the LPD, save for recommendations 3.5 of the MCCG 2012, our Board confirms compliance with the other recommendations in MCCG 2012.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

8.4 Key management

8.4.1 Shareholdings

The following table sets forth the direct and indirect shareholdings of each of our key management before and after the IPO, assuming each of our key management will subscribe for their respective pink form allocation:-

Name	Designation	Nationality	Before IPO			After IPO				
			Direct No. of Shares held ('000)	%	Indirect No. of Shares held ('000)	Direct No. of Shares held ('000)	%	Indirect No. of Shares held ('000)		
Dato' Hak	Managing Director	Malaysian	96,000	24.6	(1)39,000	10.0	90,900	18.0	(1)29,100	5.8
Ir. Zulkiffi bin Mohd Amin	General Manager	Malaysian	-	-	-	-	340	0.1	-	-
Zuraimi bin Basri	Chief Financial Officer	Malaysian	-	-	-	-	280	0.1	-	-
Tajul Asikin bin Sallehudin	Manager, Technical	Malaysian	-	-	-	-	215	*	-	-
Captain Nasruddin bin Abdul Mutalib	Manager, Safety, Quality and Security	Malaysian	-	-	-	-	245	*	-	-
Che Zai Azilah bte Che Omar	Manager, Account	Malaysian	-	-	-	-	250	*	-	-
Captain Mohd Yusni bin Razali	Manager, Fleet Operation	Malaysian	-	-	-	-	215	*	-	-
Farah Radziah Binti Dato' Ir Abdul Hak	Manager, Commercial	Malaysian	-	-	-	-	195	*	-	-
New Kok Ho	General Manager, Johor Shipyard	Malaysian	-	-	-	-	325	0.1	-	-

Notes:-

* Negligible

(1) Deemed interested by virtue of his spouse's shareholdings in our Company pursuant to Section 6A of the Act.

Notwithstanding the pink form allocation reserved for our key management, our key management may subscribe for the Issue Shares under the Public Offer.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

8.4.2 Key management profiles

Save for the profile of Dato' Hak which is set out in **Section 8.1.2** of this Prospectus, the profiles of the others key management of our Group are as follows:-

Ir. Zulkifli bin Mohd Amin, a Malaysian aged 46, is our General Manager. He graduated in 1992 with a Bachelor of Science in Naval Architecture & Marine Engineering from University of New Orleans, United States. He started his career in 1992 as a naval architect at Penang Shipbuilding Corporation Sdn Bhd. In 1993, he joined GEC (M) Sdn Bhd as sales engineer/naval architect. In 1994, he joined our Company as a technical manager. In 2008, he was promoted to General Manager and is currently responsible for overall fleet operations and commercial operations for our marine transportation and offshore storage operations as well as port marine services. He is also a director of Johor Shipyard.

Zuraimi bin Basri, a Malaysian aged 45, is our Chief Financial Officer. He graduated in 1993 with a Bachelor of Accounting (Honours) from University Utara Malaysia. He started his career in 1994 as a finance executive in Sindora. In 1996, he was promoted as the head of internal audit unit in Sindora. In 2003, he was seconded to a joint venture company of Sindora, PT Andalas Lumber Products in Padang, West Sumatera as a finance director. In 2004, he served as deputy finance manager of Sindora until 2006 before he joined our Group in early 2007 as the Senior Manager of Finance & Administration. On 1 September 2014, he was re-designated to Chief Financial Officer and is currently responsible for overall financial, accounting, compliance and reporting, administration and internal control functions of our Group. He has been a member of Malaysian Institute of Accountants since 2002.

Che Zal Azilah bte Che Omar, a Malaysian aged 45, is our Accounts Manager. She graduated in 1991 with a Diploma in Statistics from Mara Institute of Technology, Shah Alam, Selangor. She started her career in 1991 as an assistant statistician at Lembaga Kemajuan Terengganu Tengah. In 1993, she joined our Group as an account officer. In 1995, she left our Group and joined Sempati Air Pte Ltd as a senior account officer. In 1998, she re-joined our Group as an accounts officer. In 2006, she was promoted to Accounts Manager and is currently responsible for the overall accounting functions of our Group, such as payables, receivables, cash flow monitoring and preparation of accounts for financial reporting purposes.

Tajul Asikin bin Sallehudin, a Malaysian aged 50, is our Technical Manager. He graduated in 1984 with a Bachelor of Engineering (Marine) from Indonesian Merchant Marine Academy Jakarta, Indonesia. He started his career in 1984 at Malaysian International Shipping Corporation Berhad ("**MISC**") as cadet engineer before he was promoted as a marine junior engineer from 1985 to 1986. From 1986 to 1995, he moved up his rank from a marine fourth engineer to a marine chief engineer. The last post he held in MISC is as an auditor in Ship Management Audit Department before he left the company to join Pan Pacific Hotel in 1996 which he served as building chief engineer until 1997. From 1997 to 1998, he served as a field service manager in Sapura Petroleum Services. In 1998, he joined Sapura Maritime Engineering Sdn Bhd as a base/business development manager. From 1999 to 2001, he was the managing director in Profile Budi Sdn Bhd before he left the company to join Rusli Offshore Corporation Sdn Bhd as a vice president of operations. In 2002, he re-joined MISC and served as senior superintendent liner for four (4) years. From 2007 to 2010, he served as a head of fleet in Global Carriers Berhad before he joined JRI Resources Sdn Bhd as a general manager of Operations Department from 2011 until 2012. In early 2013, he joined our Group as a Technical Manager and is mainly responsible for the entire technical operations of our vessels including deck, equipment and machinery.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Captain Nasruddin bin Abdul Mutalib, a Malaysian aged 61, is our Safety, Quality and Security Manager. He graduated in 1982 with Master Class 1 Certificate of Competency, Foreign Going in Mualim Pelayaran Besar. He started his career in 1971 at Indonesian Maritime Academy before he was promoted as a cadet on MISC vessels in 1973. From 1975 to 1984, he moved up his rank as a third officer to a senior chief officer with a Master's Certificate. From 1985 to 1988 he was appointed as a master in MISC vessels and commanded 13 MISC's ships. From 1988 to 1990 he became an operations superintendent of Liner Division which is in charge of operations and ship planning for Far East Australia services and Japan Taiwan services. From 1990 to 1995, he was in charge of the operations for Far East Europe Service Sector, Australia Service Sector and Japan Taiwan Service Sector for eleven (11) of MISC's vessels and 16 partners' vessels. From 1995 to 2000 he was promoted as an operation manager of Liner Division. Soon after that, he was again promoted as a manager action team where he is responsible for cost reduction measures of Liner Division from 2000 to 2001. From 2001 to 2002 he was appointed as a marine superintendent of the Fleet Management Division. Then, from 2002 to 2004 he was responsible for Technical Operations for three (3) Liner vessels in MISC. In 2004, he left and joined our Company as a senior manager of our Fleet Operation where he is responsible for Technical Operations of our Company's four (4) tanker vessels and LPG vessel, and thereafter in 2005 he was appointed as a company security officer as per the requirement of The International Ship and Port Security (ISPS). In 2006, he was promoted as a Safety, Quality and Security Manager and is currently responsible to carry out shipboard and safety management audits on the vessels in accordance to statutory bodies' requirements.

Captain Mohd Yusni bin Razali, a Malaysian aged 51, is our Fleet Operation Manager. He holds Certificate of Competency as Master of Foreign Going Ships issued by the Marine Department of Malaysia. He started his career in 1984 as a cadet and held various positions including, navigation officer, senior second officer and chief officer during his tenure in MISC/LNG fleet until 1995. He served in various merchant shipping companies as a chief officer and master until 1997. From 1997 to 2000, he served as a master mariner at Global Carriers Berhad. From 2000 to 2002, he served Akademi Laut Malaysia as a nautical lecturer before he joined Pelita Akedemi Sdn Bhd in 2003 as a Maritime Training & Education director. From 2004 to 2005, he was in Latihan Perikanan Laut Dalam Armada as a director of recruitment and training development. In 2005, he joined Cycle Craft Accessories (M) Sdn Bhd as a marine project manager. In the beginning of 2006, he served Global Carriers Berhad as a fleet superintendent and was promoted to a manager of Health, Safety, Security and Environmental (HSSE) in 2008. Prior to his appointment as a manager, he served as a Designated Person Ashore (DPA). In 2009, he was appointed as a senior manager of Marine Operation and HSSE. The last position he held in Global Carriers Berhad was as a senior manager, Fleet Management Division until he left the company in 2013 to join our Company as a Fleet Operation Manager. He is mainly responsible for operational performance of our Group's fleet and to ensure that our fleet complies with all relevant rules and regulations.

Farrah Radziah Binti Dato' Ir. Abdul Hak, a Malaysian aged 31, is our Commercial Manager. She graduated in 2006 with a Bachelor Degree Business & Accounting from University of Sunderland, United Kingdom. She started her career in 2006 as a stock control clerk at Walkers Pte Ltd, United Kingdom. In 2007, she joined our Company as a junior executive, operation and commercial before she continued her study for Bachelor Degree of Business & Public Relations from 2008 to 2009 in University of Sunderland, United Kingdom. In 2009, she re-joined our Company as an executive, operation & commercial. She was promoted to senior executive, manning department in 2011 and was promoted to head of manning department in 2013. She was promoted as the Commercial Manager on 1 April 2014 and is mainly responsible for the commercial aspects of our Group's fleet and management of charter parties.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

New Kok Ho, a Malaysian aged 44, is the General Manager for Johor Shipyard. He graduated from Universiti Teknologi Malaysia with a Bachelor Degree in Engineering Marine Technology (Honours) in 1994. His career started in 1994 when he joined Syarikat Ong Yoke Lin Sdn Bhd as a senior services engineer and was mainly involved in mechanical and electrical engineering as well as project management. In 2000, he left and joined Metrojaya Berhad as a property manager. In 2003, he joined Sumber Samudra Sdn Bhd as a project manager and was mainly involved in shipbuilding and ship repairs for five (5) years until 2008. In 2008, he joined Johor Shipyard as a manager and was subsequently promoted to General Manager of our shipyard on 1 April 2014. He oversees the day-to-day operations of our shipyard and is currently overseeing the construction of new vessels and our expansion of our shipyard facilities.

8.5 Involvement of our executive directors and/or key management in other businesses/corporations

As at the LPD, save as disclosed below and in **Section 8.2.3** of this Prospectus (in respect of Dato' Hak), none of our executive directors and/or key management is involved in other businesses or corporations in Malaysia, save and except for the operations of our Group:-

Name	Company	Principal Activities	Involvement in business activities performed outside our Group
Ir. Zulkifli bin Mohd Amin	• Berkat Global Sdn Bhd	• Provision of engineering works, inspection, supervision and maintenance of vessels	• Director and shareholder (Direct: 10.0%)
Farrah Radziah Binti Dato' Ir. Abdul Hak	• Dian Nusa Sdn Bhd	• Dormant	• Director and shareholder (Direct: 70.0%)

Our executive directors and key management are of the view that their involvement in the businesses and corporations in **Section 8.2.3** of this Prospectus and above does not affect their contribution to our Group.

Their involvement in the above businesses does not require a significant amount of time and as such, our executive directors and/or key management devote all their efforts to the executive functions in our Group. Their ability to act as our executive directors and/or key management of our Group is not expected to change moving forward.

In addition, Dato' Hak had on 11 November 2014 provided an undertaking that as long as he remains as a promoter, director, substantial shareholder and/or key management of the E.A. Technique Group, the companies that he is involved in (which are not part of the E.A. Technique Group) shall not directly or indirectly compete with or carry out businesses in conflict with the businesses of our Group.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**8.6 Declaration from Our Promoters, substantial shareholders, Directors and key management**

As at the LPD, save as disclosed below, none of our Promoters, substantial shareholders, Directors and key management is or has been involved in any of the following events (whether within or outside Malaysia):-

- (i) a petition under any bankruptcy or insolvency laws filed (and not struck out) against him or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) charged and/ or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) any judgment was entered against him involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- (v) being the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

8.7 Family relationships and/or associations

Save as disclosed below, there is no family relationship and/or association between any of our Promoters, substantial shareholders, Directors and key management as at the LPD:-

- (i) Datin Hamidah, one of our substantial shareholders is the wife of Dato' Hak, our substantial shareholder and Managing Director;
- (ii) Ir. Zulkifli bin Mohd Amin, who is our General Manager is the brother of Dato' Hak, our substantial shareholder and Managing Director;
- (iii) Farrah Radziah binti Dato' Ir. Abdul Hak who is our Commercial Manager is the daughter of Dato' Hak and Datin Hamidah, our substantial shareholders;
- (iv) Association with JCorp by virtue of Ahamad bin Mohamad is a senior management of JCorp;
- (v) Association with Kulim by virtue of the following:-
 - (a) Ahamad bin Mohamad, is the Managing Director of Kulim;
 - (b) Rozan bin Mohd Sa'at, is the Non-Independent Non-Executive Director of Kulim; and
 - (c) Azli bin Mohamed is the Chief Financial Officer of Kulim;
- (vi) Association with Sindora by virtue of Ahamad bin Mohamad being the Chairman of Sindora.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

8.8 Benefits paid or intended to be paid

Save for the remuneration and benefits paid to our Directors for services rendered in all capacities to our Group as set out in **Section 8.2.4** of this Prospectus there are no other amounts or benefits paid or intended to be paid or given to our Promoters, substantial shareholders and/ or Directors within the two (2) years preceding the date of this Prospectus.

8.9 Service agreements

Save as disclosed below, as at the LPD, none of our Directors and key management has any existing or proposed service agreement with our Group:-

- (i) Dato' Hak was appointed as the Managing Director of our Company on 1 January 2007 for a fixed term of three (3) years with the option of renewal by giving six (6) months prior written notice to Dato' Hak. Upon receiving the notice, Dato' Hak shall not less than one (1) month from the date of receiving the notice inform our Company of his decision whether to accept the re-engagement. His employment has been continuously extended and his current engagement term will expire on 31 December 2015. His employment as the Managing Director of our Company is subject to mutual termination provisions by giving six (6) months prior written notice;
- (ii) Captain Nasruddin bin Abdul Mutalib was appointed as the Manager, Safety, Quality and Security of our Company pursuant to a letter of employment issued by our Company on 15th December 2005. His designation was deemed effective on 3 January 2006 for a fixed term of six (6) months. His employment has been continuously extended and his current engagement term will expire on 31 December 2014. The Company reserves the right to terminate the service of Captain Nasruddin bin Abdul Mutalib in the event that Captain Nasruddin bin Abdul Mutalib does not perform as expected, with one (1) month notice; and
- (iii) Zuraimi bin Basri was re-designated as the Chief Financial Officer of our Company with effect on 1 September 2014 for a fixed term of three (3) years. Any extension or new contract thereafter shall be on mutual consent and subject to his performance and the needs of our Company. His employment is subject to mutual termination provisions by giving six (6) months prior written notice or six (6) months' salary in lieu of notice.

8.10 Employees

8.10.1 Employees

As at the LPD, our Group has a total workforce of 372 employees, of which fifteen (15) are permanent employees and 357 are *contractual employees. Malaysians accounted for approximately 83.6% of total employees while the remaining 16.4% were foreign nationals. All of our foreign employees have valid working permits.

Note:-

* We believe that it is common for our industry to have a large proportion of contractual employees, in particular for offshore and marine workers. This gives us the flexibility for crew rotation as well as to meet charter crew criteria as required by the charterer.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

The breakdown of our employees by categories as at the end of the past three (3) financial years up to the FYE 31 December 2013 and as at the LPD is set out below:-

	<-----No. of employees----->			
	As at 31 December			As at
	2011	2012	2013	the LPD
Management and professional	6	8	11	14
Offshore and marine workers				
- Crew	186	206	240	263
- Mooring crew	28	42	42	42
Technical and supervisory/quality assurance				
- Engineers	5	7	5	8
- Quality assurance	-	1	1	3
- Naval architects	-	-	1	1
Clerical and administrative	16	21	18	26
Shipyards staff				
- Skilled workers	5	7	10	9
- Unskilled workers	5	5	3	3
General workers	3	3	3	3
Total workforce	254	300	334	372

Our crew members have been on increasing trend from 186 crew members by 31 December 2011 increased to 263 crew members up to the LPD. This is in line with the significant expansion of our port marine services of which we operate 21 vessels in FPE 31 May 2014 from ten (10) vessels in FYE 31 December 2011.

Our Group's employees breakdown by companies as at the LPD are set out below:-

	<-No. of employees-> As at the LPD
E.A. Technique	352
Johor Shipyards	20
Total workforce	372

None of our employees, whether permanent or contractual, belong to any trade unions or have any labour relationship with any union, and there have been no industrial disputes since we commenced operations.

8.10.2 Training and development programmes

We recognise the importance of human resource as a central element of any successful organisation and aim to build an experienced, capable and dynamic team. Hence, we emphasise the importance of providing training and development programmes for our employees as part of our human resource development. In line with this, we conduct on-the-job training programmes for our employees aimed at improving their skills and technical knowledge.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

The key training and development programmes attended by our employees for the past three (3) years and up to the LPD are set out below:-

Month/ Year	Training and Development Programmes undertaken
January 2011	<ul style="list-style-type: none"> • General Operator Certificate • The Manila Amendments to the International Convention for the Seafarers' Training, Certificates and Watchkeeping (STCW) Convention and Code
February 2011	<ul style="list-style-type: none"> • Medical First Aid • Efficiency in Survival Craft • Advance Fire Fighting • Tanker Familiarisation • Bank Reconciliation, Petty Cash Management & Effective Receipts and Payment Control Scheme
June 2011	<ul style="list-style-type: none"> • Purchasing Skills
July 2011.	<ul style="list-style-type: none"> • Understanding And Implementing Industrial Relations Practices • Rigging & Slings • Basic Safety Training • Tanker Familiarisation
September 2011	<ul style="list-style-type: none"> • Marine Science & Technology Conference
October 2011	<ul style="list-style-type: none"> • National Seminar On Maritime Labour Convention (MLC)
January 2012	<ul style="list-style-type: none"> • ISO 9001:2008 Internal Auditor Training • Accident Investigation And Reporting Workshop • Advance PC Configuration Troubleshooting & Data Recovery • Safety And Health Committee Seminar
March 2012	<ul style="list-style-type: none"> • Rigging & Slings • ISM & ISPS Internal Auditor Training • Mastering Your Personal Effectiveness At Workplace • Successful & Effective Purchasing Negotiation
June 2012	<ul style="list-style-type: none"> • Seminar Kemahiran Pengurusan • Rigging & Slings
September 2012	<ul style="list-style-type: none"> • Human Resources Development Fund (HRDF) 2012 Conference & Exhibition
September 2012	<ul style="list-style-type: none"> • Marine Science & Technology conference
October 2012	<ul style="list-style-type: none"> • National Seminar on Maritime Labour Convention (MLC) 2006
May 2013	<ul style="list-style-type: none"> • National Maritime Conference • Maritime Labour Convention 2006
July 2013	<ul style="list-style-type: none"> • Minimum Industrial Standard ("MIS"): Basic Offshore Safety Emergency Training ("Boset") Refresher Course • MIS Boset Training
August 2013	<ul style="list-style-type: none"> • Marine Facility Security Officer Course (MFSO) • Hydrogen Sulphate 2 Safety Training • MIS Boset Training • Tripod Beta Incident Analysis & Investigation Training

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Month/ Year	Training and Development Programmes undertaken
October 2013	<ul style="list-style-type: none"> • MIS Boset Training • Effective Multi-Tasking Skills In office Administration • Master less than 500 gross tonnage in Domestic Trade Voyage
November 2013	<ul style="list-style-type: none"> • Maritime Security Risk Management • Bengkel Etika Sosial Dan Kecemerlangan Imej Organisasi • Medical First Aid
December 2013	<ul style="list-style-type: none"> • Akta Kerja 1955 Dan Peraturan-peraturan Dan Perintah • MIS Boset Training
January 2014	<ul style="list-style-type: none"> • MIS Boset Training • OHSAS ISO 01:2007 Standard Training
February 2014	<ul style="list-style-type: none"> • Permit to Work Course • GST Training
March 2014	<ul style="list-style-type: none"> • Combine ISM & ISPS Internal Auditor Course
April 2014	<ul style="list-style-type: none"> • Pan Sarawak (Pansar) – Yanmar Engine Seminar • Seminar Aspirasi Setiausaha • Maritime Labour Convention 2006
May 2014	<ul style="list-style-type: none"> • Procedure for Bunker Workshop • Class Nippon Kaiji Kyokai (NK), Damage (Hull) Course • Strategic Procurement Management and Vendor Negotiation Skills • Hydrogen Sulphide (HS2) Safety Training
June 2014	<ul style="list-style-type: none"> • Invest Malaysia Kuala Lumpur 2014 Conference • HS2 Training
September 2014	<ul style="list-style-type: none"> • Understand The Key Element Of GST And Its Mechanism • Company Security Officer • Course On Effective Occupational Safety And Health Inspection And Audit

In efforts to encourage secondary school graduates to pursue maritime careers while overcoming the shortage of crew members in the industry, we offer scholarship programmes to attend various academies/varsities in Malaysia including, amongst others, Malaysian Maritime Academy (ALAM), Politeknik Ungku Omar, Pelita Akedemi and Universiti Kuala Lumpur. Further, our programme allows us to develop and train nautical and engineer officers organically. As at the LPD, we have provided scholarships to eleven (11) students to further study in marine related studies, all of which are bonded with our Company for an average of five (5) years.

In addition, we also have 23 cadets who studied in the abovementioned academies/varsities and are currently under-going practical training on board our vessels for periods ranging from three (3) to twelve (12) months. These cadets will be offered employment opportunities with our Company, once they have obtained the relevant qualifications, subject to a bond with our Company for two (2) years.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

8.10.3 Management succession plan

Our business is organised along functional lines where department managers are responsible for the execution of their duties. Our Group practices management empowerment whereby department managers are relatively autonomous, and have significant decision making authority within their span of control and within clearly defined boundaries. As such, there is no over reliance on our Managing Director to be involved in all details and aspects of the operational and functional areas. This allows our Managing Director to focus on strategic matters and business.

Nevertheless, to ensure business continuity, our Group has put in place a management succession plan which includes:-

- (i) Identifying key competencies and requirements for managers and higher positions. Job and candidate profiles are developed for management positions in line with business goals, strategies and the culture of our Group; and
- (ii) Taking a positive approach towards addressing talent management to ensure the organisation has talent readily available from a capability perspective to undertake leadership positions throughout the organisation.

In addition, our middle management are constantly exposed to various aspects of our business activities in order to ensure that they have a full understanding of the responsibilities and the decision-making process and are equipped with the knowledge necessary for them to succeed to senior management positions.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

9. APPROVALS AND CONDITIONS

9.1 Approvals and conditions

The SC has, via its letter dated 3 September 2014, approved the IPO under the Section 214(1) of the CMSA and equity requirement for public companies ("**SC Approval Letter**"), subject to the compliance with the following conditions:-

Conditions	Status of compliance
(i) RHB Investment Bank / E.A. Technique are to fully comply with the requirements of the Equity Guidelines and Prospectus Guidelines pertaining to the implementation of the Listing;	To be complied
(ii) Two (2) additional independent directors are to be appointed, and one (1) of the independent directors is to be designated as the Senior Independent Director, prior to the submission of confirmation for registration of prospectus;	The SC has via its letter dated 14 November 2014, approved a variation to this condition. Please refer below for the details of the variation.
(iii) The building plan approval in respect of one (1) unit of 2-storey office building and one (1) unit of covered workshop in the rented shipyard in Hutan Melintang, Perak is to be obtained from Majlis Perbandaran Teluk Intan (" MPTI ") prior to the submission of confirmation for registration of prospectus;	Complied. MPTI has approved the building plan approval via its letter dated 5 November 2014.
(iv) Approval for the inclusion of the category of LPG tanker in E.A. Technique's licence issued by PETRONAS is to be obtained prior to the submission of confirmation for registration of prospectus; and	Complied. As at the LPD, our PETRONAS licence has been updated to include the category of LPG tanker.
(v) Dato' Hak is to provide an undertaking that as long as he remains as a promoter, director, substantial shareholder and/or key management of the E.A. Technique Group, the companies that he is involved in (which are not part of the E.A. Technique Group) shall not directly or indirectly compete with or carry out businesses in conflict with the businesses of the E.A. Technique Group, and such undertaking is to be disclosed in the prospectus.	Complied. Please refer to Section 8.5 of this Prospectus for the relevant disclosure.

The SC has via its letter dated 14 November 2014 approved the variation sought in relation to condition 1.2(ii) of the SC Approval Letter. The details of the variation sought and accompanying conditions imposed by the SC are as follows:-

Details of variation sought	Condition imposed	Status of compliance
Revision to the condition of approval for the proposed listing of E.A. Technique where, in lieu of the appointment of two (2) additional independent directors as imposed by the SC, E.A. Technique would instead replace one (1) of the existing non-independent non-executive directors with the appointment of one (1) new independent director.	nil	Complied

In addition, the SC has, via its letter dated 14 November 2014 approved the waiver sought by us from having to comply with Paragraph 13.10 of Part I of the Prospectus Guidelines. The details of the waiver sought and the corresponding condition imposed by the SC is as follows:-

9. APPROVALS AND CONDITIONS (Cont'd)

Details of waiver sought	Condition imposed	Status of compliance
Waiver from having to include the audit report in respect of the applicable audited financial statements in the Accountants' Report.	Approved, subject to the inclusion / disclosure in the Accountants' Report of the auditors' opinion on the audited financial statements for the financial years under review.	Complied

Bursa Securities has, via its letter dated 15 October 2014, approved the admission of our Company to the Official List of the Main Market of Bursa Securities and the Listing on the Main Market of Bursa Securities.

The MITI has, via its letter dated 5 November 2014, stated that it has no objection to our IPO.

9.2 Moratorium on our Shares

In accordance with the Equity Guidelines, our Promoters will not be allowed, and have undertaken not to sell, transfer or assign their entire shareholdings in our Company, as disclosed below, for a period of six (6) months from the date of Listing.

Promoters	Direct	
	No. of Shares to be held under the moratorium	%
Kulim	-	-
Sindora	255,000,000	50.6
Dato' Hak	90,900,000	18.0
Datin Hamidah	29,100,000	5.8

In accordance with the Equity Guidelines, the direct shareholder of Sindora, namely Kulim have undertaken not to sell, transfer or assign their entire respective shareholdings in Sindora as at the date of Listing, for a period of six (6) months from the date of Listing.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST**10.1 Related party transactions and conflict of interest**

Save as disclosed below, there are no other related party transactions, existing or proposed, entered or to be entered into by our Group which involves the interest, direct or indirect, of our Directors and substantial shareholders, and/or persons connected with them for the past three (3) FYE 31 December 2011, 2012 and 2013 as well as the five (5)-month FPE 31 May 2014:-

10.1.1 Recurrent related party transactions

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Actual Transaction Value			FPE 31	Estimated
				<-----FYE 31 December-----> 2011	2012	2013	May 2014	FYE 31 December 2015
				RM	RM	RM	RM	RM
<u>E.A. Technique Group with JCorp Group</u>								
E.A. Technique Group	Pro Corporate Management Services Sdn Bhd ("PCMSB")	PCMSB is a subsidiary of JCorp JCorp is our major shareholder through its substantial interest in Kulim.	• Provide secretarial services and share registrars services to our Group	11,593	11,980	17,763	6,910	50,000
		Kulim is our major shareholder through its interest in Sindora.						
E.A. Technique Group	Tiram Travel Sdn Bhd ("Tiram")	Tiram is a subsidiary of JCorp. JCorp is our major shareholder through its substantial interest in Kulim.	• Provides airline tickets reservations services to our Group	322,242	163,697	133,132	115,385	250,000
		Kulim is our major shareholder through its interest in Sindora.						

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Actual Transaction Value			FPE 31 May 2014	Estimated FYE 31 December 2015
				<-----FYE 31 December-----> 2011	2012	2013		
				RM	RM	RM	RM	RM
E.A. Technique	EPASA Shipping Agency Sdn Bhd ("EPASA")	EPASA is a subsidiary of Sindora, a related company of JCorp. JCorp is our major shareholder through its substantial interest in Kulim.	<ul style="list-style-type: none"> Provision of agency services forwarding agents for port clearance with statutory body i.e. custom immigration and marine department) for our vessels 	63,518	323,858	498,669	136,474	550,000
<u>E.A. Technique Group with Dato' Hak and his related parties</u>								
E.A. Technique	Datin Hamidah	Datin Hamidah is our Promoter and major shareholder.	<ul style="list-style-type: none"> Rental of two (2) apartments for our Company's seafarers 	48,000	58,000	60,000	20,000	72,000
E.A. Technique Group	Berkat Sdn Bhd ("Berkat")*	Datin Hamidah is the spouse of Dato' Hak, our Managing Director and major shareholder. Berkat is a company 90% owned by Dato' Hak and 10% owned by Ir. Zulkifli Mohd Amin. Dato Hak is our Managing Director and major shareholder. Ir. Zulkifli Mohd Amin is our General Manager.	<ul style="list-style-type: none"> Provision of project-related advisory services by Berkat to our Group such as marine consultancy and ship design 	249,110	361,114	259,878	187,880	450,000

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

Note:-

* *Berkat is a company registered with the Board of Engineers, Ministry of Finance and PETRONAS as a qualified licenced engineer to provide ship design and marine consultancy. The firm is independently operated with a pool of engineers providing specialised engineering services, comprising amongst others, ship design, ship survey, third party inspection for ship construction, on hire/off hire survey, sea fastening survey for offshore structures, load out survey, and marine towing survey. Berkat also has a partnership with London Offshore Consultants (LOC), a marine consultancy company with head office in London, in providing marine consultancy services to major oil companies in Malaysia and also the region. Save for Dato' Hak and Ir. Zulkifli Mohd Amin, the employees of our Group do not possess the above skills and does not provide these services. Hence, we engaged Berkat for their specialised services, which are necessary for our Group's operations based on normal commercial terms that are not more favourable than third party service providers. Further, to use Berkat for any one of the services mentioned above is not only cost effective but also assurance of deliverables (quality and time).*

10.1.2 Non-recurrent related party transactions

There are no material non-recurrent related party transactions, existing or proposed, entered or to be entered into by our Group which involves the interest, direct or indirect, of our Directors and substantial shareholders, and/or persons connected with them for the past three (3) FYE 31 December 2011, 2012 and 2013 as well as the five (5)-month FPE 31 May 2014.

Our Directors are of the opinion that all the above transactions were carried out on an arm's length basis, on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not to the detriment to our minority shareholders.

In addition, to safeguard the interest of our Group and our minority shareholders, and to mitigate any potential conflict of interest situation, our Audit Committee will, amongst others, review the terms of all related party transactions (if any), and report to our Board for further action. When necessary, our Board will make appropriate disclosures in our annual report with regard to any related party transaction entered into by us. In the event that there are any proposed related party transactions that involve the interest, direct or indirect, of our Directors, the interested Director(s) shall disclose his interest to our Board, of the nature and extent of his interest including all matters in relation to the proposed related party transactions that he is aware or should reasonably be aware of, which is not in our best interest. The interested Director(s) shall also abstain from any Board deliberation and voting on the relevant resolution(s) in respect of such proposed related party transactions.

In the event that there are any proposed related party transactions that require the prior approval of our shareholders, the Directors, substantial shareholders and/or persons connected with a Director or substantial shareholder, which have any interest, direct or indirect, in the proposed related party transactions will also abstain from voting in respect of his direct and/or indirect shareholdings. Such interested Director and/or substantial shareholders will also undertake to ensure that the person connected with him will abstain from voting on the resolution approving the proposed related party transaction at the general meeting.

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)**10.2 Transactions that are unusual in their nature or conditions**

Our Directors have confirmed that there are no transactions that are unusual in nature or conditions, involving goods, services, tangible or intangible assets, to which our Company and/or our subsidiary company was a party for the past three (3) FYE 31 December 2011, 2012 and 2013 as well as the five (5)-month FPE 31 May 2014.

10.3 Outstanding loans (including guarantees of any kind)

Our Directors have confirmed that there are no outstanding loans (including guarantees of any kind) that have been granted by our Company and/or our parent or subsidiary company to or for the benefits of the related parties for the past three (3) financial years up to the FYE 31 December 2011, 2012 and 2013 as well as the five (5)-month FPE 31 May 2014.

Transacting Parties	Nature of relationship	Actual Value			
		FYE 31 December			FPE 31 May
		2011	2012	2013	2014
		RM	RM	RM	RM

Advance extended to:-

Marginal Field	Marginal Field is 51% owned by *Dato' Hak, who is our managing director and major shareholder	-	-	1,482,900	-
----------------	---	---	---	-----------	---

Note:-

* Dato' Hak became a shareholder and director of Marginal Field on 16 December 2013 and 12 February 2014, respectively.

The advance due from the related party were charged with interest rate of 8% per annum, but unsecured and have no fixed term of repayment. As at the date of this Prospectus, the above advance together with the interest charged have been fully settled.

Our Group does not expect to enter into any future transactions of the above nature after our admission to the Official List of Bursa Securities, and in the event we do so, such transactions would be conducted in accordance with the procedures required by the relevant authorities.

10.4 Interest in similar businesses and in businesses of our customers or suppliers

As at the LPD, none of our Directors or substantial shareholders has any interest, direct or indirect, in other businesses and corporations carrying on a similar trade as our Group.

Save as disclosed below, as at the LPD, none of our Directors or substantial shareholders has any interest, direct or indirect, in any other businesses and corporations which are the customers or suppliers of our Group:-

Name	Business/Corporations	Nature of interest	Direct interest	Indirect interest
			%	%
Datuk Anuar bin Ahmad	Our customer: • PETRONAS Dagangan	Director	-	-

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

The interest of Datuk Anuar bin Ahmad in PETRONAS Dagangan is mitigated by the fact that he is a non-executive director in PETRONAS Dagangan as well as an independent non-executive director of E.A. Technique. Hence, he is not actively involved in the management and day-to-day operations of both PETRONAS Dagangan and our Group.

10.5 Declaration by Advisers for our IPO
(i) Principal Adviser, Underwriter and Placement Agent

Save as disclosed below, RHB Investment Bank confirms that as at the LPD, there are no equity and/or financial relationships with our Group, other than RHB Capital Berhad ("**RHB Cap**") and/or its related companies ("**RHB Banking Group**") having extended various credit facilities with a combined limit of up to an aggregate amount of approximately RM423.2 million to our Group. These credit facilities are in RHB Banking Group's ordinary course of business.

In addition, we wish to highlight that part of the IPO proceeds will be utilised for repayment of bank borrowings. In particular, approximately RM7.2 million has been earmarked for repayment of our existing facilities to RHB Banking Group as disclosed under **Section 3.9** of this Prospectus.

RHB Investment Bank has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Principal Adviser to our Group for the IPO on the basis that:-

- (a) RHB Banking Group's existing exposure to our Group of approximately RM423.2 million, only represents approximately 0.3% of RHB Cap's audited consolidated gross loan, advances and financing of approximately RM121,752.9 million as at 31 December 2013;
- (b) RHB Investment Bank is a licensed investment bank and its appointment as Principal Adviser, Underwriter and Placement Agent for the IPO, is in the ordinary course of its business; and
- (c) The conduct of RHB Banking Group's business is regulated by the Financial Services Act, 2013 and RHB Banking Group's own internal controls and checks.

(ii) Due Diligence Solicitors

Messrs Kadir Andri & Partners has given its confirmation that there is no existing or potential conflict of interest in its capacity as the Due Diligence Solicitors for our IPO.

(iii) Auditors and Reporting Accountants

Messrs Ernst & Young has given its confirmation that there is no existing or potential conflict of interest in its capacity as the auditors and the Reporting Accountants for our IPO.

(iv) Independent Market Researcher

Vital Factor has given its confirmation that there is no existing or potential conflict of interest in its capacity as the Independent Market Researcher for our IPO.

11. FINANCIAL INFORMATION

11.1 Historical financial information

The following table sets out our selected historical audited consolidated financial information for the three (3) FYE 31 December 2011, 2012 and 2013 as well as for the five (5)-month FPE 31 May 2014 and unaudited consolidated financial information for the five (5)-month FPE 31 May 2013. Our audited consolidated financial statements are prepared in accordance with Malaysian FRS and International FRS.

The following selected historical audited consolidated financial information should be read in conjunction with the "Management's Discussion and Analysis of the Financial Condition, Results of Operations and Prospects" in **Section 11.3** of this Prospectus and the Accountants' Report in **Section 12** of this Prospectus.

	Audited			Unaudited	Audited
	FYE 31 December			Five (5)-month FPE 31 May	
	[^] 2011	[^] 2012	2013	2013	2014
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	96,063	102,724	121,118	43,046	62,813
Cost of services	(71,875)	(65,613)	(80,549)	(28,103)	(45,114)
GP	24,188	37,111	40,569	14,943	17,699
Other operating income	3,210	2,187	41,155	37,621	1,502
Administrative expenses	(6,588)	(6,638)	(12,849)	(5,037)	(6,693)
Results from operating activities	20,810	32,660	68,875	47,527	12,508
Finance income	245	315	2,087	478	924
Finance costs	(12,585)	(13,755)	(14,541)	(6,081)	(5,920)
Net finance costs	8,470	19,220	56,421	41,924	7,512
Share of profit from associate, net of tax	3,646	5,045	2,947	2,947	-
PBT	12,116	24,265	59,368	44,871	7,512
Tax expense	(3,464)	(5,357)	(2,465)	(193)	(2,252)
PAT	8,652	18,908	56,903	44,678	5,260
EBITDA ⁽¹⁾ (RM'000)	39,923	53,614	52,428	17,980	22,359
GP margin ⁽²⁾ (%)	25.2	36.1	33.5	34.7	28.2
PBT margin ⁽³⁾ (%)	12.6	23.6	⁽⁷⁾ 18.1	⁽⁷⁾ 17.2	12.0
PAT margin ⁽⁴⁾ (%)	9.0	18.4	⁽⁷⁾ 16.1	⁽⁷⁾ 16.8	8.4
No. of shares in issue ⁽⁵⁾ ('000)	390,000	390,000	390,000	390,000	390,000
Net EPS ⁽⁶⁾ (sen)	2.2	4.8	⁽⁷⁾ 5.0	⁽⁷⁾ 1.9	1.3
Diluted EPS ⁽⁶⁾ (sen)	-	-	-	-	-

11. FINANCIAL INFORMATION (Cont'd)

	Audited			Unaudited	Audited
	FYE 31 December			Five (5)-month FPE 31 May	
	[^] 2011	[^] 2012	2013	2013	2014
	RM'000	RM'000	RM'000	RM'000	RM'000
Adjusted profit excluding contribution from Orkim					
Adjusted PBT (RM'000)	8,470	19,220	⁽⁷⁾ 18,966	⁽⁷⁾ 4,469	7,512
Adjusted PAT (RM'000)	5,006	13,863	⁽⁷⁾ 16,501	⁽⁷⁾ 4,276	5,260
Adjusted PBT margin (%)	8.8	18.7	⁽⁷⁾ 15.7	⁽⁷⁾ 10.4	12.0
Adjusted PAT margin (%)	5.2	13.5	⁽⁷⁾ 13.6	⁽⁷⁾ 9.9	8.4
Adjusted EPS (sen)	1.3	3.6	⁽⁷⁾ 4.2	⁽⁷⁾ 1.1	1.3

Notes:-

- (1) EBITDA represents earnings before net finance cost, taxation and depreciation. We have also excluded share of profit from associate for the financial periods under review as well as gain on disposal of an associate for the FYE 31 December 2013 and the five (5)-month FPE 31 May 2013. The table below sets forth a reconciliation of our PBT to EBITDA:-

	Audited			Unaudited	Audited
	FYE 31 December			Five (5)-month FPE 31 May	
	2011	2012	2013	2013	2014
	RM'000	RM'000	RM'000	RM'000	RM'000
PBT	12,116	24,265	59,368	44,871	7,512
Adjusted for:-					
Finance costs	12,585	13,755	14,541	6,081	5,920
Finance income	(245)	(315)	(2,087)	(478)	(924)
Depreciation	19,113	20,954	21,008	7,908	9,851
Share of profit from associate	(3,646)	(5,045)	(2,947)	(2,947)	-
Gain on disposal of an associate	-	-	(37,455)	(37,455)	-
EBITDA	39,923	53,614	52,428	17,980	22,359

- (2) Computed based on the GP over total revenue of our Group.
- (3) Computed based on the PBT over total revenue of our Group.
- (4) Computed based on the PAT over total revenue of our Group.
- (5) Based on our issued and paid-up share capital prior to the Listing.
- (6) Computed based on PAT of our Group divided by 390.0 million Shares, being the number of Shares in issue prior to Listing.
- (7) Gain on the disposal of an associate amounting to approximately RM37.5 million was excluded.
- (8) As at 31 May 2014, there are no potential dilutive instruments issued or to be issued.
- [^] FYE 31 December 2011 and FYE 31 December 2012 figures have been restated due to reclassification of figures between cost of services and administrative expenses as stated in the Accountants' Report.

11. FINANCIAL INFORMATION

11.2 Reporting Accountants' letter on the proforma consolidated statement of financial position



Ernst & Young AF: 0039
Chartered Accountants
Level 23A Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
50490 Kuala Lumpur Malaysia

Tel: +603 7495 8000
Fax: +603 2095 5332 (General line)
+603 2095 9076
+603 2095 9078
ey.com

REPORTING ACCOUNTANTS' LETTER ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION TO BE INCLUDED IN A PROSPECTUS

(Prepared for inclusion in the Prospectus)

7 November 2014

The Board of Directors
E.A. Technique (M) Berhad
Level 11
Menara KOMTAR
Johor Bahru City Centre
80000 Johor Bahru
Johor

Dear Sirs

PRO FORMA FINANCIAL INFORMATION INITIAL PUBLIC OFFERING AND LISTING OF AND QUOTATION FOR THE ENTIRE E.A. TECHNIQUE (M) BERHAD'S SHARE ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("IPO AND LISTING")

We have completed our assurance engagement to report on the compilation of pro forma financial information of E.A. Technique (M) Berhad (the "Company") and its subsidiary ("Group") prepared by the Directors of the Company. The pro forma financial information consists of the pro forma consolidated statements of financial position as at 31 May 2014 and the related notes as set out in Appendix of Section 11.2 of the Prospectus issued by the Company ("Prospectus").

The pro forma consolidated financial statements of financial position are compiled by the Directors of the Company based on the applicable criteria as specified in the Prospectus Guidelines issued by Securities Commission Malaysia and the related notes as set out in Appendix of this letter which is included in Section 11.2 of the Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the event or transaction, set out in Note 3 of Section 11.2 of the Prospectus, on the Group's financial position as at 31 May 2014 as if the event or transaction had taken place at 31 May 2014. As part of this process, information about the financial position has been extracted by the Directors from the relevant financial statements for the financial period ended 31 May 2014, on which an audit report has been published.

The Directors' Responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria.

11. FINANCIAL INFORMATION (Cont'd)

**Our responsibilities**

Our responsibility is to express an opinion, as required by the Securities Commission Malaysia, about whether the pro forma financial information has been compiled, in all material respects, by the Directors on the basis of the applicable criteria.

We conducted our engagement in accordance with the Malaysian Approved 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 financial information on the basis of the applicable criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any report or opinion on any historical financial information used in compiling the pro forma 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 financial information.

The purpose of pro forma 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.

A reasonable assurance engagement to report on whether the pro forma 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 pro forma 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 financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgment, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

11. FINANCIAL INFORMATION (Cont'd)




Opinion

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria set out in Note 2 of Section 11.2 of the Prospectus.


Other matters

This letter is issued for the sole purpose of complying with the Prospectus Guidelines issued by the Securities Commission Malaysia in connection with the IPO and Listing. Our work had been carried out in accordance with Malaysian Approved Standards on Assurance Engagements and accordingly should not be relied upon as if it had been carried out in accordance with standards and practices in other jurisdictions. Therefore, this letter is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the IPO and Listing described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this letter in connection with any type of transaction, including the sale of securities other than the IPO and Listing.

Yours faithfully

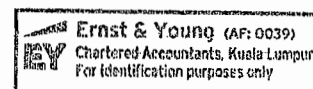


Ernst & Young
AF: 0039/
Chartered Accountants



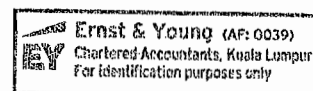
Sundralingam A/L Navaratnam
2984/05/16(J)
Chartered Accountant

E.A. TECHNIQUE (M) BERHAD
NOTES TO THE PRO FORMA FINANCIAL INFORMATION

APPENDIX**1. Abbreviations**

Unless the context otherwise requires or the term is defined otherwise, the following abbreviation terms shall bear the same meaning as set out below:

Bursa Securities	Bursa Malaysia Securities Berhad
E.A. Technique or Company	E.A. Technique (M) Berhad
E.A. Technique Group or Group	Collectively, E.A. Technique and its subsidiary
E.A. Technique Shares or Shares	Ordinary shares of E.A. Technique of RM0.25 each
IPO	Collectively, initial public offering comprising the Offer for Sale and Public Issue
IPO Shares	Collectively, the Issue Shares and the Offer Shares
Issue Price or IPO Price	The issue price of RM0.65 per Issue Share/Offer Share
Issue Shares	New E.A. Technique Shares to be issued at the Issue Price pursuant to the Public Issue
Listing	Listing of and quotation for the entire enlarged issued and paid-up share capital of E.A. Technique on the Main Market of Bursa Securities
Malaysian Public	Citizens of Malaysia, companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
Offer Shares	Existing E.A. Technique shares to be offered pursuant to the Offer for Sale
Offer for Sale	Offer for sale of 15,000,000 Offer Shares by the Selling Shareholders to investors to be identified at a later stage at the Issue Price
Public Issue	Public issue of 114,000,000 Issue Shares by E.A. Technique at the IPO Price
Selling Shareholders	Dato' Ir. Abdul Hak bin Md Amin and Datin Hamidah binti Omar

11. FINANCIAL INFORMATION (Cont'd)**E.A. TECHNIQUE (M) BERHAD
NOTES TO THE PRO FORMA FINANCIAL INFORMATION****APPENDIX****2. Basis of preparation**

The pro forma consolidated statement of financial position of E.A. Technique as at 31 May 2014, for which the directors of E.A. Technique are solely responsible, has been prepared for illustrative purpose only to show the effect of the transactions as described in Section 3 of this Appendix had the transactions been implemented and completed on 31 May 2014, with the exception of the Offer for Sale as described in Section 3(ii) that does not have any effect on the financial statements of E.A. Technique Group.

The pro forma consolidated statement of financial position of E.A. Technique has been properly compiled using the audited consolidated financial statements of E.A. Technique as at 31 May 2014 which were prepared in accordance with Malaysian Financial Reporting Standards and in a manner consistent with both the format of the financial statements and accounting policies adopted by the Group.

This pro forma consolidated statement of financial position of E.A. Technique and the notes to the pro forma statement of financial position as at 31 May 2014 was adopted and approved by the Board of Directors on 7 November 2014.

3. Listing scheme

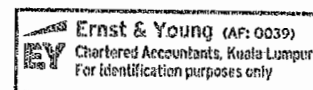
In conjunction with and as an integral part of the listing of and quotation for the entire issued and paid-up share capital of E.A. Technique on the Main Market of Bursa Securities, the Company will undertake the following exercises:

(i) Public Issue

The Company to issue 114,000,000 Issue Shares, representing 22.6% of the enlarged issued and paid-up share capital of E.A. Technique at the IPO price to be allocated in the following manner:

- (a) 25,200,000 Issue Shares will be made available for application by the Malaysian Public, to be allocated via ballot;
- (b) 78,800,000 Issue Shares will be made available to Malaysian institutional and selected investors by way of private placement; and
- (c) 10,000,000 Issue Shares will be made available to the eligible Directors and employees of the Group.

11. FINANCIAL INFORMATION (Cont'd)

**E.A. TECHNIQUE (M) BERHAD
NOTES TO THE PRO FORMA FINANCIAL INFORMATION****APPENDIX****3. The Proposal (cont'd.)****(i) Public Issue (cont'd.)**

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

Upon completion of the Public Issue, the issued and paid-up share capital will increase from RM97,500,000 comprising 390,000,000 Shares to RM126,000,000 comprising 504,000,000 Shares.

(ii) Offer for Sale

Concurrent with the Public Issue, the Selling Shareholders will undertake an offer for sale of 15,000,000 Shares at the IPO Price to selected investors. The Offer Shares represent approximately 3.0% of the enlarged issued and paid-up share capital of E.A. Technique.

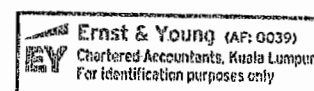
(iii) Listing

Upon completion of the Public Issue and Offer for Sale, the Company will seek the listing of its entire issued and paid-up share capital of RM126,000,000 comprising 504,000,000 Shares on the Main Market of Bursa Securities.

11. FINANCIAL INFORMATION (Cont'd)

E.A. TECHNIQUE (M) BERHAD
NOTES TO THE PRO FORMA FINANCIAL INFORMATION

APPENDIX



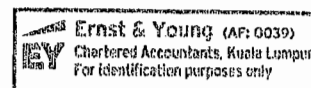
4. Pro forma consolidated statement of financial position as at 31 May 2014

E.A. Technique Group:	Audited 31.5.2014 RM	Adjustment I RM	Adjustment II RM	Pro forma 31.5.2014 RM
Assets				
Non-current assets				
Property, plant and equipment	461,403,662	-	29,200,000	490,603,662
Trade receivables	3,758,058	-	-	3,758,058
	<u>465,161,720</u>			<u>494,361,720</u>
Current assets				
Trade and other receivables	35,337,877	-	(303,000)	35,034,877
Cash and cash equivalents	15,890,622	74,100,000	(62,622,000)	27,368,622
	<u>51,228,499</u>			<u>62,403,499</u>
Total assets	<u>516,390,219</u>			<u>556,765,219</u>
Equity and liabilities				
Equity attributable to owners of the parent				
Share capital	97,500,000	28,500,000	-	126,000,000
Share premium	-	45,600,000	(2,500,000)	43,100,000
Retained profits	91,793,017	-	(1,225,000)	90,568,017
Total equity	<u>189,293,017</u>			<u>259,668,017</u>
Non-current liabilities				
Loans and borrowings	244,105,937	-	(18,956,000)	225,149,937
Deferred tax liabilities	13,487,917	-	-	13,487,917
	<u>257,593,854</u>			<u>238,637,854</u>

11. FINANCIAL INFORMATION (Cont'd)

E.A. TECHNIQUE (M) BERHAD
NOTES TO THE PRO FORMA FINANCIAL INFORMATION

APPENDIX



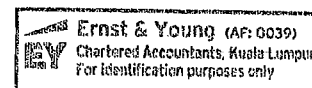
4. Pro forma consolidated statement of financial position as at 31 May 2014 (cont'd.)

E.A. Technique Group:	Audited 31.5.2014 RM	Adjustment I RM	Adjustment II RM	Pro forma 31.5.2014 RM
Current liabilities				
Trade and other payables	23,252,800	-	-	23,252,800
Loans and borrowings	44,355,124	-	(11,044,000)	33,311,124
Tax payable	1,895,424	-	-	1,895,424
	<u>69,503,348</u>			<u>58,459,348</u>
Total liabilities	<u>327,097,202</u>			<u>297,097,202</u>
Net equity and liabilities	<u>516,390,219</u>			<u>556,765,219</u>
Number of ordinary shares in issue	390,000,000	114,000,000	-	504,000,000
Net assets per ordinary share (RM)	0.49			0.52

11. FINANCIAL INFORMATION (Cont'd)

E.A. TECHNIQUE (M) BERHAD
NOTES TO THE PRO FORMA FINANCIAL INFORMATION

APPENDIX



5. Effects on pro forma consolidated statement of financial position

The pro forma illustrates the effects arising from Public Issue and Listing (Adjustment I), and the proposed utilisation of the estimated proceeds from the Public Issue (Adjustment II).

For the purposes of Adjustment I, the Issue Price is RM0.65 per share.

The proceeds from the Public Issue of RM74,100,000 are expected to be utilised as follows:

	Note	RM
Repayment of bank borrowings	(a)	30,000,000
Capital expenditure	(b)	29,200,000
Working capital		11,478,000
Estimated expenses relating to Public Issue and Listing	(c)	3,422,000
		74,100,000

- (a) Management intends to utilise part of the proceeds from the Public Issue to early settle certain bank borrowings.
- (b) Relates to part finance the refurbishment cost to convert one (1) unit of 47,172 DWT oil tanker into a floating storage and offloading vessel, and the expansion of the Group's existing shipbuilding facilities.
- (c) The estimated expenses totaling RM5,000,000 to be borne by E.A. Technique comprise brokerage, underwriting and placement fees, professional fees and miscellaneous expenses.

RM2,500,000 will be written off against the share premium account pursuant to Section 60 of the Act. The remaining estimated listing expenses of RM2,500,000 will be recognised in statement of comprehensive income.

As at 31 May 2014, the expenses incurred by the Company totalling RM1,578,000 where:

- (i) approximately RM303,000 was accounted for as prepayment and available for set off against the share premium upon Public Issue, and
- (ii) approximately RM1,275,000 was recognised in profit or loss as at 31 May 2014.

The Selling Shareholders will bear their own professional fees and miscellaneous expenses in respect of the Offer for Sale.

11. FINANCIAL INFORMATION (Cont'd)

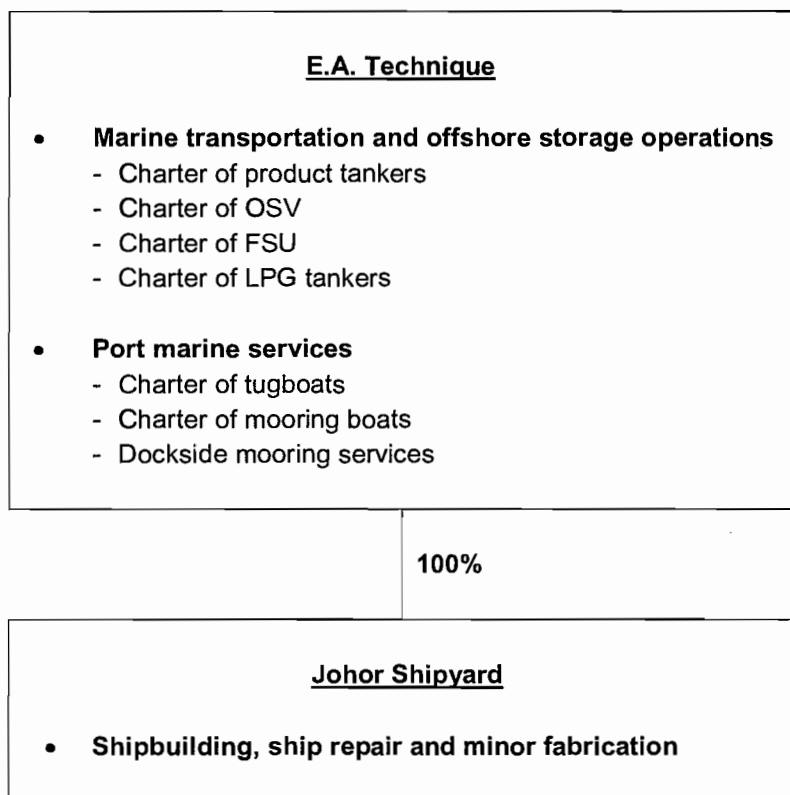
11.3 Management's discussion and analysis of financial condition as well as results of operations

The following discussion and analysis should be read in conjunction with the selected historical audited consolidated financial information presented in **Section 11.1** of this Prospectus, as well as the Accountants' Report included in **Section 12** of this Prospectus.

This discussion and analysis contains forward-looking statements that reflect our current views with respect to future events and our financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those set forth under Risk Factors as set out in **Section 4** of this Prospectus.

11.3.1 Overview

We are principally an owner and operator of marine vessels focused on marine transportation and offshore storage of O&G, provision of port marine services, as well as shipbuilding, ship repair and minor fabrication as illustrated below:-



Please refer to **Section 6** of this Prospectus for our Group's detailed business overview.

11. FINANCIAL INFORMATION (Cont'd)**11.3.2 Components of results of operations**

The components of our results of operations are as follows:-

(i) Revenue

Our revenue is derived from two (2) entities. The following table sets out our revenue by entities within our Group:-

	Audited FYE 31 December					
	2011		2012		2013	
	RM'000	%	RM'000	%	RM'000	%
E.A. Technique	96,063	100.0	102,724	100.0	116,890	96.5
Johor Shipyard	47,129	49.1	18,055	17.6	20,485	16.9
	<u>143,192</u>	<u>149.1</u>	<u>120,779</u>	<u>117.6</u>	<u>137,375</u>	<u>113.4</u>
Less: Consolidation eliminations ⁽ⁱ⁾	(47,129)	(49.1)	(18,055)	(17.6)	(16,257)	(13.4)
Total revenue	<u>96,063</u>	<u>100.0</u>	<u>102,724</u>	<u>100.0</u>	<u>121,118</u>	<u>100.0</u>

	Unaudited		Audited	
	Five (5)-month FPE 31 May			
	2013		2014	
	RM'000	%	RM'000	%
E.A. Technique	38,818	90.2	62,813	100.0
Johor Shipyard	4,228	9.8	40,315	64.2
	<u>43,046</u>	<u>100.0</u>	<u>103,128</u>	<u>164.2</u>
Less: Consolidation eliminations ⁽ⁱ⁾	-	-	(40,315)	(64.2)
Total revenue	<u>43,046</u>	<u>100.0</u>	<u>62,813</u>	<u>100.0</u>

Note:-

(i) Consolidation eliminations are to eliminate revenue derived from shipbuilding activities performed by Johor Shipyard for E.A. Technique.

Revenue derived from E.A. Technique is primarily generated from the chartering of vessels. The revenue recognised from the charter contracts comprises of DCR which include the provision of vessels and supply of crew as well as other specific services provided, where applicable.

11. FINANCIAL INFORMATION (Cont'd)

The following table sets forth the composition of our fleet operations for the financial periods under review:-

Vessel Type	No. of vessels							
	31 December 2011		31 December 2012		31 December 2013		31 May 2014	
	Own vessels	Third-party vessels	Own vessels	Third-party vessels	Own vessels	Third-party vessels	Own vessels	Third-party vessels
<u>Marine transportation and offshore storage operations</u>								
Product tankers	7	-	7	-	6	-	6	-
OSV - Fast crew boats	2	1	2	-	2	-	2	-
FSU	-	-	-	-	1	-	1	-
LPG tankers	-	-	-	-	-	1	-	2
<u>Port marine services</u>								
Tugboats	2	4	5	6	7	9	9	7
Mooring boats	4	-	4	-	5	-	5	-
Total	15	5	18	6	21	10	23	9

Our shipbuilding, ship repair and minor fabrication activities are performed by our wholly-owned subsidiary, Johor Shipyard. Our shipbuilding and ship repair activities serve as an internal supporting arm to our marine vessels operations. As at the LPD, Johor Shipyard has completed the construction of seven (7) vessels, all of which are operated by us.

Our customers are primarily Malaysian companies as indicated in the table below. In the FYE 31 December 2012, we chartered M.T. Nautica Muar, our product tanker to a company registered in Singapore for less than a year.

	Audited FYE 31 December					
	2011		2012		2013	
	RM'000	%	RM'000	%	RM'000	%
Malaysia	96,063	100.0	99,432	96.8	121,118	100.0
Singapore	-	-	3,292	3.2	-	-
Total revenue	96,063	100.0	102,724	100.0	121,118	100.0
	Unaudited				Audited	
	Five (5)-month FPE 31 May					
	2013		2014			
	RM'000	%	RM'000	%		
Malaysia	43,046	100.0	62,813	100.0		
Singapore	-	-	-	-		
Total revenue	43,046	100.0	62,813	100.0		

11. FINANCIAL INFORMATION (Cont'd)

Further, the breakdown of our revenue based on our business segments is set out as follows:-

	Audited FYE 31 December					
	2011		2012		2013	
	RM'000	%	RM'000	%	RM'000	%
<u>E.A. Technique</u>						
Marine transportation and offshore storage operations	71,366	74.3	71,930	70.0	71,816	59.3
Port marine services	24,697	25.7	30,794	30.0	45,074	37.2
<u>Johor Shipyard</u>						
Minor fabrication	-	-	-	-	4,228	3.5
Total revenue	96,063	100.0	102,724	100.0	121,118	100.0

	Unaudited		Audited	
	Five (5)-month FPE 31 May			
	2013		2014	
	RM'000	%	RM'000	%
<u>E.A. Technique</u>				
Marine transportation and offshore storage operations	24,425	56.8	37,378	59.5
Port marine services	14,393	33.4	25,435	40.5
<u>Johor Shipyard</u>				
Minor fabrication	4,228	9.8	-	-
Total revenue	43,046	100.0	62,813	100.0

Marine transportation and offshore storage operations

Our marine transportation and offshore storage operations segment is the largest component of our total revenue, recognised when goods are delivered and accepted by customers or when services are rendered. For the FYE 31 December 2011, 2012 and 2013 as well as for the five (5)-month FPE 31 May 2014, revenue generated from our marine transportation and offshore storage operations accounted for 74.3%, 70.0%, 59.3% and 59.5% of our Group's total revenue, respectively.

While the revenue in absolute terms remained constant from FYE 31 December 2011 to FYE 31 December 2013, the percentage contribution to the total revenue for the periods indicated continuously declined due to greater revenue contribution from our port marine services. For the five (5)-month FPE 31 May 2014, revenue in absolute terms increased by 45.9% when compared to the five (5)-month FPE 31 May 2013. Despite the increase in revenue for marine transportation and offshore storage operations by 45.9%, the percentage contribution of this business segment to the total revenue only increased marginally from 56.8% to 59.5% representing an increase of only 2.7%. This is mainly due to greater revenue contribution from our port marine services for the five (5)-month FPE 31 May 2014.

11. FINANCIAL INFORMATION (Cont'd)

As at 31 December 2011 we operated ten (10) vessels and our fleet increased to 21 vessels as at 31 December 2013, which resulted in the increase of the revenue contribution from our port marine services by 82.5% or RM20.4 million from RM24.7 million in FYE 31 December 2011 to RM45.1 million for the FYE 31 December 2013. As at the five (5)-month FPE 31 May 2014, we operate 21 vessels pursuant to our port marine services and recorded a revenue of RM25.4 million. Revenue from our port marine services is recognised when services are rendered.

The following table sets forth the components of our revenue from port marine services:-

	Audited FYE 31 December					
	2011		2012		2013	
	RM'000	%	RM'000	%	RM'000	%
Charter of tugboats	20,679	83.7	26,634	86.5	40,633	90.2
Charter of mooring boats	3,197	13.0	3,299	10.7	3,385	7.5
Dockside mooring services	821	3.3	861	2.8	1,056	2.3
Total revenue from port marine services	24,697	100.0	30,794	100.0	45,074	100.0
	Unaudited				Audited	
	Five (5)-month FPE 31 May					
	2013		2014		2014	
	RM'000	%	RM'000	%	RM'000	%
Charter of tugboats			12,518	87.0	23,129	90.9
Charter of mooring boats			1,497	10.4	1,716	6.8
Dockside mooring services			378	2.6	590	2.3
Total revenue from port marine services			14,393	100.0	25,435	100.0

Our revenue from port marine services is mainly generated from the charter of tugboats which include our harbour tugboats and utility tugboats. The tugboats services O&G ports as well as bulk and containerised ports in Malaysia. The charter of tugboats had contributed 83.7%, 86.5%, 90.2% and 90.9% of revenue to our port marine services for the past three (3) FYE 31 December 2011, 2012 and 2013 as well as for the five (5)-month FPE 31 May 2014 respectively. The increase in revenue contributed from the charter of tugboats is mainly due to new charter contracts obtained coupled with the increase in DCR.

The charter of mooring boats accounts for 13.0%, 10.7%, 7.5% and 6.8% of our port marine services' revenue for the past three (3) FYE 31 December 2011, 2012 and 2013 as well as for the five (5)-month FPE 31 May 2014, respectively. We charter out our mooring boats and provide dockside mooring services to the O&G ports in Malaysia.

11. FINANCIAL INFORMATION (Cont'd)Shipbuilding, ship repair and minor fabrication

For the periods under review, all shipbuilding activities serve as an internal supporting arm to our marine vessels operations. Revenue arising from shipbuilding is recognised on a percentage-of-completion basis. Under this method, the percentage-of-completion is measured by reference to the proportion of contract cost incurred for work performed to date compared to the estimated contract costs.

In 2013, we received a third party contract for minor fabrication works which had contributed to our external revenue. Revenue arising from minor fabrication is recognised when services are rendered.

(ii) Cost of services

Our cost of services comprises primarily of vessel depreciation, crew costs, maintenance costs and charter in cost. The analysis of our cost of services by our business segments are set out below:-

	Audited FYE 31 December					
	2011		2012		2013	
	RM'000	%	RM'000	%	RM'000	%
<u>Marine transportation and offshore storage operations</u>						
Vessel depreciation	17,286	24.1	17,956	27.4	15,975	19.8
Crew cost	11,344	15.8	8,924	13.6	9,261	11.5
Charter in cost	-	-	-	-	5,707	7.1
Maintenance cost	5,943	8.2	9,828	15.0	7,977	9.9
Bunker cost	10,734	14.9	2,380	3.6	273	0.3
Others – Vessel chartering	7,613	10.6	5,146	7.8	4,906	6.1
Subtotal	52,920	73.6	44,234	67.4	44,099	54.7
<u>Port marine services</u>						
Vessel depreciation	1,664	2.3	2,812	4.3	4,809	6.0
Crew cost	2,514	3.5	3,898	5.9	7,084	8.8
Charter in cost	13,522	18.8	12,485	19.0	15,571	19.3
Maintenance cost	770	1.1	1,370	2.1	2,631	3.3
Bunker cost	-	-	93	0.1	782	1.0
Others – Vessel chartering	485	0.7	721	1.1	1,395	1.7
Subtotal	18,955	26.4	21,379	32.6	32,272	40.1
<u>Minor fabrication</u>						
Others – Minor fabrication	-	-	-	-	4,178	5.2
Subtotal	-	-	-	-	4,178	5.2
Total cost of services	71,875	100.0	65,613	100.0	80,549	100.0

11. FINANCIAL INFORMATION (Cont'd)

	<u>Unaudited</u>		<u>Audited</u>	
	<u>Five (5)-month FPE 31 May</u>			
	<u>2013</u>		<u>2014</u>	
	<u>RM'000</u>	<u>%</u>	<u>RM'000</u>	<u>%</u>
<u>Marine transportation and offshore storage operations</u>				
Vessel depreciation	6,928	24.7	7,746	17.2
Crew cost	3,526	12.5	4,335	9.6
Charter in cost	-	-	5,976	13.3
Maintenance cost	3,180	11.3	6,872	15.2
Bunker cost	264	0.9	685	1.5
Others – Vessel chartering	1,588	5.7	1,663	3.7
Subtotal	15,486	55.1	27,277	60.5
<u>Port marine services</u>				
Vessel depreciation	2,043	7.3	2,547	5.7
Crew cost	1,747	6.2	2,860	6.3
Charter in cost	3,614	12.9	9,799	21.7
Maintenance cost	744	2.6	1,988	4.4
Bunker cost	210	0.7	36	0.1
Others – Vessel chartering	506	1.8	607	1.3
Subtotal	8,864	31.5	17,837	39.5
<u>Minor fabrication</u>				
Others – Minor fabrication	3,753	13.4	-	-
Subtotal	3,753	13.4	-	-
Total cost of services	28,103	100.0	45,114	100.0

Vessel depreciation

Vessels are depreciated on a straight-line basis. Depreciation of each vessel is dependent upon its estimated useful life and the residual values at the end of their useful life. The estimated useful lives of our vessels are 25 years, save for our FSU which has ten (10) years estimated useful life from the time it was converted into a FSU. Residual value of the vessels is estimated by our Company as equivalent to the light weight tonnage of the vessels times the estimated long term price of steel per tonne. Where appropriate, our Group will adjust the residual value and useful life of the individual vessel based on the particular condition of the vessel. The useful life, residual value and depreciation method are reviewed at each financial year end, and adjusted if appropriate.

In addition, dry docking expenditures incurred are capitalised and depreciated over the subsequent one (1) to five (5) years period, depending on the period for the next dry docking.

11. FINANCIAL INFORMATION (Cont'd)

Vessel depreciation is the largest cost of services component in our marine transportation and offshore storage operations accounting for 24.1%, 27.4%, 19.8% and 17.2% of our Group's total cost of services for the FYE 31 December 2011, 2012 and 2013 as well as for the five (5)-month FPE 31 May 2014, respectively.

Crew cost

Crew cost includes, amongst others, crew salaries, statutory contributions, allowances, bonus, overtime costs, insurance, related taxes as well as travel and accommodation costs, where applicable for our vessel crew.

Charter in cost

While we generally provide our own vessels for chartering, there are occasions where we identify suitable third party vessels based on our customers' needs and requirements, and subsequently charter in the identified vessels from third parties and charter out to our customers. There are also occasions when we enter into a contract but do not have a vessel readily available that meets the contract's requirements. Under these circumstances, a third party vessel will be chartered-in to temporarily service the contract until one of our own vessels becomes available or prior to delivery of our new vessels.

Charter in cost refers to charter rates paid to third parties for the charter of their vessels. The charter rates usually include the provision of vessels and supply of crew from third parties.

Charter in cost is the largest cost of services component in our port and marine services accounting for 18.8%, 19.0%, 19.3% and 21.7% of our Group's total cost of services for the FYE 31 December 2011, 2012 and 2013 as well as for the five (5)-month FPE 31 May 2014, respectively. Charter in cost incurred for our marine transportation and offshore storage operations is in relation to the charter of LPG tankers.

Maintenance cost

Maintenance cost incurred mainly comprises of ad-hoc repairs for our vessels as well as for modification works on some of the vessels owned by our Group in order to meet our customers' shipping requirements and compliance with requirements of the relevant Classification Society.

Bunker cost

Bunker, which is fuel for vessels, accounted for 14.9%, 3.7%, 1.3% and 1.6% of our Group total cost of services for the FYE 31 December 2011, 2012 and 2013 as well as for the five (5)-month FPE 31 May 2014, respectively.

Bunker cost incurred is dependent on the terms stipulated in the charter contracts, the length of the off hire period and the fluctuation of oil prices. As at the LPD, all our charterers provide for bunker except for when bunker is consumed during off hire period including maintenance and dry docking, as stipulated in charter contracts.

11. FINANCIAL INFORMATION (Cont'd)Others – Vessel chartering

Other costs incurred pursuant to the chartering of our vessels such as insurance for vessels, survey charges incurred to ensure seaworthiness of vessels, charges for port clearance, custom and immigration as well as fresh water.

Others – Minor fabrication

For the financial periods under review, other costs incurred are pursuant to our contract for minor fabrication commissioned by a third party and includes purchases of raw materials, primarily steel plates and steel bars, as well as labour costs.

(iii) GP and GP margins

The following table sets forth the GP for the period indicated:-

	Audited FYE 31 December					
	2011		2012		2013	
	RM'000	%	RM'000	%	RM'000	%
<u>Marine transportation and offshore storage operations</u>						
Charter of product tankers	13,950	57.7	21,838	58.8	19,326	47.6
Charter of OSV	4,496	18.6	5,858	15.8	5,413	13.3
Charter of FSU	-	-	-	-	2,746	6.8
Charter of LPG tankers	-	-	-	-	232	0.6
	<u>18,446</u>	<u>76.3</u>	<u>27,696</u>	<u>74.6</u>	<u>27,717</u>	<u>68.3</u>
<u>Port marine services</u>						
Charter of tugboats	4,680	19.3	8,184	22.1	12,356	30.5
Charter of mooring boats	768	3.2	1,078	2.9	507	1.3
Dockside mooring services	294	1.2	153	0.4	(61)	(0.2)
	<u>5,742</u>	<u>23.7</u>	<u>9,415</u>	<u>25.4</u>	<u>12,802</u>	<u>31.6</u>
<u>Minor fabrication</u>	-	-	-	-	50	0.1
Total GP	<u>24,188</u>	<u>100.0</u>	<u>37,111</u>	<u>100.0</u>	<u>40,569</u>	<u>100.0</u>

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

11. FINANCIAL INFORMATION (Cont'd)

	Unaudited		Audited	
	Five (5)-month FPE 2013		FPE 31 May 2014	
	RM'000	%	RM'000	%
<u>Marine transportation and offshore storage operations</u>				
Charter of product tankers	7,210	67.3	9,343	52.8
Charter of OSV	1,729	16.1	117	0.7
Charter of FSU	-	-	41	0.2
Charter of LPG tankers	-	-	600	3.4
	<u>8,939</u>	<u>83.4</u>	<u>10,101</u>	<u>57.1</u>
<u>Port marine services</u>				
Charter of tugboats	4,787	44.7	6,990	39.5
Charter of mooring boats	698	6.5	459	2.6
Dockside mooring services	44	0.4	149	0.8
	<u>5,529</u>	<u>51.6</u>	<u>7,598</u>	<u>42.9</u>
<u>Minor fabrication</u>	475	3.2	-	-
Total GP	<u>14,943</u>	<u>100.0</u>	<u>17,699</u>	<u>100.0</u>

GP from marine transportation and offshore storage operations is the main GP contributor to our Group's overall GP, accounting for 76.3%, 74.6%, 68.3% and 57.1% of our total GP for the FYE 31 December 2011, 2012 and 2013 as well as for the five (5)-month FPE 31 May 2014, respectively.

GP from port marine services accounted for 23.7%, 25.4%, 31.6% and 42.9% of our total GP for the FYE 31 December 2011, 2012 and 2013 as well as for the five (5)-month FPE 31 May 2014, respectively. GP from minor fabrication accounted for 0.1% of our total GP for the FYE 31 December 2013.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

11. FINANCIAL INFORMATION (Cont'd)

The following table sets forth the GP margin for the period indicated:-

	Audited			Unaudited	Audited
	FYE 31 December			Five (5)-month FPE 31 May	
	2011	2012	2013	2013	2014
	%	%	%	%	%
OVERALL GP MARGIN	25.2	36.1	33.5	34.7	28.2
<u>Marine transportation and offshore storage operations</u>	25.9	38.5	38.6	36.6	27.0
Charter of product tankers	22.6	34.8	39.4	34.2	44.4
Charter of OSV	46.4	63.3	56.2	51.9	5.6
Charter of FSU	-	-	38.3	-	0.5
Charter of LPG tankers	-	-	3.9	-	9.3
<u>Port marine services</u>	23.3	30.5	28.4	38.4	29.9
Charter of tugboats	22.6	30.7	30.4	38.2	30.2
Charter of mooring boats	24.0	32.7	15.0	46.6	26.7
Dockside mooring services	35.8	17.7	N/A	11.6	25.2
<u>Minor fabrication</u>	-	-	1.2	11.2	-

Note:-

N/A – not applicable

Our overall GP margins are between 25.2% to 36.1% for the financial periods under review. Marine transportation and offshore storage operations being the main GP contributor to our Group's overall GP has GP margins between 25.9% to 38.6% for the financial periods under review. The GP margins for port marine services are between 23.3% to 30.5% for the financial periods under review. GP margin from minor fabrication is 1.2% for the FYE 31 December 2013.

For the FYE 31 December 2011, 2012 and 2013, our OSV were chartered on a short-term basis of less than one (1) year, enabling us to charge DCR based on spot rates which are higher than our other vessel types which are contracted on fixed charter rates. As a result, the charter of OSV obtained GP margins of between 46.4% and 63.3%, which are relatively higher when compared to the GP margins of our other vessels. However, during the five (5)-month FPE 31 May 2014 GP margin for the charter of OSV decreased to 5.6%. During these five (5) months, our fast crew boats were not chartered for an average of 2.5 months, thus there was a shortfall of revenue while cost was continuously incurred, resulting in a lower GP margin. In the five (5)-month FPE 31 May 2014, our FSU also recorded a lower GP margin of 0.5% mainly due to cost incurred for ad-hoc maintenance performed prior to mobilising our FSU to a new location, Anjung Kecil (AJK) oilfield, which is located off Bintulu, Sarawak. Ad-hoc maintenance performed include amongst others, maintenance of engines and deck.

11. FINANCIAL INFORMATION (Cont'd)**(iv) Other operating income**

The following table set forth the components of our Group's other operating income:-

	Audited FYE 31 December					
	2011		2012		2013	
	RM'000	%	RM'000	%	RM'000	%
Insurance claims	1,512	47.1	2,129	97.3	3,507	8.5
Gain on disposal	926	28.8	33	1.5	37,648	91.5
Others	772	24.1	25	1.2	-	-
Total other operating income	3,210	100.0	2,187	100.0	41,155	100.0

	Unaudited		Audited	
	Five (5)-month FPE 31 May			
	2013		2014	
	RM'000	%	RM'000	%
Insurance claims	130	0.4	964	64.2
Gain on disposal	37,486	99.6	4	0.3
Others	5	*	534	35.5
Total other operating income	37,621	100.0	1,502	100.0

Note:-

* Negligible

Insurance claims

Our vessels are insured for amongst others, loss of hire and on hull and machinery. Insurance claims accounted for 47.1%, 97.3%, 8.5% and 64.2% of our other operating income for the FYE 31 December 2011, 2012 and 2013 as well as the five (5)-month FPE 31 May 2014, respectively. During the financial periods under review, insurance claims for loss of hire as well as hull and machinery were mostly made in respect of our product tanker, M.T. Nautica Batu Pahat.

Insurance claims received in FYE 31 December 2011 were for a total of 30 days loss of hire due to a collision between M.T. Nautica Batu Pahat and a third (3rd) party vessel in July 2011 at the Singapore Straits. Thereafter, we received payment from the insurers for the repairs of our hull and machinery amounting to RM1.9 million in FYE 31 December 2012. Further, in 2012, repairs on M.T. Nautica Batu Pahat were made to the engine, of which claims amounting to RM3.5 million for machinery and 30 days loss of hire were received in the FYE 31 December 2013. The insurance claims received were sufficient to cover the full extent of repairs of our vessel for both financial years. However, for our insurance claims on loss of hire, the maximum number of days insured was 30 days which was insufficient to cover a remaining 30 days loss of hire which amounts to approximately RM1.2 million. In addition, insurance claims received in the FPE 31 May 2014 were mainly for the main engine repairs of M.V. Nautica Tg. Puteri V.

11. FINANCIAL INFORMATION (Cont'd)Gain on disposal

In the FYE 31 December 2011, gain amounting to RM0.9 million was recognised for a disposal of a product tanker, namely M.T. Nautica Mersing, whereas in FYE 31 December 2012, gain was recognised for the disposal of a motor vehicle. In the FYE 31 December 2013, gain was primarily recognised from the disposal of our then associate company, Orkim which amounts to RM37.5 million.

Others

Others primarily comprised of doubtful debts written back and rental of car to some employees.

(v) Administrative expenses

The following table set forth the components of our Group's administrative expenses:-

	Audited FYE 31 December					
	2011		2012		2013	
	RM'000	%	RM'000	%	RM'000	%
Staff cost	4,059	61.6	4,063	61.2	6,807	53.0
Allowance for impairment	-	-	204	3.1	1,254	9.8
Loss on disposal	-	-	-	-	1,450	11.3
Other administrative expenses	2,529	38.4	2,371	35.7	3,338	25.9
Total administrative expenses	6,588	100.0	6,638	100.0	12,849	100.0

	Unaudited		Audited	
	Five (5)-month FPE 31 May			
	2013		2014	
	RM'000	%	RM'000	%
Staff cost	1,868	37.1	2,053	30.7
Allowance for impairment	-	-	1,352	20.2
Loss on disposal	1,330	26.4	-	-
Other administrative expenses	1,839	36.5	3,288	49.1
Total administrative expenses	5,037	100.0	6,693	100.0

Staff cost includes directors fee as well as salaries, statutory contributions, allowances, bonus, insurance, travel and accommodation costs, where applicable for our administration staff. Loss on disposal is mainly due to the recognition of the finance lease contracted for our product tanker, namely M.T. Princess Sofea (formerly known as M.T. Nautica Kluang), of which further details are tabled in **Section 11.5.6** of this Prospectus.

Other administrative expenses include depreciation charges, insurance for motor vehicles, professional fees, utilities fees, commission fees paid to ship brokers, withholding tax payable on foreign charter in vessels operated by us, maintenance cost for upkeep of office and motor vehicles, foreign exchange losses, rental for the lease of shipyard as well as listing expenses.

11. FINANCIAL INFORMATION (Cont'd)**(vi) Finance income**

Our finance income is derived from placement of fixed deposit with financial institutions as well as interest income from our finance lease signed in 2013 for M.T. Princess Sofea (formerly known as M.T. Nautica Kluang).

(vii) Finance cost

Our finance cost consists of interest expenses incurred for loans / credit facilities granted by several financial institutions. Our borrowings were mainly utilised for capital expenditure and working capital purposes for our Group as well as payment of interest to holders of RCCP Shares.

(viii) Effective tax rate

The effective tax rate and statutory tax rate for the financial periods under review are as follows:-

	Audited			Unaudited	Audited
	FYE 31 December			Five (5)-month	FPE 31
	2011	2012	2013	2013	2014
	%	%	%	%	%
Effective tax rate	28.6	22.1	11.2*	2.9*	30.0
Statutory tax rate	25.0	25.0	25.0	25.0	25.0

Note:

* After excluding gain on disposal of an associate amounting to RM37.5 million which was tax exempted.

For the financial periods under review, income derived from product tankers and FSU were tax exempted. The fluctuation in effective tax rates is mainly due to the adjustments for provision in prior year's deferred tax.

In FYE 31 December 2013, the effective tax rate of 11.2% was significantly lower when compared to the statutory tax rate of 25.0% primarily due to the tax exemption of income derived from product tankers and FSU coupled with the overprovision in prior year deferred tax which has been adjusted this year.

For the five (5)-month FPE 31 May 2014, Johor Shipyard had income derived from the on-going construction of six (6) harbour tugboats which is subject to tax. However, for purposes of preparing and consolidating group accounts, income derived from shipbuilding activities is eliminated while tax provisions are made in respect of the above-mentioned income. Due to the higher tax provision and lower PBT upon consolidation of group accounts, the effective tax rate for the five (5)-month FPE 31 May 2014 of 30.0% was higher compared to the statutory tax rate of 25.0%.

11. FINANCIAL INFORMATION (Cont'd)**11.3.3 Commentary on past performance****(i) Comparison between FYE 31 December 2011 and FYE 31 December 2012****Revenue**

Our total revenue increased by 6.9% or RM6.7 million from RM96.1 million for FYE 31 December 2011 to RM102.7 million for FYE 31 December 2012 mainly due to the increase in revenue from port marine services operations.

Revenue from our marine transportation and offshore storage operations marginally increased by 0.8% or RM0.6 million from RM71.4 million in FYE 31 December 2011 to RM71.9 million in FYE 31 December 2012 mainly due to the increase in chartered days of our product tankers.

Revenue from our port marine services operations increased by 24.7% or RM6.1 million from RM24.7 million in FYE 31 December 2011 to RM30.8 million in FYE 31 December 2012. The increase of revenue from our port marine services is mainly contributed from the charter of two (2) harbour tugboats that was chartered in to service new contracts which commenced in 2012. Further, upon the delivery and commencement of charter of our newly built M.V. Nautica Tg. Puteri XI, XII and XV between May to July 2012 to replace older third (3rd) party vessels, we were able to charge higher DCR, contributing to the increase in revenue for the charter of tugboats.

Cost of services

Our cost of services decreased by 8.7% or RM6.3 million from RM71.8 million in FYE 31 December 2011 to RM65.6 million in FYE 31 December 2012 mainly due to the decrease in crew cost and bunker cost incurred pursuant to marine transportation and offshore storage operations as well as charter in cost pursuant to port marine services.

Bunker cost pursuant to marine transportation and offshore storage operations declined by 77.8% or RM8.4 million from RM10.7 million in FYE 31 December 2011 to RM2.4 million in FYE 31 December 2012. The decrease in bunker cost is mainly due to the variation in terms of our new charter contracts. In FYE 31 December 2011, five (5) of our product tankers, namely M.T. Nautica Johor Bahru, M.T. Princess Sofea (formerly known as M.T. Nautica Kluang), M.T. Nautica Pontian, M.T. Nautica Muar and M.T. Nautica Mersing, were on voyage charter arrangements. Charter rates in voyage charter arrangements are based on single voyage or a series of consecutive voyages between various ports, where bunker consumed for mobilisation and demobilisation of these vessels were borne by us. Subsequently, in FYE 31 December 2012, upon the completion of the contracts, we secured new contracts which are time charter arrangements for three (3) of these product tankers and under the time charter arrangements' terms, bunker consumed for mobilisation and demobilisation were borne by our charterer. Consequently, bunker cost decreased as our Company only bears bunker cost during off hire period. In addition, we did not incur bunker cost for M.T. Nautica Mersing following its disposal in FYE 31 December 2011.

11. FINANCIAL INFORMATION (Cont'd)

Crew cost pursuant to marine transportation and offshore storage operations decreased by 21.3% or RM2.4 million from RM11.3 million in FYE 31 December 2011 to RM8.9 million in FYE 31 December 2012 because one (1) product tanker, namely M.T. Nautica Muar was chartered out as bareboat and hence we did not have to bear crew cost on this vessel.

Charter in cost pursuant to port marine services decreased by 7.7% or RM1.0 million from RM13.5 million in FYE 31 December 2011 to RM12.5 million in FYE 31 December 2012. The newly built M.V. Nautica Tg. Puteri XI, XII and XV was delivered between May to July 2012 and accordingly third party vessels that were temporarily used to service our customers were returned, causing the decrease in charter in cost. The decrease is partially off-set by the charter in of two (2) harbour tugboats for the new contracts which commenced in 2012.

Meanwhile, port marine services' cost of services increased by 12.8% or RM2.4 million from RM19.0 million in FYE 31 December 2011 to RM21.4 million in FYE 31 December 2012 with the operation of additional three (3) harbour tugboats, M.V. Nautica Tg. Puteri XI, XII and XV.

GP and GP margin

An increase in revenue coupled with a decrease in cost of services resulted in the increase in our GP by 53.4% from RM24.2 million in FYE 31 December 2011 to RM37.1 million in FYE 31 December 2012.

We achieved a higher GP margin in FYE 31 December 2012 of 36.1% as compared to the previous year's GP margin of 25.2%. The increase in the overall GP margin was primarily due to the increase in GP margin for the charter of our product tankers and tugboats.

GP margin for the chartering of product tankers increased from 22.6% in FYE 31 December 2011 to 34.8% in FYE 31 December 2012. The increase is mainly due to the change in charter arrangements from voyage charter arrangement to time charter arrangement for three (3) of our product tankers. Under voyage charter arrangement, we were subject to the fluctuation of oil prices as bunker cost was a large component of our cost of services. In FYE 31 December 2011, oil prices increased and surpassed USD100/barrel, thus affecting our GP margins. Upon obtaining new time charter contracts, most of the bunker cost was absorbed by our charterer. Meanwhile our chartered days in FYE 31 December 2012 also increased, and hence the operations of our product tankers became more cost efficient.

GP margin for the charter of tugboats increased from 22.6% in FYE 31 December 2011 to 30.7% in FYE 31 December 2012 due to better DCR secured for new contracts coupled with an increase in DCR from existing contracts upon delivery of new vessels to replace old vessels.

11. FINANCIAL INFORMATION (Cont'd)

Other operating income

Other operating income decreased by 31.9% or RM1.0 million from RM3.2 million in FYE 31 December 2011 to RM2.2 million in FYE 31 December 2012 primarily due to the gain recognised for a disposal of a product tanker, namely M.T.. Nautica Mersing to a third party.

Administrative expenses

Administrative expenses increased marginally by 0.8% or RM0.05 million from RM6.59 million in FYE 31 December 2011 to RM6.64 million in FYE 31 December 2012 primarily due to allowance of impairment. There was no allowance of impairment in FYE 31 December 2011.

Finance income / Finance costs

Finance income increased in FYE 31 December 2012 due to higher interest/profit earned from larger amount of fixed deposit placed in financial institutions.

Finance costs increased in FYE 31 December 2012 by 9.3% or RM1.2 million. The increase was mainly due to increase in interest/profit cost arising from additional borrowings obtained to finance the construction of M.V. Nautica Tg. Puteri XI, XII, XV and XVI.

Share of profit from associate

The share of profits in our then associate company, Orkim, increased by RM1.4 million from RM3.6 million in FYE 31 December 2011 to RM5.0 million in FYE 31 December 2012 due to the increase in PAT of Orkim. The increase in PAT was mainly due to a full year recognition of profits from four (4) new vessels purchased by Orkim's subsidiaries in mid of 2011.

PBT and PBT margin

The PBT increased by 100.3% or RM12.1 million from RM12.1 million in FYE 31 December 2011 to RM24.3 million in FYE 31 December 2012. PBT margin increased from 12.6% for FYE 31 December 2011 to 23.6% for FYE 31 December 2012. The growth in our PBT was mainly due to the overall increase in GP as disclosed above.

Excluding the share of profit from associate, the PBT in FYE 31 December 2012 is RM19.2 million, representing a 126.9% increase as compared to the PBT of RM8.5 million in FYE 31 December 2011 where the PBT margin increased from 8.8% for FYE 31 December 2011 to 18.7% for the FYE 31 December 2012.

PAT

As a result of the foregoing factors, the PAT increased by 118.5% or RM10.3 million from RM8.7 million in FYE 31 December 2011 to RM18.9 million in FYE 31 December 2012. Excluding the share of profit from associate, the PAT increased by 176.9% or RM8.9 million from RM5.0 million in FYE 31 December 2011 to RM13.9 million in FYE 31 December 2012.

11. FINANCIAL INFORMATION (Cont'd)**(ii) Comparison between FYE 31 December 2012 and FYE 31 December 2013****Revenue**

Our total revenue increased by 17.9% or RM18.4 million from RM102.7 million in FYE 31 December 2012 to RM121.1 million in FYE 31 December 2013. The increase in total revenue is mainly due to the increase in revenue from port marine services coupled with revenue contribution from minor fabrication.

Revenue from our marine transportation and offshore storage operations marginally decreased by 0.2% or RM0.1 million from RM71.9 million in FYE 31 December 2012 to RM71.8 million in FYE 31 December 2013. Revenue from our product tankers decreased by 21.7% or RM13.6 million from RM62.7 million in FYE 31 December 2012 to RM49.1 million in FYE 31 December 2013. The decline in revenue generated from our product tankers is mainly due to the conversion of M.T. Nautica Muar, previously a product tanker, into a FSU. M.T. Nautica Muar commenced operations as a FSU in August 2013. The decline in revenue generated from product tankers was partially offset with the revenue derived from the charter of LPG tankers.

Revenue from our port marine operations increased by 46.4% or RM14.3 million from RM30.8 million in FYE 31 December 2012 to RM45.1 million in FYE 31 December 2013 primarily contributed from the charter of tugboats. The increase in revenue from the charter of tugboats are mainly due to new contracts secured for nine (9) harbour tugboats, details of which are as follows:-

- (i) A third party harbour tugboat commenced operations in December 2012;
- (ii) Two (2) third party harbour tugboats commenced operations in May 2013; and
- (iii) Five (5) third party harbour tugboats and one (1) of our own harbour tugboat, commenced operations in September 2013.

In addition, upon the delivery and commencement of charter of our newly built M.V. Nautica Tg. Puteri XI, XII and XV between May to July 2012, we were able to have a full year recognition of higher charter rates in 2013, contributing to the increase in revenue for the charter of tugboats.

Cost of services

Our cost of services increased by 22.8% or RM14.9 million from RM65.6 million in FYE 31 December 2012 to RM80.5 million in FYE 31 December 2013, mainly due to the increase in cost of services incurred pursuant to port marine services. We also incurred cost from minor fabrication amounting to RM4.2 million which accounted for 5.2% of the total cost of services in FYE 31 December 2013.

Consequent to the procurement of new contracts for the nine (9) harbour tugboats of which eight (8) third party vessels were operated, charter in cost pursuant to port marine services increased by 24.7% or RM3.1 million. Further, cost of services including vessel depreciation, crew cost and maintenance cost increased in tandem with the increase in our fleet of vessels from mid-2012. In mid-2012, we owned ten (10) vessels and by end of 2013 we owned 13 vessels pursuant to port marine services.

11. FINANCIAL INFORMATION (Cont'd)

GP and GP margin

For FYE 31 December 2013, our GP increased from RM37.1 million reported in the previous financial year to RM40.6 million. Our GP margin decreased from 36.1% to 33.5%. The decrease in GP margin is mainly due to higher contribution of GP from port marine services which has lower GP margins as compared to marine transportation and offshore storage operations.

In FYE 31 December 2013, dockside mooring services segment made gross losses due to the enforcement of Minimum Wage Order 2012 in January 2013 where our Company was obliged to increase crew cost to at least RM900 per crew per month. Rates pursuant to dockside mooring services were re-negotiated and adjusted for in 2014 in respect of rate adjustments effective from January 2013.

Other operating income

Other operating income increased by 1,781.8% or RM39.0 million from RM2.2 million in FYE 31 December 2012 to RM41.2 million in FYE 31 December 2013 due to one-off gain recognised for the disposal of our then associate company, Orkim which amounted to RM37.5 million.

Administrative expenses

Administrative expenses increased by 93.6% or RM6.2 million from RM6.6 million in FYE 31 December 2012 to RM12.8 million in FYE 31 December 2013. The increase is mainly due to the increase in staff cost, allowance of impairment and loss on disposal of vessel, namely M.T. Princess Sofea (formerly known as M.T. Nautica Kluang). Staff cost increased by 67.5% or RM2.7 million from RM4.1 million in FYE 31 December 2012 to RM6.8 million in FYE 31 December 2013, mainly due to the majority of bonus paid to employees for 2012 was recognised in FYE 31 December 2013. Further, we also increased our provision for bonus in respect of FYE 31 December 2013.

Finance income / Finance costs

Finance income increased mainly due to recognition of interest income from finance lease arrangement related to M.T. Princess Sofea (formerly known as M.T. Nautica Kluang).

Finance costs increased by 5.7% or RM0.8 million from RM13.8 million in FYE 31 December 2012 to RM14.5 million in FYE 31 December 2013. The increase was mainly due to additional borrowings obtained to finance the purchase of M.V. Nautica Tg. Puteri XVII, XIX and XX.

11. FINANCIAL INFORMATION (Cont'd)**Share of profit from associate**

Share of profit from associate decreased by 41.6% or RM2.1 million from RM5.0 million in FYE 31 December 2012 to RM2.9 million in FYE 31 December 2013. We disposed our entire equity interest in Orkim for a cash consideration of RM66.9 million in April 2013, hence, the share of profit from associate was only recognised for the three (3)-month period ending prior to the disposal of Orkim which is in accordance to Malaysian FRS 128 – Investment in Associates.

PBT and PBT margin

The PBT increased by 144.7% or RM35.1 million from RM24.3 million in FYE 31 December 2012 to RM59.4 million in FYE 31 December 2013 primarily due to the gain in disposal of an associate amounting to RM37.5 million. For comparison purposes, the PBT after adjusting for gain on disposal of an associate is RM21.9 million in FYE 31 December 2013, which represents a 9.9% decrease as compared to FYE 31 December 2012.

PBT margin decreased from 23.6% for FYE 31 December 2012 to 18.1% for FYE 31 December 2013 after excluding the gain on disposal of an associate. The decrease in GP margin coupled with the increase in administrative cost and decrease in share of profit from associate lowered our PBT margin.

Excluding the share of profit from associate as well as the gain on disposal of an associate, the PBT in FYE 31 December 2013 is RM19.0 million, representing a 1.3% decrease as compared to the PBT of RM19.2 million in FYE 31 December 2012 where the PBT margin was decreased from 18.7% for FYE 31 December 2012 to 15.7% for FYE 31 December 2013.

PAT

As a result of the foregoing factors, the PAT increased by 200.9% or RM38.0 million from RM18.9 million in FYE 31 December 2012 to RM56.9 million in FYE 31 December 2013. On a comparative basis, (excluding gain on disposal of an associate), we recorded a PAT of RM19.4 million in FYE 31 December 2013 representing a marginal increase of 2.6% over that of prior year.

Excluding the share of profit from associate as well as the gain on disposal of an associate, the PAT in FYE 31 December 2013 is RM16.5 million, representing an increase of 19.0% over that of prior year.

(iii) Comparison between the five (5)-month FPE 31 May 2013 and the five (5)-month FPE 31 May 2014**Revenue**

Our total revenue increased by 46.0% or RM19.8 million from RM43.0 million for the five (5)-month FPE 31 May 2013 to RM62.8 million for the five (5)-month FPE 31 May 2014 due to the increase in revenue from marine transportation and offshore storage operations as well as port marine services operations.

11. FINANCIAL INFORMATION (Cont'd)

Revenue from our marine transportation and offshore storage operations increased by 53.3% or RM13.0 million from RM24.4 million in the five (5)-month FPE 31 May 2013 to RM37.4 million in the five (5)-month FPE 31 May 2014. The increase was mainly due to the recognition of revenue from the commencement of operations of the LPG tankers and FSU in June 2013 and August 2013 respectively.

Revenue from our port marine services operations increased by 76.7% or RM11.0 million from RM14.4 million in the five (5)-month FPE 31 May 2013 to RM25.4 million in the five (5)-month FPE 31 May 2014 primarily contributed from the charter of tugboats. The increase in revenue from the charter of tugboats are mainly due to the recognition of revenue from contracts secured for eight (8) harbour tugboats details of which are as follows:-

- (i) Two (2) third party harbour tugboats commenced operations in May 2013; and
- (ii) Five (5) third party harbour tugboats and one (1) of our own harbour tugboat commenced operations in September 2013. Further, in January 2014, two (2) of these third party harbour tugboats were replaced with our newly owned vessels which have higher DCR.

Cost of services

Our cost of services increased by 60.5% or RM17.0 million from RM28.1 million in the five (5)-month FPE 31 May 2013 to RM45.1 million in the five (5)-month FPE 31 May 2014 primarily resulted from the increase in maintenance cost and charter in cost.

Maintenance cost pursuant to marine transportation and offshore storage operations increased by 115.6% or RM3.7 million from RM3.2 million in the five (5)-month FPE 31 May 2013 to RM6.9 million in the five (5)-month FPE 31 May 2014. The increase was mainly due to the cost incurred for ad-hoc maintenance performed on our FSU which amounted to approximately RM3.8 million.

Following the procurement of contracts for the eight (8) harbour tugboats, of which seven (7) third party vessels were operated, charter in cost pursuant to port marine services increased by 172.2% or RM6.2 million from RM3.6 million in the five (5)-month FPE 31 May 2013 to RM9.8 million in the five (5)-month FPE 31 May 2014. Further, an LPG tanker was chartered in for our marine transportation and offshore storage operations, incurring an expenditure of RM6.0 million which accounted for 13.3% of the total cost of services in the five (5)-month FPE 31 May 2014.

GP and GP margin

Our GP increased from RM14.9 million in the five (5)-month FPE 31 May 2013 to RM17.7 million in the five (5)-month FPE 31 May 2014. Meanwhile, our GP margin decreased from 34.7% to 28.2%. The decrease in GP margins for marine transportation and offshore storage operations as well as port marine services contributed to the decrease in the overall GP margin.

11. FINANCIAL INFORMATION (Cont'd)

The decrease in GP margin for marine transportation and offshore storage operations was primarily due to the decrease in GP margin for the charter of OSV coupled with low GP margins arising from the charter of FSU and LPG tankers. GP margin for the charter of OSV decreased from 51.9% in the five (5)-month FPE 31 May 2013 to 5.6% in the five (5)-month FPE 31 May 2014 mainly due to the fast crew boats were not chartered for an average of 2.5 months during the five (5)-month FPE 31 May 2014. Meanwhile, due to the incurrence of maintenance cost amounting to approximately RM3.8 million on our FSU, our GP was significantly lowered and correspondingly the operations of our FSU obtained a GP margin of 0.5% in the five (5)-month FPE 31 May 2014.

The decrease in GP margins for port marine services was mainly due to the decrease in GP margin for the charter of tugboats. GP margin for the charter of tugboats decreased from 38.2% in the five (5)-month FPE 31 May 2013 to 30.2% in the five (5)-month FPE 31 May 2014 mainly because additional charter in tugboats were being operated. The number of charter in tugboats increased from three (3) charter in tugboats as at 31 May 2013 to seven (7) charter in tugboats as at 31 May 2014. Charter in tugboats usually generates lower margin when compared to operating own vessels.

Other operating income

Other operating income decreased by 96.0% or RM36.1 million from RM37.6 million in the five (5)-month FPE 31 May 2013 to approximately RM1.5 million in the five (5)-month FPE 31 May 2014. The decrease is primarily due to the recognition of a one-off gain on disposal of our then associate company, Orkim in the five (5)-month FPE 31 May 2013.

Administrative expenses

Administrative expenses increased by 34.0% or RM1.7 million from RM5.0 million in the five (5)-month FPE 31 May 2013 to RM6.7 million in the five (5)-month FPE 31 May 2014. The increase was mainly due to the sum incurred in relation to the listing exercise totalling approximately RM1.3 million for the five (5)-month FPE 31 May 2014.

Finance income / Finance costs

Finance income increased mainly due to recognition of interest income from the finance lease arrangement related to M.T. Princess Sofea (formerly known as M.T. Nautica Kluang).

Finance costs decreased by 3.3% or RM0.2 million from RM6.1 million in the five (5)-month FPE 31 May 2013 to RM5.9 million in the five (5)-month FPE 31 May 2014. Despite obtaining additional borrowings to finance the purchase and construction of vessels in 2014, finance cost decreased mainly due to the conversion of RCCP Shares and inter-company advances, which were interest-bearing, into share capital in December 2013.

11. FINANCIAL INFORMATION (Cont'd)**Share of profit from associate**

Pursuant to the disposal of our entire equity interest in Orkim in April 2013, our Company does not have any associate companies and hence, no share of profit from associate was recognised.

PBT and PBT margin

Our PBT decreased by 83.3% or RM37.4 million from RM44.9 million in the five (5)-month FPE 31 May 2013 to RM7.5 million in the five (5)-month FPE 31 May 2014 primarily due to the gain in disposal of an associate amounting to RM37.5 million. After excluding the share of profit from associate as well as the gain on disposal of an associate, the PBT increased by 66.7% or RM3.0 million from RM4.5 million in the five (5)-month FPE 31 May 2013 to RM7.5 million in the five (5)-month FPE 31 May 2014.

Our PBT margin decreased from 17.2% for the five (5)-month FPE 31 May 2013 to 12.0% for the five (5)-month FPE 31 May 2014 after excluding the gain on disposal of an associate. However after excluding the share of profit from associate and gain on disposal of an associate, our PBT margin increased marginally from 10.4% for the five (5)-month FPE 31 May 2013 to 12.0% for the five (5)-month FPE 31 May 2014. The increase in PBT margin is mainly due to the increase in other operating income (after excluding the gain on disposal of an associate).

PAT

As a result of the foregoing factors, our PAT decreased by 88.3% or RM39.4 million from RM44.7 million in the five (5)-month FPE 31 May 2013 to RM5.3 million in the five (5)-month FPE 31 May 2014.

After excluding the share of profit from associate and gain on disposal of an associate, our PAT increased by 23.3% or RM1.0 million from RM4.3 million in the five (5)-month FPE 31 May 2013 to RM5.3 million in the five (5)-month FPE 31 May 2014.

11.3.4 Factors affecting our financial condition and results of operations

Our financial condition and results of operations have been, and are expected to be affected by, amongst others, the principal factors set forth below.

(i) Our contracts

Our business is dependent on the number of charter contracts we secure as well as the terms and tenure of the charter contracts. The terms of contracts include, amongst others, DCR for our vessels, charter in rates for third party vessels as well as operation fees relating to crew and consumables of the respective contracts. The tenure of the contract is likely to be split between a firm period and extension options, which are mutually decided by both parties. In the event contractual obligations are not achieved, the related contracts generally provide for a reduction in or suspension of the DCR or in extreme cases, may lead to termination of the contract, which would negatively affect our financial results.

11. FINANCIAL INFORMATION (Cont'd)

(ii) Size and composition of our fleet

Our business is dependent on, amongst others, the number of vessels in our fleet and the composition of our fleet. While we may be able to source for third party vessels to service our customers, it is not a long term solution. Our total revenue is effectively limited by the number of contracts we can enter into, with a larger fleet enabling us to enter into more charter contracts, thereby increasing our revenue and profitability.

(iii) Chartered days

The chartered days of vessels refers to the number of operating days for our vessels, which may be affected by the length of the charter period and our ability to renew or replace charter contracts upon expiry of existing charter contracts. Prior to the expiry of our existing time charter contracts, we generally seek new charter contracts for the respective vessels, the terms of which would be dependent upon the then prevailing level of activity in the O&G industry and commercial ports, amongst other market factors. The chartered days of our vessels are reduced during the periods when our vessels are idle, which consequently reduces our revenue.

In addition, the chartered days for our vessels may also be negatively impacted by dry docking and maintenance, such as if any major unforeseen repair is required. Generally, under our time charter contracts, whenever a vessel is unavailable for service for periods exceeding an allowable maintenance period, the charterer is not required to pay us the charter hire fees and we are responsible for all vessels operating cost, unless the non-availability of the vessel is attributable to the charterer. To mitigate these potential costs, we purchase insurance which is claimable upon loss of hire. There are occasions where we are able to replace our vessels with substitute vessels temporarily.

(iv) Fluctuations in the prices of materials pursuant to our shipbuilding, ship repair and minor fabrication segment

Raw materials such as steel plates, bars and other steel products as well as engine, equipment and spare parts are materials used in our shipbuilding operations. Presently, although there are ample sources of local and overseas supply of these materials, the prices including steel which is a widely traded commodity, may fluctuate and adversely impact our shipbuilding operations.

While our shipbuilding, ship repair and minor fabrication activities are mainly for internal use, the increase in the cost of materials will to a certain extent impact on the profitability of our Group. We make efforts to source around for competitive prices through our pool of suppliers prior to obtaining our materials for our shipbuilding operations.

11. FINANCIAL INFORMATION (Cont'd)**(v) Level of borrowings and finance cost**

As at 31 May 2014, our borrowings stood at approximately RM288.5 million with a gearing ratio of approximately 1.5 times. We have and will continue to have a significant amount of borrowings due to the nature of our business which requires significant capital expenditure. Consequently, our finance cost will be affected.

Changes in economic conditions could result in higher interest rates, thereby increasing our finance cost and concurrently reducing our profits and funds available for operations or other purposes.

(vi) Foreign exchange fluctuation

Revenue from our customer contracts, our capital expenditure and our operating cost are generally denominated in RM, with a smaller portion denominated in other foreign currency including USD, SGD, EUR and JPY. As we report our financial results in RM, our financial results are impacted by foreign currency translation fluctuations, and in particular fluctuations of the USD, against the RM, which may affect our Group's financial position and results of operation. For the financial periods under review, we have not incurred any material losses arising from foreign exchange transactions. The net foreign exchange gains/ (losses) of our Group for the financial periods under review are as follows:-

	Audited			Unaudited	Audited
	FYE 31 December			Five (5)-month	FPE 31
	2011	2012	2013	2013	2014
	RM'000	RM'000	RM'000	RM'000	RM'000
Net realised foreign exchange gain / (loss)	(167)	(61)	(117)	(48)	(26)
As a percentage of PBT	1.4%	0.3%	0.2%	0.1%	0.3%

(vii) Level of activity in the O&G industry

Our financial condition and results of operations are dependent on the level of activity in the O&G industry. The increase in exploration, development and production activities in the O&G industry will benefit our operations as the O&G industry will require vessels to support their activities which are usually offshore.

The level of activity in the O&G industry is dependent upon the demand and supply of crude oil and gas, and potential association with the increase in O&G prices as well as spending budgets for exploration, development and production activities which are beyond our control.

11. FINANCIAL INFORMATION (Cont'd)

11.3.5 Orderbook

As at the LPD, the orderbook of our Group stood at approximately RM830.7 million. Upon expiration of the contract period, certain contracts contain extension options which are mostly renewable on an annual basis with a potential contract sum of approximately RM452.0 million over the entire option period. The details of our Group's orderbook as at the LPD are set out below:-

	Contract period range	Contract expiry	Firm contract period		
			Remaining contract sum as at LPD ⁽¹⁾		
			Denomination as per contract ('000)	RM'000	
Marine transportation and offshore storage operations					
Charter of product tankers ⁽³⁾	a)	6 months	2015	RM2,867	2,867
	b)	5 years	2018	RM5,780	5,780
	c)	10 years	2020	RM166,759	166,759
	d)	10 years	2021	RM84,056	84,056
Charter of OSV	30 to 70 days	2014	RM352	352	
Charter of FSU/FSO	a)	4 years	2017	USD16,553	⁽²⁾ 54,351
	b)	⁽⁴⁾ 4 years	2019	USD41,975	⁽²⁾ 137,825
Charter of LPG tankers	3 years	2017	USD16,225	⁽²⁾ 53,275	
Port marine services					
Charter of tugboats	a)	2 years	2014	RM426	426
	b)	6 months to 3 years	2015	RM16,349	16,349
	c)	⁽⁵⁾ 1 ½ years	2017	USD4,686	⁽²⁾ 15,386
	d)	10 years	2020	RM79,080	79,079
	e)	10 years	2024	RM61,530	61,530
	f)	10 years	2025	RM137,530	137,530
Charter of mooring boats	a)	2 years	2015	RM410	410
	b)	7 years	2016	RM2,341	2,341
	c)	10 years	2020	RM11,658	11,658
Dockside mooring services	a)	7 years	2015	RM293	293
	b)	7 years	2016	RM447	447
Total					830,714

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

11. FINANCIAL INFORMATION (Cont'd)

	Optional period range	Optional extension period	
		Potential contract sum ⁽¹⁾	
		Denomination as per contract ('000)	RM'000
Marine transportation and offshore storage operations			
Charter of product tankers	3 years	RM125,377	125,377
Charter of OSV	-	-	-
Charter of FSU/FSO	1 to 2 years	USD26,463	⁽²⁾ 86,890
Charter of LPG tankers	2 years	USD13,200	⁽²⁾ 43,342
Port marine services			
Charter of tugboats	1 to 5 years	USD27,466 and RM96,233	⁽²⁾ 186,418
Charter of mooring boats	1 to 3 years	RM10,001	10,001
Dockside mooring services	-	-	-
Total			452,028

Notes:-

- (1) Assuming the vessels achieved 100% chartered days for the remaining period subsequent to the LPD.
- (2) Converted at RM3.2835 / USD1, being the middle rates as at the LPD on Bank Negara Malaysia's website.
- (3) Exclude customer's obligation to purchase M.T. Princess Sofea (formerly known as M.T. Nautica Kluang) for RM1.0 million.
- (4) Expected to commence in April 2015.
- (5) Expected to commence in January 2016.

11.4 Capitalisation and indebtedness

The following information should be read in conjunction with the Reporting Accountants' Letter, together with the proforma consolidated statements of financial position as at 31 May 2014 and the related notes as well as the Accountants' Report and the related notes set out in **Section 11.2** and **Section 12** of this Prospectus, respectively.

The table below summarises our cash and cash equivalents as well as capitalisation and indebtedness based on the audited consolidated financial statements as at 31 May 2014 and assuming the IPO had occurred on 31 May 2014. The proforma financial information below does not represent our actual capitalisation and indebtedness as at 31 May 2014 and is provided for illustrative purposes only.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

11. FINANCIAL INFORMATION (Cont'd)

	Audited	Proforma
	As at 31 May 2014	After our IPO and utilisation of proceeds
	RM'000	RM'000
Cash and cash equivalents	15,891	27,369
Indebtedness		
(a) Short-term debt		
<u>Unsecured</u>		
- Bank overdraft	3,109	3,109
- Finance lease	82	82
<u>Secured</u>		
- Bai Bithaman Ajil Term Financing	7,922	5,930
- Conventional term loan	27,151	19,524
- Musharakah Mutanaqisah	6,091	4,666
	44,355	33,311
(b) Long-term debt		
<u>Unsecured</u>		
- Finance lease	250	250
<u>Secured</u>		
- Bai Bithaman Ajil Term Financing	48,453	42,838
- Conventional term loan	157,049	151,589
- Musharakah Mutanaqisah	38,354	30,473
	244,106	225,150
Total indebtedness	288,461	258,461
Capitalisation		
Total equity	189,376	259,668
Total capitalisation and indebtedness	477,837	518,129
Gearing ratio (times)	1.52	1.00

11.5 Liquidity and capital resources**11.5.1 Working capital**

We finance our growth and operations through a combination of shareholders' fund, cash generated from operating activities and borrowings from financial institutions.

Our principal sources of liquidity as at 31 May 2014 are set out below:-

	RM'000
Cash and bank balances	4,904
Net cash flows from operating activities	4,347
Borrowings	288,461

11. FINANCIAL INFORMATION (Cont'd)

Our Board is of the opinion that we will have adequate working capital for a period of twelve (12) months from the date of this Prospectus after taking into consideration the following:-

- (a) our cash and cash equivalents;
- (b) expected cash flow from operations;
- (c) unutilised credit facilities of approximately RM144.8 million as at the LPD; and
- (d) proceeds from the Public Issue.

11.5.2 Cash flow

The details of the cash flow for the five (5)-month FPE 31 May 2014 are as follows:-

	Audited five (5)-month FPE 31 May 2014
	RM'000
Net cash generated from operating activities	4,347
Net cash used in investing activities	(34,785)
Net cash generated from financing activities	25,939
Net increase in cash and cash equivalents	(4,499)
Cash and cash equivalents at beginning of year	6,295
Cash and cash equivalents at end of year	1,796

Net cash generated from operating activities

For the five (5)-month FPE 31 May 2014, our Group generated an operating profit before changes in working capital that amounted to RM23.3 million mainly due to the PBT of RM7.5 million and adjustment for non-cash items amounting to RM15.8 million. These non-cash items mainly include depreciation of property, plant and equipment of RM9.9 million and net interest expenses of RM5.0 million.

After adjusting for changes in working capital that resulted in cash outflow of RM14.0 million as well as net interest paid amounting to RM5.0 million, our net cash generated from operating activities amounted to RM4.3 million. Our working capital changes mainly arose from the following:-

- (a) increase in receivables amounting to approximately RM0.9 million. While the trade receivables increased by approximately RM4.1 million, it was offset by the decrease in other receivables amounting to approximately RM3.2 million; and
- (b) decrease in payables amounting to approximately RM13.0 million which was mainly due to the decrease in trade payables and other payables by approximately RM12.7 million and approximately RM0.3 million, respectively.

Net cash used in investing activities

For the five (5)-month FPE 31 May 2014, net cash used in investing activities amounts to approximately RM34.8 million. The net cash used in investing activities are mainly for the purchase of property, plant and equipment amounting to approximately RM35.3 million, which include acquisition and construction of vessels.

11. FINANCIAL INFORMATION (Cont'd)**Net cash generated from financing activities**

For the five (5)-month FPE 31 May 2014, RM25.9 million was generated from our financing activities, of which an aggregate of approximately RM18.1 million was utilised for the repayment of our credit facilities. We had also drawdown term loans amounting to RM44.0 million.

11.5.3 Borrowings

As at 31 May 2014, our Group's total outstanding borrowings, all of which are interest-bearing, are as follows:-

	Audited
	As at 31 May 2014
	RM'000
(a) Short-term debt	
<u>Unsecured</u>	
- Bank overdraft	3,109
- Finance lease	82
<u>Secured</u>	
- Bai Bithaman Ajil Term Financing	7,922
- Conventional term loan	27,151
- Musharakah Mutanaqisah	6,091
	<u>44,355</u>
(b) Long-term debt	
<u>Unsecured</u>	
- Finance lease	250
<u>Secured</u>	
- Bai Bithaman Ajil Term Financing	48,453
- Conventional term loan	157,049
- Musharakah Mutanaqisah	38,354
	<u>244,106</u>
Total loans and borrowings	<u>288,461</u>

Our Group has no borrowings in foreign currency.

The table below sets forth the maturity profile of our borrowings as at 31 May 2014:-

	As at 31 May 2014
	RM'000
Within 1 year	57,117
1 to 2 years	48,359
2 to 5 years	110,697
More than 5 years	72,288
Total borrowings	<u>288,461</u>

11. FINANCIAL INFORMATION (Cont'd)

Further, our Group has not defaulted on payments on either interest and/or principal sums in respect of any borrowings throughout the past three (3) financial years and the subsequent financial period thereof up to the LPD. Our Group is not in breach of any terms and conditions or covenants associated with the credit arrangements or bank loans which could materially affect our financial position or business operations or the investment by holders of our securities.

11.5.4 Capital expenditures

Save as disclosed below, there are no other material capital expenditures made by us for the financial periods under review:-

	FYE 31 December			Five (5)- month FPE 31 May
	2011	2012	2013	2014
	RM'000	RM'000	RM'000	RM'000
<u>Marine transportation and offshore storage operations</u>				
Product tankers	3,449	2,623	5,162	(566)
OSV	-	533	1,716	621
FSU	-	748	31,516	-
<u>Port marine services</u>				
Tugboats	47,920	14,149	61,208	34,123
Mooring boats	-	-	-	251
Others ⁽¹⁾	764	408	2,350	918
Total capital expenditure	52,133	18,461	101,952	35,347

Note:-

(1) Includes motor vehicles, furniture and fittings, office equipment as well as capital expenditure incurred for shipyard and building.

The capital expenditure in 2011 was mainly incurred for the construction of harbour tugboats, namely M.V. Nautica Tg. Puteri XI, XII, XV and XVI. In the same year, our Group also incurred capital expenditure for dry docking of our product tankers, being M.T. Nautica Pontian and M.T. Nautica Batu Pahat as well as our mooring boats, being M.V. Nautica Tg. Puteri VII and VIII. Further, the construction of M.T. Nautica Maharani, was completed early 2011.

In 2012, capital expenditure was primarily incurred for the construction of harbour tugboats, namely M.V. Nautica Tg. Puteri XI, XII, XV and XVI. The construction of M.V. Nautica Tg. Puteri XI, XII and XV was completed in 2012, while M.V. Nautica Tg. Puteri XVI was completed in early 2013. Apart from that, capital expenditure for dry docking of M.T. Princess Sofea (formerly known as M.T. Nautica Kluang) and M.V. Nautica Tg. Puteri V were incurred. The conversion of M.T. Nautica Muar from a product tanker into a FSU also begun at the end of 2012.

11. FINANCIAL INFORMATION (Cont'd)

Capital expenditure in 2013 was mainly incurred for the conversion of M.T. Nautica Muar from a product tanker into a FSU, acquisition of M.V. Nautica Tg. Puteri XVII and XVIII as well as the construction of six (6) harbour tugboats. M.T. Nautica Muar commenced operations as a FSU in August 2013. Other capital expenditure incurred includes dry docking for M.T. Nautica Johor Bahru, M.T. Nautica Kota Tinggi as well as M.V. Nautica Tg. Puteri V and IX. In addition, we also incurred a capital expenditure of approximately RM2.0 million for the construction of our shipyard.

Capital expenditure for the five (5)-month FPE 31 May 2014 was mainly incurred for the construction of six (6) harbour tugboats as well as the acquisition of M.V. Nautica Tg. Puteri XIX and XX. We received a discount amounting to approximately RM0.6 million in 2014 after renegotiating with the contractor in regards to dry docking expenditure incurred for our product tanker, namely M.T. Nautica Kota Tinggi in 2013.

From the five (5)-month FPE 31 May 2014 up to the LPD, we spent a total of RM58.7 million on the construction of new vessels as well as acquisition and refurbishment of an oil tanker, namely M.T. FOIS Nautica Tembakai, into a FSO.

We anticipate the above-mentioned capital expenditures will be financed via a combination of both existing and new borrowings from financial institutions, expected cash flow from operations and proceeds from the Public Issue.

Save as disclosed above and in **Section 11.5.5** of this Prospectus, as at the LPD, we do not have any material capital expenditure currently in progress, within or outside Malaysia.

11.5.5 Commitments**(i) Capital commitments**

Save as disclosed below, there are no other material commitment for capital expenditures:-

	<u>Audited</u>	<u>Unaudited</u>
	<u>As at 31 May 2014</u>	<u>As at the LPD</u>
	<u>RM'000</u>	<u>RM'000</u>
Vessel under construction		
Approved and contracted for	203,125	163,552
Shipyard under construction		
Approved but not contracted for	10,751	10,751
	<u>213,876</u>	<u>174,303</u>

As at the LPD, the capital commitments of our Group relates to the purchase and/or construction of six (6) harbour tugboats to service Malaysian ports, three (3) harbour tugboats to service a floating natural gas liquefaction facility, a fast crew boat as well as refurbishment cost to convert an oil tanker into a FSO. Save for the refurbishment cost which is expected to be partly funded by the proceeds from the IPO, we expect to fund the capital commitments through bank borrowings and internally generated funds.

The contracted capital commitments are expected to be incurred over the next 15 months from the LPD.

11. FINANCIAL INFORMATION (Cont'd)

In addition to the above, we have estimated approximately RM20.0 million for the construction of our shipyard. Out of the total estimated construction cost of RM20.0 million, approximately RM10.7 million has been approved but not contracted for. The estimated cost of building the shipyard is still in the budgeting phase and therefore the entire amount has yet to be reflected as a capital commitment as at the LPD. This amount is expected to be funded via gross proceeds from the IPO as disclosed in **Section 3.9** of this Prospectus as well as bank borrowings and internally generated funds.

(ii) Operating lease commitments

Our Group has entered into charter contracts which are non-cancellable operating lease commitments. These contracts have remaining contract period of between one (1) to ten (10) years. The future payments to be received which have been contracted for (excluding extension options) are as follows:-

	As at 31 May 2014
	⁽¹⁾ RM'000
Not later than 1 year	142,013
2 nd year	190,395
3 rd year	170,863
4 th year	146,872
5 th year	135,512
Later than 5 years	281,511
Total	1,067,167

Note:-

(1) Assuming the vessels achieve 100% chartered days for the remaining contract period.

11.5.6 Material divestures

Save as disclosed below, there have not been any material divestures undertaken by our Group for the FYE 31 December 2011, 2012 and 2013 as well as the five (5)-month FPE 31 May 2014:-

- (i) The disposal of a product tanker, being M.T. Nautica Mersing for RM1.9 million in 2011, of which we realised a gain of RM0.9 million. The product tanker had reached an age of 25 years which is generally the maximum number of years of useful life for a product tanker;
- (ii) The disposal of Orkim for RM66.9 million in 2013, of which our Group realised a gain of RM37.5 million. We seized the opportunity to dispose of our associate company after receiving an attractive offer from a third party; and
- (iii) M.T. Princess Sofea (formerly known as M.T. Nautica Kluang) was chartered out, on a bareboat basis, to a customer in February 2013 under a finance lease arrangement for a period of five (5) years for a total contract sum of RM8.7 million. At the end of the five (5)-year period, the customer has the obligation to purchase the vessel for RM1.0 million. Pursuant thereto, an initial loss of disposal amounting to RM1.3 million, being the difference between the market value and net carrying amount of the vessel, was recognised. Subsequently, revenue and finance income will be recognised monthly until the end of the contract period.

11. FINANCIAL INFORMATION (Cont'd)

Save as disclosed below, as at the LPD, we do not have any material divestures in progress, within or outside Malaysia:-

- (i) The disposal of a product tanker, namely M.T. Nautica Pontian for RM1.7 million was completed in June 2014. The product tanker had reached an age of 25 years which is generally the maximum number of years of useful life for a product tanker.

11.5.7 Contingent liabilities

Our Directors are not aware of any material contingent liabilities as at the LPD, which upon becoming enforceable may have a material impact on the financial position of our Group.

11.5.8 Key financial ratios

	FYE 31 December			Five (5)- month FPE 31 May
	2011	2012	2013	2014
Average trade receivables turnover period (days)	⁽¹⁾ 34	⁽¹⁾ 35	⁽¹⁾⁽⁸⁾ 57	⁽⁴⁾⁽⁸⁾ 70
Average trade payables turnover period (days)	⁽²⁾ 67	⁽²⁾ 72	⁽²⁾ 78	⁽⁵⁾ 62
Average inventory turnover period (days)	⁽³⁾ 6	N/A	N/A	N/A
Current ratio (times) ⁽⁶⁾	0.35	0.42	0.70	0.74
Gearing ratio (times) ⁽⁷⁾	2.36	1.90	1.43	1.52

Notes:-

- (1)
$$\frac{(\text{Opening trade receivables} + \text{closing trade receivables} - \text{allowance for impairment}) / 2}{\text{Revenue}} \quad \times \quad 365 \text{ days}$$
- (2)
$$\frac{(\text{Opening trade payables} + \text{closing trade payables}) / 2}{\text{Cost of services}} \quad \times \quad 365 \text{ days}$$
- (3)
$$\frac{(\text{Opening inventory} + \text{closing inventory}) / 2}{\text{Cost of services}} \quad \times \quad 365 \text{ days}$$
- (4)
$$\frac{(\text{Opening trade receivables} + \text{closing trade receivables} - \text{allowance for impairment}) / 2}{\text{Revenue}} \quad \times \quad 151 \text{ days}$$
- (5)
$$\frac{(\text{Opening trade payables} + \text{closing trade payables}) / 2}{\text{Cost of services}} \quad \times \quad 151 \text{ days}$$

(6) Current assets over current liabilities

(7) Total borrowings over shareholders' equity

(8) Excludes non-current finance lease receivable

N/A – not applicable

11. FINANCIAL INFORMATION (Cont'd)**Average trade receivables turnover days**

Trade receivables turnover days increased marginally from 34 days in FYE 31 December 2011 to 35 days in FYE 31 December 2012. For FYE 31 December 2013 and the five (5)-month FPE 31 May 2014, the trade receivables turnover days had increased to 57 days and 70 days, respectively. The increase in trade receivables turnover days is primarily due to slower collection from two (2) of our customers.

As at 31 May 2014, the trade receivables of our Group (after allowance for impairment of approximately RM2.4 million) amounted to RM29.8 million which can be analysed as follows:-

	<u>Credit period</u>	<u>Extended credit period</u>		<u>Past due</u>	<u>Total</u>
	<u>0-29 days⁽¹⁾</u>	<u>30-59 days</u>	<u>60-89 days</u>	<u>More than 90 days</u>	
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Trade receivables	8,790	9,565	5,160	8,651	32,166
Less: Allowance for impairment	(144)	(289)	(435)	(1,536)	(2,404)
Net trade receivables	8,646	9,276	4,725	7,115	29,762
% of total trade receivables	29.0%	31.2%	15.9%	23.9%	100.0%
Subsequent collections up to 7 November 2014 (RM'000)	6,423	5,908	1,514	6,978	20,823

Notes:-

(1) Excludes non-current finance lease receivable amounting to approximately RM3.8 million.

We generally grant our customers credit terms of up to 30 days. As at 31 May 2014, 29.0% of our trade receivables were within the normal credit period. We generally allow the credit terms to be extended to 89 days after taking into consideration, *inter-alia*, the background, payment history and credit-worthiness of the customer and our relationship with them. We constantly remind our customers verbally and/or through written reminders to minimize occurrences for any extension of credit period on our trade receivables. Based on the above, the trade receivables within 30 to 89 days were approximately RM14.0 million, of which approximately RM7.4 million were collected subsequent to 31 May 2014, while the remaining balance was still outstanding due to slower collection from certain customers.

In addition, approximately RM7.1 million representing 23.9% out of the total trade receivables has been due for more than 90 days. This was mainly as a result of slower payment from two (2) of our customers under our marine transportation and offshore storage operations segment. Subsequent to 31 May 2014, we received full payment from one (1) of our above mentioned customer while the second (2nd) customer paid for most of the amount owing past due. We have been following-up closely with our customers for payments and our Board is confident that the remaining amounts are recoverable.

11. FINANCIAL INFORMATION (Cont'd)

The allowance for impairment of approximately RM2.4 million primarily relates to the provision of debts owing from two (2) customers in marine transportation and offshore storage operations segment. As at 7 November 2014, we have subsequently collected approximately RM0.5 million which was previously impaired. Trade receivables are individually determined to be provided for as impairment when customers have defaulted in payments as well as our assessment of the likelihood that such debt may be unrecoverable.

Average trade payables turnover days

The average trade payables turnover days increased from 67 days for the FYE 31 December 2011 to 72 days for the FYE 31 December 2012. The average payables turnover days continued to increase to 78 days for FYE 31 December 2013. The increase in average trade payables turnover days was mainly due to the refurbishment of our product tanker to a FSU coupled with the construction of six (6) harbour tugboats, all of which resulted in an increase in the trade payable balances as at 31 December 2013. These refurbishment and construction costs are accounted for approximately 59.1% of the total trade payables as at 31 December 2013. Further, these costs are not recognised as cost of services but are capitalised as property, plant and equipment in the statement of financial position. The lower cost of services coupled with the higher trade payable balances has consequently increased the average trade payables turnover days recorded for the FYE 31 December 2013 as compared to the FYE 31 December 2012.

For the five (5)-month FPE 31 May 2014, the average trade payables turnover days decreased to 62 days. The decrease in average trade payables turnover days was mainly due payment made to contractors for the construction of tugboats.

The aging analysis for trade payables as at 31 May 2014 are as follows:

	Not due	past due	Past due			Total
			1-29 days	30-59 days	Over 60 days	
	RM'000	RM'000	RM'000	RM'000	RM'000	
Trade payables	11,488	512	378	822	13,200	
% of total trade payables	87.0%	3.9%	2.9%	6.2%	100.0%	
Subsequent payments up to the LPD (RM'000)	7,246	471	183	433	8,333	

The credit period extended by our suppliers ranges between 30 to 60 days. As at 31 May 2014, 87.0% of our trade payables were within the credit period. Trade payables past due amounting to RM1.7 million or 13.0% as at 31 May 2014 primarily includes amount owing to our suppliers/contractors for spare parts and maintenance of our vessels. As at the LPD, we have paid RM1.1 million out of the RM1.7 million trade payables past due as at 31 May 2014.

Inventory turnover period (days)

Inventory comprises of bunker for our vessels under voyage charter arrangement. In FYE 31 December 2012 and subsequent financial periods thereof, our customers bear the cost for bunker, hence no inventory was recognised.

11. FINANCIAL INFORMATION (Cont'd)

Current ratio (times)

Our current ratio improved from 0.35 times as at 31 December 2011 to 0.42 times as at 31 December 2012. The increase is mainly due to the increase in trade and other receivables as well as cash and cash equivalents, which was proportionately higher than the increase in current liabilities.

Our current ratio continued to improve from 0.42 times as at 31 December 2012 to 0.70 times as at 31 December 2013 primarily due to the increase in trade receivables as well as cash and cash equivalents coupled with a marginal decrease in short term loans and borrowings.

For the five (5)-month FPE 31 May 2014, our current ratio increased to 0.74 times primarily due to the decrease in trade and other payables of RM13.0 million.

Gearing ratio (times)

Gearing ratio as at 31 December 2011 was 2.36 times mostly due to the drawdown of borrowings to finance our Group's acquisition and construction of vessels. Our Group's gearing ratio gradually improved to 1.90 times as at 31 December 2012 with the repayment of borrowings totalling RM19.7 million.

While the net drawdown of borrowings amounting to RM23.2 million to fund the expansion of our fleet of vessels were made in 2013, the gearing ratio continued to decline to 1.43 times as at 31 December 2013, as a result of (a) conversion of RCCP Shares and inter- company advances owing to our Promoters into share capital; and (b) the sale of Orkim which raised proceeds of RM66.9 million resulting in a gain on disposal of RM37.5 million.

For the five (5)-month FPE 31 May 2014, our gearing ratio increased to 1.52 times mostly due to the drawdown of borrowings to finance our Group's acquisition and construction of tugboats. Post listing our gearing ratio is expected to be reduced to 1.00 times upon repayment of bank borrowings as disclosed under **Section 3.9** of this Prospectus and increase in shareholders' funds pursuant to the Public Issue.

11.5.9 Type of financial instruments used and Treasury policies and objective

Financial instruments, from an accounting perspective, may include trade and other receivables, cash and bank balances, loans and borrowings as well as trade and other payables, as shown in **Section 12** of this Prospectus. The abovementioned financial instruments are used in our Group's ordinary course of business.

We have been financing our operations through a combination of internal and external sources of funds. Internal source of funds comprise of mainly cash generated from operations, share capital and credit from supplier, while external sources of funds comprise mainly bank borrowings. As set out in **Note 10.20** of **Section 12** of this Prospectus, our Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. The primary objective of our capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support our business and maximise shareholder value.

11. FINANCIAL INFORMATION (Cont'd)

Save for the credit facilities as mentioned in **Section 11.5.3** of this Prospectus, as at the LPD, we do not use any other financial instruments.

We do not have any hedging policies nor have we entered into any forward contracts in respect of any foreign exchange exposure. Our cash and cash equivalents are maintained in RM.

11.6 Trend information

Based on our track record for the past years under review, including our segmental analysis of revenue and profitability, our Board observes and anticipates the following trends:-

- (a) We recorded a revenue compound annual growth rate for the past three (3) FYE 31 December 2011, 2012 and 2013 of 12.3%. Meanwhile, for the five (5)-month FPE 31 May 2014, revenue increased by 45.9% when compared to the corresponding period in 2013. We have a relatively predictable revenue stream in view of our outstanding orderbook which will expire between 2014 and 2025 details of which are set out in **Section 11.3.5** of this Prospectus. In the immediate term, we expect our revenue growth to be driven by a full year's recognition of some of our charter contracts which were secured in the previous financial year. We have also recently secured two (2) contracts which will start contributing to our revenue in 2015 and 2016.

Moving forward, we intend to further grow our business by securing new charter contracts while expanding our fleet of vessels. With 19 years of experience in the O&G shipping industry coupled with the ability to build our own vessels, we are confident of growing our revenue levels further.

- (b) Our main components of cost of services are vessel depreciation, crew costs, maintenance costs and charter in costs. Vessel depreciation, crew costs and maintenance costs are generally expected to move in tandem with the size of our fleet of vessels whereas charter in costs will vary depending on the number of charters contracts secured and the availability of our own vessels to service these contracts. In any event, we expect our cost of services to increase as we continue to develop our business and secure more contracts.
- (c) We have recorded a GP margin of 25.2%, 36.1%, 33.5% and 28.2% for the past three (3) FYE 31 December 2011, 2012 and 2013 as well as the five (5)-month FPE 31 May 2014, respectively. Our Board believes that we can maintain the GP margin within this historical range.

The average GP margins for the operation of our own tugboats and charter in tugboats for the past three (3) financial years are 40.6% and 18.7%, respectively. For the five (5)-month FPE 31 May 2014, the average GP margin for the operation of our own tugboats and charter in tugboats are 48.4% and 9.6%, respectively. Port marine services are expected to obtain higher GP margins upon the replacement of third party vessels with new harbour tugboats currently under construction, which in turn should enhance our overall GP margin. While we strive to achieve higher GP margins for both, our marine transportation and offshore storage operations and port marine services, this will depend on our ability to secure contracts with higher charter rates and our ability to manage cost efficiently.

11. FINANCIAL INFORMATION (Cont'd)

- (d) Our PBT is expected to move in tandem with the growth of our GP. Moving forward, our PBT will largely be affected by our administrative expenses (comprising mostly of staff cost and provisioning for doubtful debts, if any) as well as finance cost. We expect both our staff cost and finance cost to move in tandem with the growth of our business and the level of debt/interest expense incurred as we expand our fleet of vessels and invest in our shipyard facilities.

Save as disclosed above, including our Management's Discussion and Analysis of Financial Conditions and Results of Operations, **Section 4**, **Section 5** and **Section 6** of this Prospectus, our Board believes that there are no other significant known trends, uncertainties, demand, commitments or events that are reasonably likely to have a material favourable or unfavourable impact on our financial information as disclosed in this Prospectus.

11.7 Dividend policy

The declaration of interim dividends and the recommendation of final dividend are subject to the discretion of our Board, and any final dividend for the year is subject to our shareholders' approval. We have not formulated a dividend policy or payout ratio, however, we recognise that it is important to reward our investors with dividends. It is our intention to pay dividends to shareholders in the future depending upon a number of factors, including our financial performance, capital expenditure requirements, general financial conditions and any other factors considered relevant by our Board. Actual dividend proposed and declared may vary depending on our financial performance and cash flow and may be waived if the payment of dividends would adversely affect our cash flow and operations.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

12. ACCOUNTANTS' REPORT



Ernst & Young AF:0039
Chartered Accountants
Level 23A Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
50490 Kuala Lumpur Malaysia

Tel: +603 7495 8000
Fax: +603 2095 5332 (General line)
+603 2095 9076
+603 2095 9078
ey.com

(Prepared for inclusion in the Prospectus)

The Board of Directors
E.A. Technique (M) Berhad
Level 11
Menara KOMTAR
Johor Bahru City Centre
80000 Johor Bahru
Johor

Dear Sirs,

**E.A. TECHNIQUE (M) BERHAD ("E.A. TECHNIQUE" OR "THE COMPANY")
ACCOUNTANTS' REPORT**

1.0 Introduction

This Accountants' Report ("**Report**") on E.A. Technique and its subsidiary ("**E.A. Technique Group**" or "**the Group**") has been prepared by Messrs Ernst & Young ("**EY**"), as an approved company auditor, for inclusion in the Prospectus of E.A. Technique in connection with the initial public offering ("**IPO**") and the listing of and quotation for the entire E.A. Technique's shares on the Main Market of Bursa Malaysia Securities Berhad (hereafter referred to as the "**IPO**" and "**Listing**") and should not be relied upon for any other purposes.

This Report is issued for the sole purpose of complying with the Prospectus Guidelines, issued by Securities Commission Malaysia, in connection with the IPO and Listing. Therefore, this Report is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the IPO and Listing described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this Report in connection with any type of transaction, including the sale of securities other than the IPO and Listing.

12. ACCOUNTANTS' REPORT (Cont'd)**2.0 Abbreviations**

Unless the context otherwise requires or the term is defined otherwise, the following abbreviation terms shall bear the same meaning as set out below:

E.A. Technique or Company	E.A. Technique (M) Berhad
E.A. Technique Group or Group	E.A. Technique and its subsidiary
E.A. Technique Shares or Shares	Ordinary shares of E.A. Technique of RM0.25 each
EY	Messrs Ernst & Young
FYE	Financial year ended
FPE	Financial period ended
FRS	Financial Reporting Standards in Malaysia
IC Interpretation	Issues Committee Interpretation
IFRS	International Financial Reporting Standards
MASB	Malaysian Accounting Standards Board
MFRS	Malaysian Financial Reporting Standards
NCI	Non-controlling interests
Report	Accountants' Report
RM	Ringgit Malaysia
SC	Securities Commission Malaysia

12. ACCOUNTANTS' REPORT (Cont'd)**3.0 General information****3.1 Background**

E.A. Technique was incorporated in Malaysia as a private limited company under the Companies Act, 1965 on 18 January 1993 under the name of E.A. Technique (M) Sdn Bhd. It was converted to a public limited company and assumed its present name on 27 March 2014.

The principal activities of the Company are ship owning and operator of marine vessels for the transportation and offshore storage of O&G, and provider of port marine services.

The principal activities of the subsidiary are shipbuilding, ship repair, and minor fabrication.

The principal place of business of the Company is located at Setiawangsa Business Suites, Unit C-3AA-3A, No. 2, Jalan Setiawangsa, 54200 Kuala Lumpur.

The registered office of the company is located at Level 11, Menara KOMTAR, Johor Bahru City Centre, 80000 Johor Bahru, Johor.

3.2 Group Structure

The details of Johor Shipyard and Engineering Sdn. Bhd., an incorporated subsidiary of E.A. Technique are as follows:

Date of incorporation:	13 December 2007
Country of incorporation:	Malaysia
Principal activities:	Shipbuilding, ship repair, and minor fabrication
Issued and paid-up share capital:	Ordinary (RM2,500,000)
Proportion of ownership interest:	100% (FYE 2011, 2012, 2013 and FPE May 2014)

12. ACCOUNTANTS' REPORT (Cont'd)



4.0 Auditors and audited financial statements

The financial statements of E.A. Technique were audited by EY for the relevant financial years/period under review. Please refer to the Appendix attached to this Report for the audited financial statements of the relevant years/period.

The audited financial statements of E.A. Technique have been prepared in accordance with:

- (a) FRS for FYE 31 December 2011; and
- (b) MFRS for FYE 31 December 2012, 31 December 2013 and FPE 31 May 2014.

FRS and MFRS are the approved accounting standards under the Financial Reporting Act, 1997.

Those financial statements have been drawn up by the directors of E.A. Technique so as to give a true and fair view on the financial position of the Group and of the Company and of their financial performance and cash flows for the financial years/period then ended, and were reported by us to the members/directors without qualification.

No audited financial statements have been prepared in respect of any period subsequent to 31 May 2014.

5.0 Basis of preparation of historical financial information

The financial information as set out in the following sections are extracted from the audited financial statements of the Group for the relevant financial years/period covered in this Report.

These audited financial statements do not incorporate the effects of the IPO and Listing. Therefore, they may not correspond to the financial statements of the Group after the completion of the IPO and Listing.

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

The audited financial statements included in this Report are presented in RM. The basis of preparation of the financial statements is further explained in Note 8.

6.0 Changes in accounting policies

6.1 FRS financial statements - FYE 31 December 2011

At the beginning of FYE 31 December 2011, the Group adopted the new and revised FRS and IC Interpretations, including the amendments, which are mandatory for its financial year beginning 1 January 2011. The adoption did not have significant effect on the financial performance of the Group for the FYE 31 December 2011 and the financial position as at 31 December 2011.

12. ACCOUNTANTS' REPORT (Cont'd)

**6.0 Changes in accounting policies (cont'd.)****6.2 MFRS financial statements**

The audited financial statements of the Group for FYE 31 December 2012, FYE 31 December 2013 and FPE 31 May 2014 have been prepared in accordance with MFRS. Entities that comply with MFRS Framework will simultaneously comply with IFRS Framework.

(i) FYE 31 December 2012

The audited financial statements of the Group for FYE 31 December 2012 are the first set of financial statements which have been prepared in accordance with MFRS. On transition to the MFRS Framework with a transition date of 1 January 2011, the Group has applied MFRS 1: *First-Time Adoption of Malaysian Financial Reporting Standards*.

The adoption of MFRS on the date of transition did not have significant impact on the financial statements of the Group. No adjustments have been made to the amounts previously reported in the financial statements prepared in accordance with FRS. The significant accounting policies adopted in preparing the financial statements for the FYE 31 December 2012 are consistent with those of the audited financial statements for FYE 31 December 2011.

(ii) FYE 31 December 2013

At the beginning of FYE 31 December 2013, the Group adopted the new and revised MFRS and IC Interpretations, including the amendments, which are mandatory for its financial year beginning 1 January 2013. The adoption did not have significant effect on the financial performance of the Group for the FYE 31 December 2013 and the financial position as at 31 December 2013.

(ii) FPE 31 May 2014

At the beginning of FPE 31 May 2014, the Group adopted the new and revised MFRS and IC Interpretations, including the amendments, which are mandatory for its financial year beginning 1 January 2014. The adoption did not have significant effect on the financial performance of the Group for the FPE 31 May 2014 and the financial position as at 31 May 2014.

12. ACCOUNTANTS' REPORT (Cont'd)**7.0 Standards issued but not yet effective**

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's financial statements for the FPE 31 May 2014 are disclosed below. The Group intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 119: Defined Benefit Plans: <i>Employee Contributions</i>	1 July 2014
Annual Improvements to MFRSs 2010–2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011–2013 Cycle	1 July 2014
Amendments to MFRS 11 Accounting for Acquisitions of Interest in Joint Operations	1 Jan 2016
MFRS 14 Regulatory Deferral Accounts	1 Jan 2016
MFRS 15 Revenue from Contracts with Customers	1 Jan 2017
Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation	1 Jan 2016
Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants	1 Jan 2016
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)	To be announced
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced
MFRS 9 Financial Instruments: <i>Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139</i>	To be announced

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

8.0 Summary of significant accounting policies**8.1 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at the reporting date. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

12. ACCOUNTANTS' REPORT (Cont'd)



8.0 Summary of significant accounting policies (cont'd.)

8.1 Basis of consolidation (cont'd.)

The Group controls an investee if and only if the Group has all the following:

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

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiary is consolidated when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to NCI even if that results in NCI having a deficit balance.

12. ACCOUNTANTS' REPORT (Cont'd)

**8.0 Summary of significant accounting policies (cont'd.)****8.1 Basis of consolidation (cont'd.)**

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the NCI are adjusted to reflect the changes in their relative interests in the subsidiaries. The difference between the amount by which the NCI is adjusted and the fair value of the consideration received is recognised directly in equity and attributed to owners of the parent.

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

8.2 Business Combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any NCI in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the NCI in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

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

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

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

12. ACCOUNTANTS' REPORT (Cont'd)

**8.0 Summary of significant accounting policies (cont'd.)****8.3 Foreign currency****(a) Functional and presentation currency**

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM).

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the functional currency of the Group and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit and loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

8.4 Property, plant and equipment

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

12. ACCOUNTANTS' REPORT (Cont'd)**8.0 Summary of significant accounting policies (cont'd.)****8.4 Property, plant and equipment (cont'd.)**

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Vessels	5 - 25 years
Buildings	50 years
Motor vehicles	5 years
Renovation	5 years
Furniture, fittings and office equipment	5 - 10 years

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

Residual value of the vessels is estimated by management as equivalent to the light weight tonnage of the vessels times the estimated long term price of steel per tonne.

Dry-docking costs which enhance the useful lives of the vessels are capitalised in the year they are incurred and amortised over 1 to 5 years until the next dry-docking.

Vessel under construction and shipyard under construction are not depreciated until the assets are ready for their intended use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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

12. ACCOUNTANTS' REPORT (Cont'd)

**8.0 Summary of significant accounting policies (cont'd.)****8.5 Associate**

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

On acquisition of an investment in associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

An associate is equity accounted for from the date on which the investee becomes an associate.

Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate equal or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

12. ACCOUNTANTS' REPORT (Cont'd)

**8.0 Summary of significant accounting policies (cont'd.)****8.5 Associate (cont'd.)**

After application of the equity method, the Group applies MFRS 139 Financial Instruments: Recognition and Measurement to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 Impairment of Assets as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

8.6 Financial assets

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

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

(a) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. This category generally applies to trade and other receivables.

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

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

12. ACCOUNTANTS' REPORT (Cont'd)

**8.0 Summary of significant accounting policies (cont'd.)****8.7 Impairment****(a) Financial assets carried at amortised cost**

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, receivables that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics.

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

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

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

(b) Non financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

12. ACCOUNTANTS' REPORT (Cont'd)

**8.0 Summary of significant accounting policies (cont'd.)****8.7 Impairment (cont'd.)****(b) Non financial assets (cont'd.)**

An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use. For the purpose of assessing impairment, recoverable amount is determined for an individual asset. Unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGU).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

8.8 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and bank balances. These also include bank overdrafts that form an integral part of the Group's cash management.

12. ACCOUNTANTS' REPORT (Cont'd)

**8.0 Summary of significant accounting policies (cont'd.)****8.9 Inventories**

Inventories consist of bunker on board which is for own consumption. Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the first in, first out method. Cost is the aggregate of cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

8.10 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

8.11 Financial liabilities

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

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

12. ACCOUNTANTS' REPORT (Cont'd)

**8.0 Summary of significant accounting policies (cont'd.)****8.11 Financial liabilities (cont'd.)**

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

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

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

8.12 Redeemable Cumulative Convertible Preference Shares ("RCCPS")

The RCCPS are regarded as compound instruments, consisting of a liability component and an equity component. The component of RCCPS that exhibits characteristics of a liability is recognised as a financial liability in the statements of financial position, net of transaction costs. The dividends on those shares are recognised as interest expense in profit or loss using the effective interest rate method. On issuance of the RCCPS, the fair value of the liability component is determined using a market rate for an equivalent non-convertible debt and this amount is carried as a financial liability in accordance with the accounting policy for other payables set out in Note 8.11.

The residual amount, after deducting the fair value of the liability component, is recognised and included in shareholder's equity, net of transaction costs.

Transaction costs are apportioned between the liability and equity components of the RCCPS based on the allocation of proceeds to the liability and equity components when the instruments were first recognised.

12. ACCOUNTANTS' REPORT (Cont'd)

**8.0 Summary of significant accounting policies (cont'd.)****8.13 Leases****(i) Group as lessor**

Under a finance lease, substantially all the risks and rewards incidental to legal ownership are transferred by the Group. The Group recognised assets held under a finance lease in its statement of financial position and present them as a receivable at an amount equal to the minimum lease payments receivable by the Group and any unguaranteed residual value accruing to the Group discounted at the interest rate implicit in the lease, which equal to the sum of the fair value of the leased asset and any initial direct costs of the Group.

Lease payments received from lessee are apportioned between the finance income and reduction of the finance lease receivable. The recognition of finance income is based on pattern reflecting a constant periodic rate of return on the receivable.

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

(ii) Group as lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

12. ACCOUNTANTS' REPORT (Cont'd)

**8.0 Summary of significant accounting policies (cont'd.)****8.14 Borrowing costs**

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

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

8.15 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

8.16 Employee benefits**(a) Short term benefits**

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

(b) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

8.17 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

12. ACCOUNTANTS' REPORT (Cont'd)

**8.0 Summary of significant accounting policies (cont'd.)****8.17 Revenue (cont'd.)**

The specific recognition criteria described below must also be met before revenue is recognised.

(i) Freight income

Freight income is recognised when the goods are delivered and services rendered and accepted by customers.

(ii) Demurrage

Demurrage is accrued for in the financial statements.

(iii) Fabrication works

Revenue from the fabrication works are recognised on an accrual basis when the services are rendered.

(iv) Interest income

Interest income is recognised as it accrues, using the effective interest method.

8.18 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the end of the reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the tax bases of assets and liabilities and their carrying amounts at the reporting date. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

12. ACCOUNTANTS' REPORT (Cont'd)

**9.0 Critical judgements made in applying accounting policies**

In the process of preparing these financial statements:

(a) Critical judgements made in applying accounting policies

There are no critical judgements made by management in the process of applying the Group's accounting policies that have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(i) Deferred tax assets

Deferred tax assets are recognised for all unutilised tax losses and 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 on the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised deferred tax assets of the Group is disclosed in Note 10.9 and the unrecognised tax lossess of the Group is disclosed in Note 10.16.

(ii) Depreciation of vessels and equipment on vessel

The cost of vessels and equipment on vessel are depreciated on a straight-line basis over the assets' useful life. Management estimates the useful lives of the Group's vessels to be between 5 to 25 years. These are common life expectancies applied in the shipping industry. Changes in the expected level of usage could impact the economic useful lives and residual values of these assets, therefore future depreciation charges could be revised.

12. ACCOUNTANTS' REPORT (Cont'd)**10.0 Historical financial information****Consolidated Statements of Financial Position**

The consolidated statements of financial position of E.A. Technique Group based on its audited consolidated financial statements for the FYE 31 December 2011, 2012, 2013 and FPE 31 May 2014 are as follows:

	Note	FYE 31.12.2011 RM	FYE 31.12.2012 RM	FYE 31.12.2013 RM	5 months FPE 31.5.2014 RM
Assets					
Non-current assets					
Property, plant and equipment	10.1	363,481,196	360,988,174	435,908,206	461,403,662
Investment in an associate	10.2	21,415,378	26,460,679	-	-
Trade receivables	10.3	-	-	3,820,249	3,758,058
		<u>384,896,574</u>	<u>387,448,853</u>	<u>439,728,455</u>	<u>465,161,720</u>
Current assets					
Trade and other receivables	10.3	11,063,256	18,234,090	35,299,234	35,337,877
Inventories	10.4	1,206,937	-	-	-
Cash and bank balances	10.5	10,212,445	18,564,818	21,204,998	15,890,622
		<u>22,482,638</u>	<u>36,798,908</u>	<u>56,504,232</u>	<u>51,228,499</u>
Total assets		<u>407,379,212</u>	<u>424,247,761</u>	<u>496,232,687</u>	<u>516,390,219</u>
Equity and liabilities					
Equity attributable to owners of the parent					
Share capital	10.6	44,040,816	44,040,816	97,500,000	97,500,000
Retained profits	10.7	65,757,886	82,665,813	86,532,655	91,793,017
Total equity		<u>109,798,702</u>	<u>126,706,629</u>	<u>184,032,655</u>	<u>189,293,017</u>
Non-current liabilities					
Loans and borrowings	10.8	217,986,235	189,840,975	218,160,436	244,105,937
Deferred tax liabilities	10.9	6,229,188	10,686,131	12,770,771	13,487,917
RCCPS	10.10	8,997,959	8,997,959	-	-
		<u>233,213,382</u>	<u>209,525,065</u>	<u>230,931,207</u>	<u>257,593,854</u>

12. ACCOUNTANTS' REPORT (Cont'd)**10.0 Historical financial information (cont'd.)****Consolidated Statements of Financial Position (cont'd.)**

The consolidated statements of financial position of E.A. Technique Group based on its audited consolidated financial statements for the FYE 31 December 2011, 2012, 2013 and FPE 31 May 2014 are as follows (cont'd.):

		FYE	FYE	FYE	5 months
		31.12.2011	31.12.2012	31.12.2013	FPE
	Note	RM	RM	RM	RM
Current liabilities					
Trade and other payables	10.11	22,885,616	36,609,625	36,289,066	23,252,800
Loans and borrowings	10.8	41,481,512	50,505,972	44,618,973	44,355,124
Tax payable		-	900,470	360,786	1,895,424
		<u>64,367,128</u>	<u>88,016,067</u>	<u>81,268,825</u>	<u>69,503,348</u>
Total liabilities		297,580,510	297,541,132	312,200,032	327,097,202
Total equity and liabilities		407,379,212	424,247,761	496,232,687	516,390,219

12. ACCOUNTANTS' REPORT (Cont'd)



10.0 Historical financial information (cont'd.)

Consolidated Statements of Comprehensive Income

The consolidated statements of comprehensive income of E.A. Technique Group based on its audited consolidated financial statements for the FYE 31 December 2011, 2012, 2013, unaudited FPE 31 May 2013 and FPE 31 May 2014 are as follows:

		FYE	FYE	FYE	Unaudited	5 months
	Note	31.12.2011	31.12.2012	31.12.2013	31.5.2013	5 months
		RM	RM	RM	RM	FPE
		Restated	Restated			FPE
						RM
Revenue	10.12	96,063,644	102,723,848	121,117,953	43,046,032	62,813,197
Cost of services		(71,875,324)	(65,613,196)	(80,548,629)	(28,102,734)	(45,113,557)
Gross profit		24,188,320	37,110,652	40,569,324	14,943,298	17,699,640
Other operating income		3,209,561	2,187,254	41,154,955	37,621,143	1,501,800
Administrative expenses		(6,588,029)	(6,637,586)	(12,849,446)	(5,036,888)	(6,693,164)
Results from operating activities		20,809,852	32,660,320	68,874,833	47,527,553	12,508,276
Finance income		245,307	314,546	2,086,928	477,782	923,546
Finance costs	10.13	(12,584,737)	(13,754,827)	(14,541,196)	(6,081,221)	(5,919,676)
Share of results of associate, net of tax		8,470,422	19,220,039	56,420,565	41,924,114	7,512,146
		3,645,600	5,045,301	2,946,938	2,946,938	-
Profit before tax	10.14	12,116,022	24,265,340	59,367,503	44,871,052	7,512,146
Income tax expense	10.16	(3,463,713)	(5,357,413)	(2,464,592)	(193,036)	(2,251,784)
Profit for the year/period, representing total comprehensive income for the year/period attributable to owners of the parent		8,652,309	18,907,927	56,902,911	44,678,016	5,260,362

12. ACCOUNTANTS' REPORT (Cont'd)



10.0 Historical financial information (cont'd.)

Consolidated Statements of Changes in Equity

The consolidated statements of changes in equity of E.A. Technique Group based on its audited consolidated financial statements for the FYE 31 December 2011, 2012, 2013 and FPE 31 May 2014 are as follows:

	Note	Share capital RM	Distributable Retained profits RM	Total RM
At 1 January 2011		44,040,816	57,105,577	101,146,393
Profit for the year, representing total comprehensive income for the year		-	8,652,309	8,652,309
At 31 December 2011		44,040,816	65,757,886	109,798,702
At 1 January 2012		44,040,816	65,757,886	109,798,702
Profit for the year, representing total comprehensive income for the year		-	18,907,927	18,907,927
Transaction with owners:				
- Dividend	10.17	-	(2,000,000)	(2,000,000)
At 31 December 2012		44,040,816	82,665,813	126,706,629
At 1 January 2013 (Unaudited)		44,040,816	82,665,813	126,706,629
Profit for the period, representing total comprehensive income for the period (Unaudited)		-	44,678,015	44,678,015
Transaction with owners:				
- Dividend (Unaudited)	10.17	-	(25,000,000)	(25,000,000)
At 31 May 2013 (Unaudited)		44,040,816	102,343,828	146,384,644
At 1 January 2013		44,040,816	82,665,813	126,706,629
Profit for the year, representing total comprehensive income for the year		-	56,902,911	56,902,911
Transaction with owners:				
- Dividend	10.17	-	(25,000,000)	(25,000,000)
- Bonus issue	10.6	28,036,069	(28,036,069)	-
- Conversion of RCCPS	10.6	12,897,412	-	12,897,412
- Issuance of ordinary shares	10.6	12,525,703	-	12,525,703
At 31 December 2013		97,500,000	86,532,655	184,032,655
At 1 January 2014		97,500,000	86,532,655	184,032,655
Profit for the period, representing total comprehensive income for the period		-	5,260,362	5,260,362
At 31 May 2014		97,500,000	91,793,017	189,293,017

12. ACCOUNTANTS' REPORT (Cont'd)**10.0 Historical financial information (cont'd.)****Consolidated Statements of Cash Flows**

The consolidated statements of cash flows of E.A. Technique Group based on its audited consolidated financial statements for the FYE 31 December 2011, 2012, 2013, unaudited FPE 31 May 2013 and FPE 31 May 2014 are as follows:

	FYE 31.12.2011 RM	FYE 31.12.2012 RM	FYE 31.12.2013 RM	Unaudited 5 months FPE 31.5.2013 RM	5 months FPE 31.5.2014 RM
Cash flows from operating activities					
Profit before tax	12,116,022	24,265,340	59,367,503	44,871,052	7,512,146
<u>Adjustments for:</u>					
Depreciation of property, plant and equipment	19,112,847	20,954,438	21,007,573	7,907,916	9,851,497
Interest expense	12,584,737	13,754,827	14,541,196	6,081,221	5,919,676
(Gain)/loss on disposal of property, plant and equipment	(926,576)	-	1,262,497	1,168,980	(4,000)
Gain on disposal of an associate	-	-	(37,455,128)	(37,455,128)	-
Interest income	(245,307)	(314,546)	(2,086,928)	(477,782)	(923,546)
Allowance for impairment on trade receivables	-	203,962	1,254,130	-	1,352,306
Reversal of impairment loss on trade receivable	-	-	-	-	(405,962)
Share of profit of equity accounted associate	(3,645,600)	(5,045,301)	(2,946,938)	(2,946,938)	-
Operating cash flows before changes in working capital	38,996,123	53,818,720	54,943,905	19,149,321	23,302,117

12. ACCOUNTANTS' REPORT (Cont'd)



10.0 Historical financial information (cont'd.)

Consolidated Statements of Cash Flows (cont'd.)

The consolidated statements of cash flows of EAT Group based on its audited consolidated financial statements for the FYE 31 December 2011, 2012, 2013 and FPE 31 May 2014 are as follows (cont'd.):

	FYE 31.12.2011 RM	FYE 31.12.2012 RM	FYE 31.12.2013 RM	Unaudited 5 months FPE 31.5.2013 RM	5 months FPE 31.5.2014 RM
Changes in working capital:					
(Increase)/decrease in inventories	(129,151)	1,206,937	-	-	-
Decrease/(increase) in trade and other receivables	839,044	(7,374,796)	(17,589,026)	(4,391,694)	(922,796)
Increase/(decrease) in trade and other payables	8,954,028	12,774,009	1,773,191	(1,630,476)	(13,036,266)
Cash flows from operations	48,660,044	60,424,870	39,128,070	13,127,151	9,343,055
Interest received	245,307	314,546	2,086,928	477,782	923,546
Interest paid	(12,584,737)	(13,754,827)	(14,541,196)	(6,081,221)	(5,919,676)
Tax paid	-	-	(1,013,386)	-	-
Net cash generated from operating activities	36,320,614	46,984,589	25,660,416	7,523,712	4,346,925
Cash flows from investing activities					
Decrease/(increase) in fixed and security deposits pledged	2,422,398	800,422	(4,620,078)	(255,309)	470,881
Purchase of property, plant and equipment	(52,133,533)	(18,242,416)	(101,822,099)	(32,301,050)	(35,259,953)
Proceeds from disposal of property, plant and equipment	1,882,633	-	211,000	161,000	4,000
Proceeds from disposal of an associate	-	-	66,862,745	66,862,745	-

12. ACCOUNTANTS' REPORT (Cont'd)



10.0 Historical financial information (cont'd.)

Consolidated Statements of Cash Flows (cont'd.)

The consolidated statements of cash flows of EAT Group based on its audited consolidated financial statements for the FYE 31 December 2011, 2012, 2013 and FPE 31 May 2014 are as follows (cont'd.):

	FYE 31.12.2011 RM	FYE 31.12.2012 RM	FYE 31.12.2013 RM	Unaudited 5 months FPE 31.5.2013 RM	5 months FPE 31.5.2014 RM
Additional investment in an associate	(494,000)	-	-	-	-
Net cash (used in)/ generated from investing activities	(48,322,502)	(17,441,994)	(39,368,432)	34,467,386	(34,785,072)
Cash flows from financing activities					
Dividend payment	-	(1,050,000)	(27,000,000)	(27,000,000)	-
Proceeds from issuance of RCCPS	3,020,408	-	3,899,453	2,494,222	-
Proceeds from issuance of ordinary shares	-	-	12,525,703	-	-
Repayment of conventional term loan	(7,126,089)	(7,633,238)	(7,634,170)	(4,488,232)	(11,335,070)
Drawdown from conventional term loan	-	-	132,738,705	-	43,990,142
Repayment of islamic term financing facilities	(23,293,325)	(12,088,089)	(101,876,260)	(17,051,141)	(6,687,748)
Drawdown from islamic term financing facilities	41,400,005	-	-	-	-
Repayment of finance lease	(54,971)	(37,694)	(47,643)	(23,325)	(28,670)
Net cash generated from/(used in) financing activities	13,946,028	(20,809,021)	12,605,788	(46,068,476)	25,938,654

12. ACCOUNTANTS' REPORT (Cont'd)



10.0 Historical financial information (cont'd.)

Consolidated Statements of Cash Flows (cont'd.)

The consolidated statements of cash flows of EAT Group based on its audited consolidated financial statements for the FYE 31 December 2011, 2012, 2013 and FPE 31 May 2014 are as follows (cont'd.):

Note	FYE	FYE	FYE	Unaudited	5 months
	31.12.2011	31.12.2012	31.12.2013	5 months	5 months
	RM	RM	RM	FPE	FPE
				31.5.2013	31.5.2014
				RM	RM
Net change in cash and cash equivalents	1,944,140	8,733,574	(1,102,228)	(4,077,378)	(4,499,493)
Cash and cash equivalents at beginning of year/period	(3,280,414)	(1,336,274)	7,397,300	7,397,300	6,295,072
Cash and cash equivalents at end of year/period (i)	(1,336,274)	7,397,300	6,295,072	3,319,922	1,795,579

(i) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following amounts:

	FYE	FYE	FYE	Unaudited	5 months
	31.12.2011	31.12.2012	31.12.2013	5 months	5 months
	RM	RM	RM	FPE	FPE
				31.5.2013	31.5.2014
				RM	RM
Cash and bank balances	2,574,718	11,727,513	9,747,615	6,980,731	4,904,120
Fixed and security deposit with licensed banks	7,637,727	6,837,305	11,457,383	7,011,022	10,986,502
	10,212,445	18,564,818	21,204,998	13,991,753	15,890,622

12. ACCOUNTANTS' REPORT (Cont'd)**10.0 Historical financial information (cont'd.)****Consolidated Statements of Cash Flows (cont'd.)****(i) Cash and cash equivalents (cont'd.)**

Cash and cash equivalents included in the statements of cash flows comprise the following amounts (cont'd.):

	FYE 31.12.2011 RM	FYE 31.12.2012 RM	FYE 31.12.2013 RM	Unaudited 5 months FPE 31.5.2013 RM	5 months FPE 31.5.2014 RM
Less: Bank over-drafts	(3,910,992)	(4,330,213)	(3,452,543)	(3,660,809)	(3,108,541)
	6,301,453	14,234,605	17,752,455	10,330,944	12,782,081
Less: Fixed and security deposits pledged	(7,637,727)	(6,837,305)	(11,457,383)	(7,011,022)	(10,986,502)
	<u>(1,336,274)</u>	<u>7,397,300</u>	<u>6,295,072</u>	<u>3,319,922</u>	<u>1,795,579</u>

12. ACCOUNTANTS' REPORT (Cont'd)



10.1 Property, plant and equipment	Vessels		Vessel under construction		Buildings		Shipyards under construction		Motor vehicles		Renovation equipment		Furniture, fittings and office equipment		Total RM
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
Cost															
At 1 January 2011	324,930,887	70,803,479	1,461,322	166,933	1,221,825	475,496	489,503	399,549,445							
Additions	3,549,730	47,819,459	235,590	356,317	-	-	172,437	52,133,533							
Write off	-	-	-	-	-	-	(131,426)	(131,426)							
Disposal	(7,048,949)	-	-	-	-	-	-	-							
Transfers	72,924,851	(72,924,851)	-	-	-	-	-	-							
At 31 December 2011	394,356,519	45,698,087	1,696,912	523,250	1,221,825	475,496	530,514	444,502,603							
Accumulated depreciation															
At 1 January 2011	66,059,740	-	127,759	-	1,176,090	372,195	397,094	68,132,878							
Charge for the year	18,949,724	-	33,938	-	15,548	62,267	51,370	19,112,847							
Write off	-	-	-	-	-	-	(131,426)	(131,426)							
Disposal	(6,092,892)	-	-	-	-	-	-	(6,092,892)							
At 31 December 2011	78,916,572	-	161,697	-	1,191,638	434,462	317,038	81,021,407							
Net carrying amount															
At 31 December 2011	315,439,947	45,698,087	1,535,215	523,250	30,187	41,034	213,476	363,481,196							

12. ACCOUNTANTS' REPORT (Cont'd)



10.1 Property, plant and equipment (cont'd.)

Cost	Vessels		Vessel under construction		Buildings		Shipyard under construction		Motor vehicles		Renovation		Furniture, fittings and office equipment		Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
At 1 January 2012	394,356,519	45,698,087	1,696,912	523,250	1,221,825	475,496	530,514	444,502,603							
Additions	3,904,297	14,148,542	-	-	367,616	-	40,961	18,461,416							
Transfers	46,596,903	(46,596,903)	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2012	444,857,719	13,249,726	1,696,912	523,250	1,589,441	475,496	571,475	462,964,019							
Accumulated depreciation															
At 1 January 2012	78,916,572	-	161,697	-	1,191,638	434,462	317,038	81,021,407							
Charge for the year	20,767,627	-	33,938	-	67,871	41,034	43,968	20,954,438							
At 31 December 2012	99,684,199	-	195,635	-	1,259,509	475,496	361,006	101,975,845							
Net carrying amount															
At 31 December 2012	345,173,520	13,249,726	1,501,277	523,250	329,932	-	210,469	360,988,174							

31

282

12. ACCOUNTANTS' REPORT (Cont'd)



10.1 Property, plant and equipment (cont'd.)

Cost	Vessels		Vessel under construction		Buildings		Shipyard under construction		Motor vehicles		Renovation equipment		Furniture, fittings and office equipment		Total RM
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
At 1 January 2013	444,857,719	13,249,726	1,696,912	523,250	1,589,441	475,496	571,475	462,964,019							
Additions	55,607,465	43,993,929	-	2,027,210	153,426	42,250	127,319	101,951,599							
Disposals	(19,898,800)	-	-	-	(756,091)	-	-	(20,654,891)							
Transfers	13,249,726	(13,249,726)	-	-	-	-	-	-							
At 31 December 2013	493,816,110	43,993,929	1,696,912	2,550,460	986,776	517,746	698,794	544,260,727							
Accumulated depreciation															
At 1 January 2013	99,684,199	-	195,635	-	1,259,509	475,496	361,006	101,975,845							
Charge for the year	20,783,521	-	33,938	-	118,927	8,450	62,737	21,007,573							
Disposals	(13,874,806)	-	-	-	(756,091)	-	-	(14,630,897)							
At 31 December 2013	106,592,914	-	229,573	-	622,345	483,946	423,743	108,352,521							
Net carrying amount															
At 31 December 2013	387,223,196	43,993,929	1,467,339	2,550,460	364,431	33,800	275,051	435,908,206							

12. ACCOUNTANTS' REPORT (Cont'd)



10.1 Property, plant and equipment (cont'd.)

Cost	Vessels		Vessel under construction		Buildings		Shipyard under construction		Motor vehicles		Renovation		Furniture, fittings and office equipment		Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
At 1 January 2014	493,816,110	43,993,929	1,696,912	2,550,460	986,776	517,746	698,794	544,260,727							
Additions	1,111,500	33,317,910	-	730,416	99,739	85,689	1,699	35,346,953							
Disposals	-	-	-	-	(62,500)	-	-	(62,500)							
Transfers	30,459,802	(30,459,802)	-	-	-	-	-	-							
At 31 May 2014	525,387,412	46,852,037	1,696,912	3,280,876	1,024,015	603,435	700,493	579,545,180							
Accumulated depreciation															
At 1 January 2014	106,592,914	-	229,573	-	622,345	483,946	423,743	108,352,521							
Charge for the period	9,766,585	-	14,145	-	35,180	3,520	32,067	9,851,497							
Disposals	-	-	-	-	(62,500)	-	-	(62,500)							
At 31 May 2014	116,359,499	-	243,718	-	595,025	487,466	455,810	118,141,518							
Net carrying amount															
At 31 May 2014	409,027,913	46,852,037	1,453,194	3,280,876	428,990	115,969	244,683	461,403,662							

12. ACCOUNTANTS' REPORT (Cont'd)



10.1 Property, plant and equipment (cont'd.)

(a) Security

Net carrying amount of assets pledged as security for islamic financing facilities, overdraft and conventional financing facilities are as follows:

	31.12.2011	31.12.2012	31.12.2013	31.5.2014
	RM	RM	RM	RM
Vessels	315,439,947	345,173,520	387,223,196	409,027,913
Vessels under construction	45,698,087	13,249,726	43,993,929	46,852,037
	<u>361,138,034</u>	<u>358,423,246</u>	<u>431,217,125</u>	<u>455,879,950</u>

(b) Assets held under finance lease

During the financial period/year, the Group acquired property, plant and equipment at aggregate costs of RM35,346,953 (2013: RM101,951,599, 2012: RM18,461,416, 2011: RM52,133,533) respectively of which RM87,000 (2013: RM129,500, 2012: RM219,000, 2011: Nil) were by means of finance lease agreement.

Net carrying amount of motor vehicles of the Group held under finance lease arrangements are RM347,006 (2013: RM282,199, 2012: RM227,329, 2011: RM29,440).

(c) Borrowing costs

Included in vessels under construction of the Group is interest capitalised for the period/year of RM434,594 (2013: Nil, 2012: RM1,479,182, 2011: RM660,815).

10.2 Investment in an associate

	31.12.2011	31.12.2012	31.12.2013	31.5.2014
	RM	RM	RM	RM
At cost:				
Unquoted shares	17,143,171	17,143,171	-	-
Share of post-acquisition reserve	4,272,207	9,317,508	-	-
	<u>21,415,378</u>	<u>26,460,679</u>	-	-

As at 31 December 2012 and 31 December 2011, the Group had 31% ownership interest in Orkim Sdn. Bhd. ("Orkim"), which is involved in ship owning, ship broking, ship management and marine consultation in Malaysia.

On 1 March 2013, the Group disposed of 11,662,267 ordinary shares of RM1 each or 31% equity interest in Orkim to GMV-Orkim Sdn. Bhd. for a total cash consideration of RM66,862,745.

12. ACCOUNTANTS' REPORT (Cont'd)**10.2 Investment in an associate (cont'd.)**

The following table illustrates the summarised financial information of Orkim for FYE 31 December 2011 and 31 December 2012:

	Revenue (100%)	Profit (100%)	Total assets (100%)	Total liabilities (100%)
31 December 2011				
Equity accounted				
Orkim*	65,547,000	11,760,000	252,465,000	172,597,000
31 December 2012				
Equity accounted				
Orkim*	75,261,370	16,275,166	309,830,628	213,682,956

* Orkim is incorporated in Malaysia.

10.3 Trade and other receivables

	31.12.2011 RM	31.12.2012 RM	31.12.2013 RM	31.5.2014 RM
<u>Non current</u>				
Trade receivables				
Finance lease receivable	-	-	3,820,249	3,758,058

12. ACCOUNTANTS' REPORT (Cont'd)



10.3 Trade and other receivables (cont'd.)

	31.12.2011	31.12.2012	31.12.2013	31.5.2014
	RM	RM	RM	RM
<u>Current</u>				
Trade receivables				
Finance lease receivable	-	-	449,181	511,372
Trade receivables	8,652,514	11,659,335	27,523,239	31,655,520
Less: Allowance for impairment	-	(203,962)	(1,458,092)	(2,404,436)
	<u>8,652,514</u>	<u>11,455,373</u>	<u>26,514,328</u>	<u>29,762,456</u>
Other receivables				
Other receivables	2,059,681	4,828,391	5,988,883	5,163,009
Amount due from a company related to a director	-	-	1,482,900	-
Deposits	30,663	41,042	41,562	46,362
Prepayments	320,398	1,909,284	1,271,561	366,050
	<u>2,410,742</u>	<u>6,778,717</u>	<u>8,784,906</u>	<u>5,575,421</u>
Total receivables - current	<u>11,063,256</u>	<u>18,234,090</u>	<u>35,299,234</u>	<u>35,337,877</u>
Total receivables - current and non-current	<u>11,063,256</u>	<u>18,234,090</u>	<u>39,119,483</u>	<u>39,095,935</u>

The Group has significant concentration of credit risk as 41% (2013: 32%, 2012: 22%, 2011: 29%) of the trade receivables is due from one of its major debtors.

Included in the prepayment as at 31 May 2014 is an amount of RM302,767 relates to professional fees incurred for the IPO and listing that is available for set off against the share premium.

(a) Finance lease commitments - as lessor

Finance lease receivable represents the present value of the minimum lease payments receivable by the Group under a finance lease arrangement for a period of five years. At the end of lease term, the ownership of the vessel will be transferred to the lessee for a consideration of RM1,000,000.

The future minimum lease payment under finance leases together with the present value of the minimum lease payments are as follows:

12. ACCOUNTANTS' REPORT (Cont'd)



10.3 Trade and other receivables (cont'd.)

(a) Finance lease commitments - as lessor (cont'd.)

	31.12.2013 RM	31.5.2014 RM
Future minimum lease payment:		
Not later than 1 year	1,734,000	1,734,000
Later than 1 year but not later than 5 years	6,491,000	5,768,500
Total minimum lease payments	8,225,000	7,502,500
Less: Unearned finance income	(3,955,570)	(3,233,070)
Present value of minimum lease payment	4,269,430	4,269,430
Present value of minimum lease payment		
Not later than 1 year	449,181	511,372
Later than 1 year but not later than 5 years	3,820,249	3,758,058
	4,269,430	4,269,430

10.4 Inventories

	31.12.2011 RM	31.12.2012 RM	31.12.2013 RM	31.5.2014 RM
At cost:				
Bunker on board	1,206,937	-	-	-

10.5 Cash and bank balances

	31.12.2011 RM	31.12.2012 RM	31.12.2013 RM	31.5.2014 RM
Fixed and security deposits with licensed banks	7,637,727	6,837,305	11,457,383	10,986,502
Cash and bank balances	2,574,718	11,727,513	9,747,615	4,904,120
	10,212,445	18,564,818	21,204,998	15,890,622

The deposits placed with licensed banks for the Group are all pledged for bank facilities.

Included in the deposits placed with licensed banks for the Group are deposits under the name of Dato' Ir. Abdul Hak' Bin Md Amin and Datin Hamidah Binti Omar being the individual shareholders of the Group amounting to RM600,468 (2013: RM593,049, 2012: RM575,775, 2011: RM559,039) and RM244,463 (2013: RM241,445, 2012: RM234,413, 2011: RM226,745) respectively. As at August 2014, deposits under the name of Dato' Ir. Abdul Hak Bin Md Amin have been transferred to the Company whereby deposits under the name of Datin Hamidah Binti Omar is still in the process of change of name.

12. ACCOUNTANTS' REPORT (Cont'd)



10.6 Share capital

	Number of shares				Amount			
	31.12.2011	31.12.2012	31.12.2013	31.5.2014	31.12.2011 RM	31.12.2012 RM	31.12.2013 RM	31.5.2014 RM
Authorised:								
<u>Ordinary shares</u>								
At beginning of year	60,000,000 [^]	60,000,000 [^]	60,000,000 [^]	800,000,000 [*]	60,000,000	60,000,000	60,000,000	200,000,000
Increase pursuant to share split	-	-	180,000,000 [*]	-	-	-	-	-
Created during the year/period	-	-	560,000,000 [*]	-	-	-	140,000,000	-
At end of year/period	60,000,000 [^]	60,000,000 [^]	800,000,000 [*]	800,000,000 [*]	60,000,000	60,000,000	200,000,000	200,000,000
<u>RCCPS of RM0.10 each</u>								
At beginning of year	16,000,000	16,000,000	16,000,000	16,000,000	1,600,000	1,600,000	1,600,000	1,600,000
Cancellation during the year/period	-	-	-	(16,000,000)	-	-	-	(1,600,000)
At end of year/period	16,000,000	16,000,000	16,000,000	-	1,600,000	1,600,000	1,600,000	-

12. ACCOUNTANTS' REPORT (Cont'd)



10.6 Share capital (cont'd.)

	Number of shares		Amount	
	31.12.2011	31.12.2012	31.12.2012	31.12.2013
			RM	RM
	31.12.2011	31.12.2012	31.12.2011	31.12.2012
			RM	RM
				31.5.2014
				RM
				RM
Issued and fully paid:				
At beginning of year	44,040,816 [^]	44,040,816 [^]	44,040,816	44,040,816
/period				97,500,000
Conversion of RCCPS				
(Note 10.10)	-	12,897,412 [^]	-	12,897,412
Bonus issue	-	28,036,069 [^]	-	28,036,069
Issued during the				
year/period	-	12,525,703 [^]	-	12,525,703
	44,040,816 [^]	44,040,816 [^]	44,040,816	97,500,000
Subdivision of par				
value to				
RM0.25 each	-	292,500,000 [*]	-	-
At end of the year/				
period	44,040,816 [^]	44,040,816 [^]	44,040,816	97,500,000
				97,500,000

[^] Par value of RM1.00 each.

^{*} Par value of RM0.25 each.

12. ACCOUNTANTS' REPORT (Cont'd)

**10.6 Share capital (cont'd.)**

During the FYE 31 December 2013, the Company:

- (i) completed a share split whereby every one (1) existing ordinary share of RM1.00 each was subdivided into four (4) ordinary shares of RM0.25 each.
- (ii) increased its authorised ordinary share capital from RM60,000,000 to RM200,000,000 through the creation of 560,000,000 ordinary shares of RM0.25 each.

During the FYE 31 December 2013, the Company increased its issued and paid-up ordinary share capital from RM44,040,816 to RM97,500,000 by way of issuance of 53,459,184 ordinary shares of RM1 each via the following exercises:

- (i) issuance of 12,897,412 new ordinary shares of RM1.00 each pursuant to the conversion of 12,897,412 RCCPS of RM0.10 each with share premium of RM0.90.
- (ii) allotment of 28,036,069 new ordinary shares of RM1.00 each on 30 December 2013 credited as fully paid pursuant to the bonus issue on the basis of approximately 0.4036 new ordinary shares for every 1 existing ordinary shares held in the Company.
- (iii) issuance of 12,525,703 new ordinary shares for RM1.00 each for the purpose of repayment of amount owing to Sindora Berhad, the immediate holding company.

The new ordinary shares issued during the financial year ranked *pari passu* in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

Details of issued and fully paid RCCPS are included in Note 10.10.

12. ACCOUNTANTS' REPORT (Cont'd)

**10.7 Retained profits**

Prior to the year of assessment 2008, Malaysia companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividends paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the 108 balance to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 31 December 2012, the Company has sufficient credit in the 108 balance and tax exempt profits to pay franked dividends out of its entire retained profits. Any 108 balance which has not been utilised as at 31 December 2013 is disregarded. Thereafter, the Company may distribute dividends out of its entire retained profits under the single tier system.

12. ACCOUNTANTS' REPORT (Cont'd)



10.8 Loans and borrowings

	31.12.2011 RM	31.12.2012 RM	31.12.2013 RM	31.5.2014 RM
Current:				
Unsecured				
Bank overdraft	3,910,992	4,330,213	3,452,543	3,108,541
Finance lease	8,494	103,903	66,870	82,322
Secured				
Islamic financing facilities	29,934,665	38,444,496	15,187,461	14,013,525
Conventional financing facilities	7,627,361	7,627,360	25,912,099	27,150,736
	<u>41,481,512</u>	<u>50,505,972</u>	<u>44,618,973</u>	<u>44,355,124</u>
Non-current:				
Unsecured				
Finance lease	2,082	87,979	206,869	249,746
Secured				
Islamic financing facilities	191,537,653	170,939,733	92,320,508	86,806,696
Conventional financing facilities	26,446,500	18,813,263	125,633,059	157,049,495
	<u>217,986,235</u>	<u>189,840,975</u>	<u>218,160,436</u>	<u>244,105,937</u>

(a) Security

The Islamic financing facilities and conventional financing facilities are secured by way of the following:

- (i) Duly executed and enforceable Memorandum of Deposit and letter of set-off for the placement of fixed deposits totalling RM9,581,406 (2013: RM5,785,991, 2012: RM5,390,422, 2011: RM3,832,283) in form of Al Mudharabah General Investment Account (GIA) throughout the financing period respectively.

12. ACCOUNTANTS' REPORT (Cont'd)



10.8 Loans and borrowings (cont'd.)

(a) Security (cont'd.)

- (ii) Assignment of the relevant insurance coverage over the vessels indicating the Bank as loss payee (beneficiary), namely:
- (a) Hull and machinery;
 - (b) Mortgage interest; and
 - (c) Protection and Indemnity Club (P&I) acceptable to the Bank.

The amount to be covered by insurance shall not be less than the outstanding amount of the facilities.

- (iii) Guarantee given by certain directors and shareholders of the Company.
- (iv) Duly executed and enforceable Deed of Mortgage and Covenant over the vessels to be financed by the Bank; and
- (v) Legal Assignment of the contract proceeds throughout the financing period to be duly acknowledged by charterer.

(b) Finance lease commitments - as lessee

The Group has finance leases for certain motor vehicles (Note 10.1). These leases do not have terms of renewal. The future minimum lease payments under finance leases together with the present value of the minimum lease payments are as follows:

	31.12.2011 RM	31.12.2012 RM	31.12.2013 RM	31.5.2014 RM
Future minimum lease payment:				
Not later than 1 year	11,016	112,099	78,252	96,045
Later than 1 year but not later than 5 years	2,714	101,595	223,697	267,585
Total minimum lease payments	13,730	213,694	301,949	363,630
Less: Finance charges	(3,154)	(21,812)	(28,210)	(31,562)
Present value of minimum lease payment	10,576	191,882	273,739	332,068
Present value of minimum lease payment:				
Not later than 1 year	8,494	103,903	66,870	82,322
Later than 1 year but not later than 5 years	2,082	87,979	206,869	249,746
	10,576	191,882	273,739	332,068

12. ACCOUNTANTS' REPORT (Cont'd)**10.9 Deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

	Property, plant and equipment RM	Provision RM	Unutilised capital allowance RM	Unused tax losses RM	Total RM
At 1 January 2011	(3,583,335)	31,727	-	786,133	(2,765,475)
Recognised in profit or loss (Note 10.16)	(3,463,713)	-	-	-	(3,463,713)
At 31 December 2011	(7,047,048)	31,727	-	786,133	(6,229,188)
Recognised in profit or loss (Note 10.16)	(5,620,794)	(31,727)	1,837,783	(642,205)	(4,456,943)
At 31 December 2012	(12,667,842)	-	1,837,783	143,928	(10,686,131)
Recognised in profit or loss (Note 10.16)	(5,506,768)	656,131	2,660,439	105,558	(2,084,640)
At 31 December 2013	(18,174,610)	656,131	4,498,222	249,486	(12,770,771)
Recognised in profit or loss (Note 10.16)	(7,592,783)	262,889	6,147,984	464,764	(717,146)
At 31 May 2014	(25,767,393)	919,020	10,646,206	714,250	(13,487,917)

The unused tax losses and unutilised capital allowance of the Group amounting to RM45,441,824 (2013: RM18,990,832, 2012: RM7,926,844, 2011: RM3,144,532) are available indefinitely for offsetting against future taxable profits of the respective entities within the Group.

10.10 Redeemable Cumulative Convertible Preference Shares ("RCCPS")

	31.12.2011 RM	31.12.2012 RM	31.12.2013 RM	31.5.2014 RM
Issued and fully paid at beginning of the year	5,977,551	8,997,959	8,997,959	-
Issued and fully paid during the year				
- 3,020,408 RCCPS at RM1 each	3,020,408	-	-	-
- 3,899,453 RCCPS at RM1 each	-	-	3,899,453	-
Conversion to ordinary share	-	-	(12,897,412)	-
Issued and fully paid at end of the year	8,997,959	8,997,959	-	-

12. ACCOUNTANTS' REPORT (Cont'd)**10.10 Redeemable Cumulative Convertible Preference Shares ("RCCPS") (cont'd.)**

The main features of the RCCPS are as follows:

- (i) The RCCPS carry a fixed cumulative dividend of 6% per annum on its issue price.
- (ii) No dividend or other distributions shall be declared or paid on the ordinary shares in any financial year unless dividends shall have been paid to or declared on the RCCPS at the rate referred to above.
- (iii) In the event of the winding up of the Company or a reduction by repayment of capital, the RCCPS carry the right to have the surplus assets applied first in paying of the RCCPS held by the holders and in payment of the arrears of RCCPS dividends.
- (iv) Each RCCPS is liable to be redeemed automatically after the maturity date or at any time prior to the maturity date.
- (v) The RCCPS shall be convertible at the option of the holders at anytime, after the maturity date commencing from 24 July 2014. Each RCCPS shall be convertible into shares on the basis of one fully paid up share for every one RCCPS.

On 30 December 2013, RCCPS holders approved that all issued and fully paid RCCPS to be converted to ordinary shares.

10.11 Trade and other payables

	31.12.2011	31.12.2012	31.12.2013	31.5.2014
	RM	RM	RM	RM
Trade				
Trade payables	15,342,590	10,616,663	24,203,484	13,199,613
Freight income received in advance	-	-	7,626,919	5,950,438
	<u>15,342,590</u>	<u>10,616,663</u>	<u>31,830,403</u>	<u>19,150,051</u>
Non-trade				
Amount due to holding company	4,574,755	20,925,554	239,859	242,718
Amount due to shareholders	967,224	825,280	581,610	635,024
Other payables and accrued expenses	951,047	2,242,128	3,637,194	3,225,007
Dividend payable	1,050,000	2,000,000	-	-
	<u>7,543,026</u>	<u>25,992,962</u>	<u>4,458,663</u>	<u>4,102,749</u>
	<u>22,885,616</u>	<u>36,609,625</u>	<u>36,289,066</u>	<u>23,252,800</u>

The amount due to holding company is non-trade, unsecured, bearing interest at 6.5% (2013: 6.5%, 2012: Nil, 2011: Nil) per annum and repayable on demand.

12. ACCOUNTANTS' REPORT (Cont'd)



10.12 Revenue

	FYE 31.12.2011 RM	FYE 31.12.2012 RM	FYE 31.12.2013 RM	Unaudited 5 months FPE 31.5.2013 RM	5 months FPE 31.5.2014 RM
Freight income	93,847,806	102,723,848	116,889,449	38,817,528	62,813,197
Demurrage	2,215,838	-	-	-	-
Fabrication works	-	-	4,228,504	4,228,504	-
	<u>96,063,644</u>	<u>102,723,848</u>	<u>121,117,953</u>	<u>43,046,032</u>	<u>62,813,197</u>

10.13 Finance costs

	FYE 31.12.2011 RM	FYE 31.12.2012 RM	FYE 31.12.2013 RM	Unaudited 5 months FPE 31.5.2013 RM	5 months FPE 31.5.2014 RM
Interest/profit expense incurred on:					
- Bank overdraft	286,099	292,691	309,339	135,777	94,400
- Finance leases	5,766	8,333	5,735	2,073	4,269
- Interest on advances from immediate holding company	-	-	635,226	304,461	3,834
- Conventional and islamic financing	11,803,237	12,913,926	13,091,658	5,454,012	5,817,173
- RCCPS	489,635	539,877	499,238	184,898	-
	<u>12,584,737</u>	<u>13,754,827</u>	<u>14,541,196</u>	<u>6,081,221</u>	<u>5,919,676</u>

12. ACCOUNTANTS' REPORT (Cont'd)



10.14 Profit before tax

	FYE 31.12.2011 RM	FYE 31.12.2012 RM	FYE 31.12.2013 RM	Unaudited 5 months FPE 31.5.2013 RM	5 months FPE 31.5.2014 RM
Profit before tax is arrived at after charging/(crediting):					
Auditors' remuneration					
- Statutory audit	46,000	50,000	56,000	23,500	23,500
- Other services	-	-	-	-	440,000
Depreciation on property, plant and equipment (Note 10.1)	19,112,847	20,954,438	21,007,573	7,907,916	9,851,497
Allowance for impairment on trade receivables	-	203,962	1,254,130	-	1,352,306
Reversal of impairment loss on trade receivables	-	-	-	-	(405,962)
Realised foreign exchange loss	167,066	61,363	117,109	47,687	25,659
Rental of office equipment	6,960	7,380	7,800	3,250	5,850
Rental of staff quarters	48,000	58,000	60,000	20,000	20,000
Rental of office	15,252	13,902	13,902	5,793	55,211
Rental of shipyard	-	-	97,200	47,250	-
Rental of leasehold land	-	-	140,000	42,000	77,000
Personnel expenses (including key management personnel):					
- Wages, salaries and others	13,367,916	13,020,839	17,620,424	6,245,542	7,832,163

12. ACCOUNTANTS' REPORT (Cont'd)



10.14 Profit before tax (cont'd.)

	FYE 31.12.2011 RM	FYE 31.12.2012 RM	FYE 31.12.2013 RM	Unaudited 5 months FPE 31.5.2013 RM	5 months FPE 31.5.2014 RM
- Contributions to Employees Provident Fund	676,133	1,100,907	1,827,573	553,160	785,161
Insurance recoveries	(1,511,892)	(2,129,055)	(3,507,138)	-	(963,549)
Interest income on fixed deposits	(245,307)	(314,546)	(922,996)	(121,089)	(371,396)
Interest on finance lease receivable	-	-	(1,163,932)	(356,693)	(552,150)
(Gain)/loss on disposal of property, plant and equipment	(926,576)	-	1,262,497	1,168,980	(4,000)
Gain on disposal of an associate	-	-	(37,455,128)	(37,455,128)	-

10.15 Key management personnel compensation

The key management personnel compensations are as follows:

	FYE 31.12.2011 RM	FYE 31.12.2012 RM	FYE 31.12.2013 RM	Unaudited 5 months FPE 31.5.2013 RM	5 months FPE 31.5.2014 RM
Short term employee benefits	637,669	703,399	837,600	329,304	290,294
Defined contribution plan	54,925	74,235	105,300	48,000	43,500
Other short term benefits	31,019	30,381	35,048	9,704	10,263
	<u>723,613</u>	<u>808,015</u>	<u>977,948</u>	<u>387,008</u>	<u>344,057</u>

12. ACCOUNTANTS' REPORT (Cont'd)



10.16 Income tax expense

Income tax expense recognised in profit or loss:

	FYE 31.12.2011 RM	FYE 31.12.2012 RM	FYE 31.12.2013 RM	Unaudited 5 months FPE 31.5.2013 RM	5 months FPE 31.5.2014 RM
Current tax expense:					
Current year	-	900,470	360,786	(14,403)	1,576,806
Under/(over) provision in prior year	-	-	19,166	19,166	(42,168)
	-	900,470	379,952	4,763	1,534,638
Deferred tax expense (Note 10.9):					
Origination of temporary differences	1,046,229	2,573,089	3,160,886	1,264,519	1,298,114
Under/(over) provision in prior year	2,417,484	1,883,854	(1,076,246)	(1,076,246)	(580,968)
	3,463,713	4,456,943	2,084,640	188,273	717,146
	3,463,713	5,357,413	2,464,592	193,036	2,251,784

Domestic current income tax is calculated at the statutory tax rate of 25% (2013: 25%, 2012: 25%, 2011: 25%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 24%, effective year of assessment 2016 onwards.

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate of 25% for the FYE 31 December 2011, 2012, 2013 and FPE 31 May 2014 are as follows:

12. ACCOUNTANTS' REPORT (Cont'd)



10.16 Income tax expense (cont'd.)

	FYE 31.12.2011 RM	FYE 31.12.2012 RM	FYE 31.12.2013 RM	Unaudited 5 months FPE 31.5.2013 RM	5 months FPE 31.5.2014 RM
Profit before tax	12,116,022	24,265,340	59,367,503	44,871,052	7,512,146
Tax at 25%	3,029,006	6,066,335	14,841,876	11,217,763	1,878,037
Non-deductible expenses	352,987	2,040,934	1,517,702	480,506	1,843,922
Tax exempt income	(1,424,364)	(2,921,779)	(12,101,171)	(9,711,418)	(847,039)
Utilisation of previously unrecognised tax losses	-	(450,606)	-	-	-
Effect of share of profit of associate	(911,400)	(1,261,325)	(736,735)	(736,735)	-
Under/(over) provision in prior year - deferred tax	2,417,484	1,883,854	(1,076,246)	(1,076,246)	(580,968)
Under/(over) provision in prior year - income tax	-	-	19,166	19,166	(42,168)
	<u>3,463,713</u>	<u>5,357,413</u>	<u>2,464,592</u>	<u>193,036</u>	<u>2,251,784</u>

Tax savings during the FPE 31 May 2014 arising from utilisation of previously unrecognised tax losses is Nil (FYE 2013: Nil, FYE 2012: RM450,606, FYE 2011: Nil) respectively.

As at 31 December 2011, the Group has tax losses of approximately RM1,802,424 (FPE 31.5.2014: Nil, FYE 2013: Nil, FYE 2012: Nil) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability.

12. ACCOUNTANTS' REPORT (Cont'd)



10.17 Dividend

	FYE 31.12.2011 RM	FYE 31.12.2012 RM	FYE 31.12.2013 RM	Unaudited 5 months ended 31.5.2013 RM	5 months ended 31.5.2014 RM
Recognised during the year					
Interim tax exempt (single-tier) dividend on 44,040,816 ordinary shares					
- RM0.56 per share	-	-	25,000,000	25,000,000	-
- RM0.04 per share	-	2,000,000	-	-	-

10.18 Financial instruments

Financial assets and financial liabilities of the Group are measured at amortised cost. The principal accounting policies of the Group described how the class of financial instruments are measured, and how income and expenses are measured. The table below provides an analysis of financial assets and financial liabilities in the consolidated statements of financial position by the class of financial instrument to which they are assigned to.

	31.12.2011 RM	31.12.2012 RM	31.12.2013 RM	31.5.2014 RM
Financial assets				
Loans and receivables				
- Trade and other receivables	10,742,858	16,324,806	37,847,922	38,729,885
- Cash and bank balances	10,212,445	18,564,818	21,204,998	15,890,622
	<u>20,955,303</u>	<u>34,889,624</u>	<u>59,052,920</u>	<u>54,620,507</u>
Financial liabilities				
Other financial liabilities				
- Loans and borrowings	259,467,747	240,346,947	262,779,409	288,461,061
- Trade and other payables	21,835,616	34,609,625	28,662,147	17,302,362
- RCCPS	8,997,959	8,997,959	-	-
	<u>290,301,322</u>	<u>283,954,531</u>	<u>291,441,556</u>	<u>305,763,423</u>

12. ACCOUNTANTS' REPORT (Cont'd)

**10.19 Financial risk management objectives and policies**

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team.

It is, and has been throughout the current and previous financial years, the Group's policy that no derivatives shall be undertaken. The Group does not apply hedge accounting.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Management has 30 days (2013: 30 days, 2012: 30 days, 2011: 30 days) credit term policy in place and the exposure to credit risk is monitored on an ongoing basis.

Exposure to credit risk

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position. The Group has only invested in fixed deposits and maintains current accounts with licensed banks.

A significant portions of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

12. ACCOUNTANTS' REPORT (Cont'd)



10.19 Financial risk management objectives and policies (cont'd.)

(a) Credit risk (cont'd.)

Exposure to credit risk (cont'd.)

The ageing of trade receivables as at the end of the reporting period was:

	Gross RM	Individual impairment RM	Net RM
31.12.2011			
Not past due	3,576,210	-	3,576,210
Past due 30 - 59 days	3,170,613	-	3,170,613
Past due 60 - 89 days	269,700	-	269,700
Past due more than 90 days	1,635,991	-	1,635,991
	<u>8,652,514</u>	<u>-</u>	<u>8,652,514</u>
31.12.2012			
Not past due	3,880,961	-	3,880,961
Past due 30 - 59 days	3,414,932	-	3,414,932
Past due 60 - 89 days	1,435,395	-	1,435,395
Past due more than 90 days	2,928,047	(203,962)	2,724,085
	<u>11,659,335</u>	<u>(203,962)</u>	<u>11,455,373</u>
31.12.2013			
Not past due	12,864,583	-	12,864,583
Past due 30 - 59 days	7,093,104	-	7,093,104
Past due 60 - 89 days	3,190,936	-	3,190,936
Past due more than 90 days	8,644,046	(1,458,092)	7,185,954
	<u>31,792,669</u>	<u>(1,458,092)</u>	<u>30,334,577</u>
31.5.2014			
Not past due	12,548,507	(144,500)	12,404,007
Past due 30 - 59 days	9,565,441	(289,000)	9,276,441
Past due 60 - 89 days	5,160,485	(434,731)	4,725,754
Past due more than 90 days	8,650,517	(1,536,205)	7,114,312
	<u>35,924,950</u>	<u>(2,404,436)</u>	<u>33,520,514</u>

12. ACCOUNTANTS' REPORT (Cont'd)



10.19 Financial risk management objectives and policies (cont'd.)

(a) Credit risk (cont'd.)

Receivables that are individually impaired

The Group's trade receivables that are individually impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	31.12.2011	31.12.2012	31.12.2013	31.5.2014
	RM	RM	RM	RM
Trade receivables - nominal amounts	-	444,398	1,848,527	2,548,936
Less: Allowance for impairment	-	(203,962)	(1,458,092)	(2,404,436)
	-	240,436	390,435	144,500

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

The movements in the allowance for impairment losses of receivables during the financial year/period are as follows:

	31.12.2011	31.12.2012	31.12.2013	31.5.2014
	RM	RM	RM	RM
At 1 January	148,183	-	203,962	1,458,092
Charge for the year	-	203,962	1,254,130	1,352,306
Reversal	-	-	-	(405,962)
Written off	(148,183)	-	-	-
	-	203,962	1,458,092	2,404,436

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Receivables that are neither past due nor impaired

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

12. ACCOUNTANTS' REPORT (Cont'd)



10.19 Financial risk management objectives and policies (cont'd.)

(a) Credit risk (cont'd.)

Receivables that are past due but not impaired

The Group have trade receivables amounting to RM20,827,507 (2013: RM17,079,559, 2012: RM7,333,976, 2011: RM5,076,304) that are past due at the reporting date but not impaired. These balances are not secured.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities 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.

12. ACCOUNTANTS' REPORT (Cont'd)



10.19 Financial instruments (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity analysis (cont'd.)

	Carrying amount	Contractual interest rate/ coupon	Contractual cash flows	Under 1 year	1 - 2 years	2 - 5 years	More than 5 years
	RM		RM	RM	RM	RM	RM
31.12.2011							
<i>Non-derivative financial liabilities</i>							
<i>Islamic financing facilities</i>							
Bai Bithaman Ajil Financing	88,479,124	5.35%-6.90%	113,515,273	22,643,856	14,660,208	35,093,219	41,117,990
Istisna'	91,593,189	4.90%	108,530,661	16,629,247	16,629,247	49,887,741	25,384,426
Musharakah Mutanaqisah	41,400,005	4.91%-5.25%	64,654,786	3,693,183	5,782,891	19,172,082	36,006,630
<i>Conventional financing facilities</i>							
Conventional term loan	34,073,861	5.35%-7.38%	39,887,062	9,614,886	9,116,159	18,443,625	2,712,392
<i>Others</i>							
RCCPS	8,997,959	6.00%	10,392,643	539,878	9,852,765	-	-
Finance lease liabilities	10,576	4.68%-6.32%	13,730	11,016	2,714	-	-
Bank overdraft	3,910,992	6.45%	3,910,992	3,910,992	-	-	-
Trade and other payables	21,835,616	-	21,835,616	21,835,616	-	-	-
	290,301,322		362,740,763	78,878,674	56,043,984	122,596,667	105,221,438

12. ACCOUNTANTS' REPORT (Cont'd)



10.19 Financial instruments (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity analysis (cont'd.)

	Carrying amount RM	Contractual interest rate/ coupon	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
31.12.2012							
<i>Non-derivative financial liabilities</i>							
<u>Islamic financing facilities</u>							
Bai Bithaman Ajil Financing	76,873,499	5.35%-6.90%	96,703,263	20,654,942	13,298,357	32,070,966	30,678,998
Istisna'	79,523,453	5.20%	104,814,783	19,512,521	19,512,521	58,537,564	7,252,177
Musharakah Mutanaqisah	52,987,277	4.91%-5.25%	64,654,786	8,107,776	8,107,776	16,215,552	32,223,682
<u>Conventional financing facilities</u>							
Conventional term loan	26,440,623	5.35%-7.38%	35,414,681	9,402,832	8,910,394	17,101,455	-
<u>Others</u>							
RCCPS	8,997,959	6.00%	9,852,765	539,878	9,312,888	-	-
Finance lease liabilities	191,882	4.68%-6.32%	213,694	112,099	101,595	-	-
Bank overdraft	4,330,213	6.45%	4,330,213	4,330,213	-	-	-
Trade and other payables	34,609,625	-	34,609,625	34,609,625	-	-	-
	<u>283,954,531</u>		<u>350,593,810</u>	<u>97,269,886</u>	<u>59,243,531</u>	<u>123,925,537</u>	<u>70,154,857</u>

12. ACCOUNTANTS' REPORT (Cont'd)



10.19 Financial instruments (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity analysis (cont'd.)

31.12.2013

Non-derivative financial liabilities

Islamic financing facilities

	Carrying amount RM	Contractual interest rate/ coupon	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
Bai Bithaman Ajil Financing	60,737,124	5.35%-6.90%	76,211,473	13,461,471	10,815,936	29,614,461	22,319,605
Musharakah Mutanaqisah	46,770,845	4.91%-5.25%	55,212,011	8,107,776	8,107,776	24,323,328	14,673,131

Conventional financing facilities

Conventional term loan	151,545,158	4.83%-7.38%	172,587,171	32,948,603	33,384,621	71,714,428	34,539,519
------------------------	-------------	-------------	-------------	------------	------------	------------	------------

Others

Finance lease liabilities	273,739	4.68%-6.32%	301,949	78,252	145,445	78,252	-
Bank overdraft	3,452,543	6.45%	3,452,543	3,452,543	-	-	-
Trade and other payables	28,662,147	-	28,662,147	28,662,147	-	-	-
	<u>291,441,556</u>		<u>336,427,294</u>	<u>86,710,792</u>	<u>52,453,778</u>	<u>125,730,469</u>	<u>71,532,255</u>

58

309

12. ACCOUNTANTS' REPORT (Cont'd)



10.19 Financial instruments (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity analysis (cont'd.)

31.5.2014

*Non-derivative financial liabilities*Islamic financing facilities

Bai Bithaman Ajil Financing	56,374,614	5.35%-6.90%	69,986,450	11,670,511	10,815,936	28,690,518	18,809,485
Musharakah Mutanaqisah	44,445,607	4.91%-5.25%	51,833,771	8,107,776	8,107,776	24,323,328	11,294,891

Conventional financing facilities

Conventional term loan	184,200,231	4.83%-7.38%	204,811,673	41,770,616	36,253,696	74,025,711	52,761,650
------------------------	-------------	-------------	-------------	------------	------------	------------	------------

Others

Finance lease liabilities	332,068	4.68%-6.32%	363,630	96,045	97,788	169,797	-
Bank overdraft	3,108,541	6.45%	3,108,541	3,108,541	-	-	-
Trade and other payables	17,302,362	-	17,302,362	17,302,362	-	-	-
	<u>305,763,423</u>		<u>347,406,427</u>	<u>82,055,852</u>	<u>55,275,196</u>	<u>127,209,354</u>	<u>82,866,026</u>

59

310

12. ACCOUNTANTS' REPORT (Cont'd)



10.19 Financial risk management objectives and policies (cont'd.)

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD"), Euro ("EURO") and Japanese Yen ("JPY").

Exposure to foreign currency risk

	JPY RM	USD RM	Denominated in SGD RM	EURO RM
31.12.2011				
Trade and other receivables	-	776,805	-	-
Trade and other payables	-	(625,749)	(43,103)	(255,970)
Net exposure	-	151,056	(43,103)	(255,970)
31.12.2012				
Trade and other receivables	-	2,652,881	-	-
Trade and other payables	-	(41,250)	(447,134)	-
Net exposure	-	2,611,631	(447,134)	-
31.12.2013				
Trade and other receivables	-	1,347,225	-	-
Trade and other payables	(60,830)	(424,832)	(2,384,742)	(22,117)
Net exposure	(60,830)	922,393	(2,384,742)	(22,117)
31.5.2014				
Trade and other receivables	-	489,870	-	-
Trade and other payables	(21,974)	(129,079)	(474,863)	(21,324)
Net exposure	(21,974)	360,791	(474,863)	(21,324)

12. ACCOUNTANTS' REPORT (Cont'd)**10.19 Financial risk management objectives and policies (cont'd.)****(c) Foreign currency risk (cont'd.)****Currency risk sensitivity analysis**

A 10% strengthening of the RM against the following currencies at the end of the reporting period would result in equity and post-tax profit increased/(decreased) by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecast sales and purchases.

	31.12.2011 RM	31.12.2012 RM	31.12.2013 RM	31.5.2014 RM
USD	(11,329)	(195,872)	(69,179)	(27,059)
SGD	3,233	33,535	178,856	35,615
JPY	-	-	4,562	1,648
EURO	19,198	-	1,659	1,599

A 10% weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the amounts shown above, on the basis that all other variables remained constant.

(d) Interest rate risk

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

The Group's exposure to interest rate risk arises primarily from their loans and borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group manages the interest rate exposure by maintaining a mixed of fixed and floating rate borrowings.

12. ACCOUNTANTS' REPORT (Cont'd)



10.19 Financial risk management objectives and policies (cont'd.)

(d) Interest rate risk (cont'd.)

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period/year was:

	31.12.2011	31.12.2012	31.12.2013	31.5.2014
	RM	RM	RM	RM
Fixed rate instruments				
Financial assets	7,637,727	6,837,305	11,457,383	10,986,502
Financial liabilities	135,472,511	116,834,176	83,269,859	75,135,009
Floating rate instruments				
Financial liabilities	132,993,195	132,510,730	179,509,550	213,326,052

Interest rate risk sensitivity analysis

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would result in equity and post-tax profit increased/(decreased) by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	31.12.2011	31.12.2012	31.12.2013	31.5.2014
	RM	RM	RM	RM
Floating rate instruments				
- 100bp increase	(9,974,490)	(9,938,305)	(13,463,216)	(15,999,454)
- 100bp decrease	9,974,490	9,938,305	13,463,216	15,999,454

12. ACCOUNTANTS' REPORT (Cont'd)



10.19 Financial risk management objectives and policies (cont'd.)

(e) Fair value of financial instruments

- (i) Fair value by classes that are not carried at fair value whose carrying amounts are not reasonable approximation of fair values:

	31.12.2011	31.12.2012	31.12.2013	31.5.2014
	RM	RM	RM	RM
Carrying amount				
Finance lease receivable (non-current)	-	-	3,820,249	3,758,058
Fixed rate loans and borrowings (non-current)	97,412,182	79,638,885	62,669,650	56,222,571
RCCPS	8,997,959	8,997,959	-	-
Fair value				
Finance lease receivable non-current)	-	-	5,372,444	4,876,383
Fixed rate loans and borrowings (non-current)	101,815,136	86,997,874	69,178,307	58,028,137
RCCPS	8,980,691	8,914,994	-	-

The fair values of non-current finance lease receivables, fixed rate loans and borrowings and RCCPS are estimated by discounting expected future cash flows at the market incremental lending/borrowing rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

12. ACCOUNTANTS' REPORT (Cont'd)



10.19 Financial risk management objectives and policies (cont'd.)

(e) Fair value of financial instruments (cont'd.)

- (ii) The following table provides the fair value measurement hierarchy of the Group's assets and liabilities for which fair value is disclosed:

Level 1:

Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2:

Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3:

Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

	Level 1 RM	Level 2 RM	Level 3 RM
31.12.2011			
Fixed rate loans and borrowings	-	(101,815,136)	-
RCCPS	-	(8,980,691)	-
	Level 1 RM	Level 2 RM	Level 3 RM
31.12.2012			
Fixed rate loans and borrowings	-	(86,997,874)	-
RCCPS	-	(8,914,994)	-
	Level 1 RM	Level 2 RM	Level 3 RM
31.12.2013			
Finance lease receivable	-	5,372,444	-
Fixed rate loans and borrowings	-	(69,178,307)	-
	Level 1 RM	Level 2 RM	Level 3 RM
31.5.2014			
Finance lease receivable	-	4,876,383	-
Fixed rate loans and borrowings	-	(58,028,137)	-

12. ACCOUNTANTS' REPORT (Cont'd)



10.19 Financial risk management objectives and policies (cont'd.)

(e) Fair value of financial instruments (cont'd.)

- (iii) Fair value by classes that are not carried at fair value whose carrying amounts are reasonable approximation of fair values:

	31.12.2011	31.12.2012	31.12.2013	31.5.2014
	RM	RM	RM	RM
Carrying amount				
Trade and other receivables (current)				
- Trade receivables	8,652,514	11,455,373	26,065,147	29,251,084
- Other receivables	2,090,344	4,869,433	6,030,445	5,209,371
- Finance lease receivables	-	-	449,181	511,372
- Amount due from a company related to a director	-	-	1,482,900	-
Fixed rate loans and borrowings (current)	29,062,370	28,197,332	20,600,209	18,912,438
Floating rate loans and borrowings (current and (non-current))	132,993,195	132,510,730	179,509,550	213,326,052
Trade and other payables (current)	21,835,616	34,609,625	28,662,147	17,302,362

The carrying amounts of the current financial assets and liabilities are reasonable approximations of fair values due to their short-term nature.

The floating rate loans and borrowings are re-priced to market interest rates on or near the reporting date. Therefore, the carrying amounts are reasonable approximation of fair values.

12. ACCOUNTANTS' REPORT (Cont'd)**10.20 Capital management**

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximises shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return on capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year/period ended 31 December 2011, 31 December 2012, 31 December 2013 and 31 May 2014.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group's policy is to keep the gearing ratio less than 2.5 times. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the parent less the fair value adjustment reserve, if any.

	31.12.2011	31.12.2012	31.12.2013	31.5.2014
	RM	RM	RM	RM
RCCPS	8,997,959	8,997,959	-	-
Loans and borrowings	259,467,747	240,346,947	262,779,409	288,461,061
Less: Cash and bank balances	<u>(10,212,445)</u>	<u>(18,564,818)</u>	<u>(21,204,998)</u>	<u>(15,890,622)</u>
Net debt	<u>258,253,261</u>	<u>230,780,088</u>	<u>241,574,411</u>	<u>272,570,439</u>
Equity attributable to the owners of the parent	<u>109,798,702</u>	<u>126,706,629</u>	<u>184,032,655</u>	<u>189,293,017</u>
Gearing ratio	<u>2.35</u>	<u>1.82</u>	<u>1.31</u>	<u>1.44</u>

12. ACCOUNTANTS' REPORT (Cont'd)



10.21 Related parties

In addition to the transactions detailed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year/period.

	FYE 31.12.2011 RM	FYE 31.12.2012 RM	FYE 31.12.2013 RM	Unaudited 5 months FPE 31.5.2013 RM	5 months FPE 31.5.2014 RM
Holding company					
Sindora Berhad					
- Accommodation Expenses	462	2,370	430	-	-
- Interest on RCPSS	369,054	394,677	238,882	98,825	-
- Interest on advances	-	-	635,226	304,461	3,834
Shareholders					
Dato' Ir. Abdul Hak Bin Md Amin					
- Interest on RCPSS	83,669	100,752	181,388	60,028	-
Datin Hamidah binti Omar					
- Interest on RCPSS	36,912	44,448	78,968	26,045	-
- Rental paid	48,000	58,000	60,000	20,000	20,000
Other related parties					
IPPJ Sdn. Bhd.*					
- Donation	7,000	-	-	-	-
Jcorp Intrapreneur (M) Sdn. Bhd.*					
- Training course	5,000	-	-	-	-
Pro Corporate Management Services Sdn. Bhd.*					
- Secretarial costs	11,593	11,980	17,763	6,605	6,910
Pro Office Shoppe Sdn Bhd*					
- Printing and Stationery cost	981	-	-	-	-
Tiram Travel Sdn. Bhd.*					
- Travelling expenses	322,242	163,697	133,132	64,408	115,385

12. ACCOUNTANTS' REPORT (Cont'd)**10.21 Related parties (cont'd.)**

	FYE 31.12.2011 RM	FYE 31.12.2012 RM	FYE 31.12.2013 RM	Unaudited 5 months ended 31.5.2013 RM	5 months ended 31.5.2014 RM
Berkat Global Sdn. Bhd.**					
- Survey fees	249,110	361,114	259,878	5,800	187,880
EPASA Shipping Agency Sdn. Bhd. ***					
- Shipping agency fee	63,518	323,858	498,669	170,860	136,474

* The companies are controlled by the ultimate holding company.

** The company is controlled by the director of the Company.

*** The company is controlled by the immediate holding company.

The directors of the Company are of opinion that the above transactions have been entered into in the normal course of business and have been established on terms that are no more favourable to the related parties than those arranged with independent third parties.

Information regarding outstanding balances arising from related party transactions as at 31 December 2011, 2012, 2013 and 31 May 2014 are disclosed in Note 10.3 and Note 10.11.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The Group regards its directors as the key management personnel and their compensations are disclosed in Note 10.15.

10.22 Commitments

	31.12.2011 RM	31.12.2012 RM	31.12.2013 RM	31.5.2014 RM
(a) Vessels under construction				
Approved and contracted for	22,100,000	-	80,671,351	203,125,141
(b) Shipyard under construction				
Approved but not contracted for	-	-	10,750,630	10,750,630

(c) Operating lease arrangementsThe Group as lessor

The Group has entered into non-cancellable operating lease agreements on its vessels. These leases have remaining non-cancellable lease terms of between 1 to 10 years.

12. ACCOUNTANTS' REPORT (Cont'd)



10.22 Commitments (cont'd.)

(c) Operating lease arrangements (cont'd.)

The Group as lessor (cont'd.)

The future lease payments receivable under non-cancellable operating leases contracted for as at the reporting date but not recognised as receivables, are as follows:

	31.12.2011	31.12.2012	31.12.2013	31.5.2014
	RM	RM	RM	RM
Not later than 1 year	82,258,750	85,285,270	144,355,312	142,012,604
Later than 1 year and not later than 5 years	238,128,558	251,678,978	425,203,818	643,642,917
Later than 5 years	378,468,690	242,846,236	308,162,900	281,511,400
	<u>698,855,998</u>	<u>579,810,484</u>	<u>877,722,030</u>	<u>1,067,166,921</u>

Charter hire revenue earned from chartering the Group's vessels recognised as revenue during the financial year/period is as disclosed in Note 10.12.

The Group as lessee

The Group has entered into commercial lease on rental of leasehold land and third party vessels. The lease has an average tenure of one to twenty years with renewal option included in the contracts.

Most of the leases include a clause that inspection need to be carried out by the authority and failure of such inspection will resulted in option to terminate the contract.

Future minimum rentals payable under non-cancellable operating leases at the reporting date are as follows:

	31.12.2011	31.12.2012	31.12.2013	31.5.2014
	RM	RM	RM	RM
Not later than 1 year	3,818,063	4,197,500	44,209,126	35,398,246
Later than 1 year and not later than 5 years	-	7,693,500	16,691,315	11,913,675
Later than 5 years	-	-	30,135,560	30,065,560
	<u>3,818,063</u>	<u>11,891,000</u>	<u>91,036,001</u>	<u>77,377,481</u>

The total of future minimum sublease payments expected to be received under non-cancellable subleases as at 31 May 2014 is RM89,000,543 (2013: RM97,510,068, 2012: RM14,277,699, 2011: RM5,058,000).

12. ACCOUNTANTS' REPORT (Cont'd)**10.23 Segment information****Information about segment assets, segments liabilities, segment operating results, and revenue from external customers by product.**

The Group only has one reportable segment. All information on segment assets, segment liabilities and segment operating results can be directly obtained from the statement of financial position and statement of comprehensive income. There are three external customers (2013: two, 2012: two, 2011: two) who contribute 10% or more on total revenue of the Group.

	31.12.2011	31.12.2012	31.12.2013	31.5.2014
	RM	RM	RM	RM
Customer A	61,970,691	59,381,211	48,758,776	21,034,628
Customer B	15,259,237	18,998,486	23,529,000	12,774,000
Customer C	-	-	-	7,783,548
Total revenue for the year/period	<u>77,229,928</u>	<u>78,379,697</u>	<u>72,287,776</u>	<u>41,592,176</u>

Information about geographical area

The Group mainly carried out activities in Malaysia. In 2012, revenue contribution from outside Malaysia amounting to RM3,291,631 which contributed 3.2% of the total revenue for that year.

10.24 Significant events

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

FYE 2011

- (a) On 28 January 2011, the Group acquired additional 380,000 ordinary shares in Orkim representing 1.1% of the issued and paid-up share capital of Orkim for cash consideration of RM494,000. Following the Acquisition, the Group's shareholdings in Orkim was increased from 29.9% to 31%.
- (b) On 14 January 2011, the Company issued 1,000,000 units of RCCPS of RM0.10 at the issue price of RM1.00 each. The issuance of these RCCPS were fully paid on 14 January 2011.
- (c) On 10 August 2011, the Company issued 1,000,000 units of RCCPS of RM0.10 at the issue price of RM1.00 each. The issuance of these RCCPS were fully paid on 10 August 2011.
- (d) On 16 August 2011, the Company issued 1,020,408 units of RCCPS of RM0.10 at the issue price of RM1.00 each. The issuance of these RCCPS were fully paid on 16 August 2011.

12. ACCOUNTANTS' REPORT (Cont'd)**10.24 Significant events (cont'd)**

In addition to the significant events disclosed elsewhere in this report, other significant events are as follows (cont'd.):

FYE 2013

- (a) On 1 March 2013, the Group has disposed 11,662,267 ordinary shares of RM1 each or 31% equity interest in Orkim to GMV-Orkim Sdn. Bhd. for a total cash consideration of RM66,862,745.
- (b) During the FYE 31 December 2013, the Company:
- (i) completed a share split whereby every one (1) existing ordinary share of RM1 each was subdivided into four (4) ordinary shares of RM0.25 each.
 - (ii) increased its authorised ordinary share capital from RM60,000,000 to RM200,000,000 through the creation of 560,000,000 ordinary shares of RM0.25 each.

During the FYE 31 December 2013, the Company increased its issued and paid-up ordinary share capital from RM44,040,816 to RM97,500,000 by way of issuance of 53,459,184 ordinary shares of RM1 each via the following exercises:

- (i) issuance of 12,897,412 new ordinary shares of RM1 each pursuant to the conversion of 12,897,412 RCCPS of RM0.10 each with share premium of RM0.90.
- (ii) allotment of 28,036,069 new ordinary shares of RM1 each on 30 December 2013 credited as fully paid pursuant to the bonus issue on the basis of approximately 0.4036 new ordinary shares for every 1 existing ordinary shares held in the Company.
- (iii) issuance of 12,525,703 new ordinary shares for RM1 each for the purpose of repayment of amount owing to Sindora Berhad, the immediate holding company.

FPE 2014

- (a) On 15 April 2014, the Board of the Directors of the Company granted approval in principle for the IPO and Listing of the entire issued and paid up share capital of the Company on the Main Market of Bursa Securities. The approval in principle is subject to obtaining the approval of the shareholders of the Company and such regulatory approvals as may be required.

12. ACCOUNTANTS' REPORT (Cont'd)



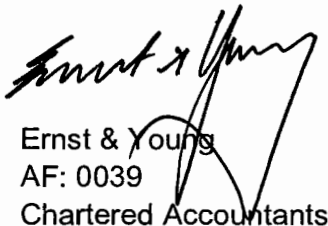
10.25 Subsequent event

On 4 June 2014, the Company disposed of one of its vessel for a cash consideration of RM1,700,000. The aforesaid disposal resulted in a loss on disposal amounting to RM35,396.

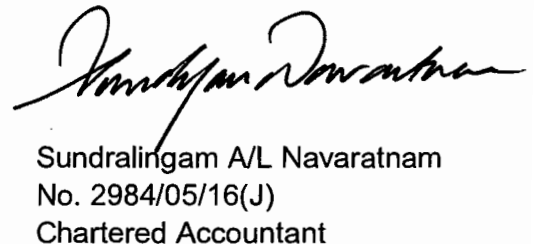
10.26 Conversion into a public limited company

On 27 March 2014, the Company converted into a public limited company and assumed its present name of E.A. Technique (M) Berhad.

Yours faithfully,



Ernst & Young
AF: 0039
Chartered Accountants



Sundralingam A/L Navaratnam
No. 2984/05/16(J)
Chartered Accountant

Kuala Lumpur
7 November 2014

13. DIRECTORS' REPORT



E.A. Technique (M) Berhad. (256516-W)

Setiawangsa Business Suites,
Unit C-3A-3A,
No. 2, Jalan Setiawangsa 11,
Taman Setiawangsa,
54200 Kuala Lumpur, Malaysia.

Tel : 603-4252 5422 (Hunting line)
Fax : 603-4251 2985 (Operation Dept)
: 603-4252 2163 (Account & Admin Dept)
e-mail: eat@eatechnique.com.my
website:www.eatechnique.com.my

Registered office:-
Level 11, Menara KOMTAR
Johor Bahru City Centre
80000 Johor Bahru
Johor

11 NOV 2014

To: The shareholders of **E.A. Technique (M) Berhad**

Dear Sir/Madam,

On behalf of the Board of Directors of E.A. Technique (M) Berhad ("**E.A. Technique**"), I report after due inquiry that during the period from 31 May 2014 (being the date to which the last audited financial statements of E.A. Technique and its subsidiary ("**E.A. Technique 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 E.A. Technique 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 E.A. Technique Group which have adversely affected the trading or the value of the assets of E.A. Technique or its subsidiary;
- (c) the current assets of the E.A. Technique 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 E.A. Technique or its subsidiary;
- (e) there has been, since the last audited financial statements of the E.A. Technique Group, no default or any known event that could give rise to a default situation, on payments of either interest and/or principal sums in respect of any borrowings; and
- (f) save as disclosed in **Section 11.2** and **12** of this Prospectus, there has been, since the last audited financial statements of the E.A. Technique Group, no material change in the published reserves or any unusual factor affecting the profits of the E.A. Technique Group.

Yours faithfully
For and on behalf of the Board of Directors of
E.A. TECHNIQUE (M) BERHAD


DATU' IR. ABDUL HAK BIN MD AMIN
Managing Director

14. STATUTORY AND OTHER GENERAL INFORMATION

14.1 Share capital

- (i) No securities will be allotted or issued or offered on the basis of this Prospectus later than twelve (12) months after the date of the issue of this Prospectus.
- (ii) There is no founder, management or deferred share in our Company. As at the LPD, our Company has one (1) class of shares, namely ordinary shares of par value RM0.25 each, all of which rank *pari passu* with one another.
- (iii) Save as disclosed in **Section 5.3** of this Prospectus, no shares, stocks or debentures of our Group have been issued or proposed to be issued as fully or partly paid-up in cash or otherwise, within the two (2) years preceding the LPD.
- (iv) None of the share capital of our Company or any of our subsidiaries is under option, or agreed conditionally or unconditionally to be put under option.
- (v) There is currently no scheme involving our Directors or employees in the capital of our Company.
- (vi) Our Company does not have any outstanding convertible debt security as at the LPD.

14.2 Articles of Association

The following is extracted from our Company's Articles of Association and is qualified in its entirety by the remainder of the provisions of our Company's Articles of Association and by applicable law.

14.2.1 Variation of class rights

"24. Class rights may be modified

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 (2) 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. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply."

"25. 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."*

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

14.2.2 Remuneration of Directors*"121. Remuneration of Directors*

The total fees of all of the Directors in any year shall be a fixed sum as shall from time to time be determined by an ordinary resolution of the Company in general meeting and such fee shall be divisible (unless such resolution otherwise provide) 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, and not by a commission on or percentage of profits or turnover;*
- (b) remuneration payable to Director(s) holding executive position(s) under Article 150(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."*

14.2.3 Transfer of securities*"50. Form of transfer*

Subject to the provisions of the Act, these Articles, the Central Depositories Act, the Rules and the Relevant Regulations with respect to transfer of Deposited Security, all transfers of shares:-

- (a) to the Central Depository or their nominee company; or*
- (b) prior to the listing and quotation of such shares on the relevant Exchange, may be effected by transfer in writing in the usual common form conforming with the Act and/or approved by the relevant Exchange, or such form as may from time to time, be prescribed under the Act or approved by the relevant Exchange. Subject to these Articles, there shall be no restriction on the transfer of fully paid-up shares except where required by law."*

"51. Transfer of shares by book entry

- (1) The transfer of any Deposited Security shall be by way of book entry by the Central 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.*

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (2) *The transfer of the beneficial ownership of any Deposited Security held by any Exempt Authorised Nominee (which does not result in a transfer of any Deposited Security to or from an Omnibus Account) shall be in accordance with the Relevant Regulations.*
- (3) *There shall be no restriction on the transfer of fully paid up ordinary shares of the Company, except where required by law or the Relevant Regulations or where the Company has a lien and no shares shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind."*

"52. Transmission of securities

- (1) *Subject to the Relevant Regulations, where:-*
- (a) *the securities of the Company are listed on another stock exchange other than Bursa Malaysia Securities Berhad; 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) 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 Malaysian Register and vice versa provided that there shall be no change in the ownership of such securities.

- (2) *The procedures for the transmission of the securities between Bursa Malaysia and any other Foreign Exchange and for the deposition and withdrawal of any securities held under scripless system shall be determined by the Directors from time to time subject to and in accordance with the Relevant Regulations."*

"53. 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."

"54. Instrument of transfer

Subject to the Central Depositories Act, the Rules, and the Relevant Regulations, 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."

"55. Restriction of transfer

No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind."

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**“56. Maintenance of Register of Transfers**

Subject to Article 51, 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 and the Rules and Article 51, particulars of the transfer or transmission of every share shall be entered into the Register of Transfers.”

“57. Directors may refuse registration of transfer

- (1) *With the exception of transfer in favour of the Central Depository and save and except for the transfer of beneficial ownership of any Deposited Security held through an Omnibus Account, and subject to the provisions of the Central Depositories Act and the Rules and the Relevant Regulations, as the case may be, the Directors may subject to Article 57(4) decline to register the transfer of any share (not being a fully paid share) and may also decline to register the transfer of any share on which the Company has a lien or if the registration of the transfer would result in a contravention of or failure to observe the provisions of a law in Malaysia.*
- (2) *The Directors may decline to recognise any instrument of transfer, unless:-*
 - (a) *Such fee, not exceeding Ringgit Malaysia Three (RM3.00) per transfer or such other sum as may be permitted by the relevant Exchange plus the amount of the proper duty with which each certificate is chargeable under the law relating to stamp duty as the Directors may from time to time require, is paid to the Company in respect thereof; and*
 - (b) *The instrument of transfer together with the certificate is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so.*
- (3) *All instruments of transfers which are registered may be retained by the Company or its agents.*
- (4) *Subject to the provisions of the Central Depositories Act and the Rules, if the Directors decline to register any transfer they shall within ten (10) Market Days (or such other period specified by the relevant Exchange) after the date on which the transfer was lodged with the Company send to the transferor, lodging broker and to the transferee written notice of refusal and the precise reasons thereof. Any instrument of transfer which the Directors may decline to register shall be returned to the person who tendered the same for registration save and except in cases where the Directors suspect fraud.”*

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**"58. Suspension of registration of transfers**

The registration of transfers (including transfers of beneficial ownership of any Deposited Security held through an Omnibus Account) may be suspended at such time and for such period as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in any year. At least ten (10) Market Days' (or such other period specified by the relevant Exchange) notice of such closure shall be given to the relevant Exchange stating the period and the purpose or purposes of such closure. In relation to such closure, the Company shall give notice, in accordance with the Central Depositories Act and the Rules and the Relevant Regulations, as the case may be, to the Central Depository, to enable the Central Depository to prepare the appropriate Record of Depositors."

14.2.4 Voting and borrowing powers of Directors**"126. 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.*
- (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.*
- (3) If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability."*

"142. 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."

14.2.5 Voting rights**"100. Rights and votes of members**

- (1) Subject to Article 59 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 where calls are not due and unpaid.*

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (2) *Subject to Article 59 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 a member's representative, or holder of preference shares or proxy or attorney shall have one (1) 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 (1) vote for every share held by him upon which all calls due to the Company have been paid. A person entitled to more than one (1) vote need not use all his votes or cast all the votes he uses on a poll in the same way. Subject to Article 59, 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."*

"101. 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."

"102. Votes of joint-holders

Subject to the Central Depositories Act and the Rules, when there are joint-holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto, and if more than one of such joint-holders be present at any meeting personally or by proxy, the person whose name stands first on the Register or to the extent permissible under the Central Depositories Act and the Rules, on the Record of Depositors in respect of such share shall alone be entitled to vote in respect thereof."

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**"144. 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 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."

14.2.6 Limitation on the right to hold securities and/or exercise voting rights**"103. Votes of lunatic, deceased or bankrupt member**

- (1) Any member being of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote by his committee, receiver curator bonis, or other legal guardian or such other person as properly has the management of his estate. Any one of such person may vote either personally or by proxy or by attorney Provided such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than four (4) days before the time appointed for holding the meeting.
- (2) The legal personal representative of a deceased member or the person entitled under the Articles 55 to 58 to any share in consequence of the death of bankruptcy of any member may vote at any general meeting in respect thereof in the same manner as if he was the registered holder of such shares provided that forty eight (48) hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to any share in consequence of the death or bankruptcy of any member unless the Directors shall have previously admitted his right to vote in respect thereof.

"104. Member in default

No member shall be entitled to be present or to vote at any general meeting or to exercise any privilege as a member nor be counted as one of the quorum unless all calls or other sums immediately payable by him in respect of shares in the Company have been paid."

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

"105. Time for objection

No objection shall be raised as to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the Chairman at the meeting, whose decision shall be final and conclusive."

Save as disclosed above, there is no limitation on the right to own securities, 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 law or by the constituent documents of the Company.

14.2.7 Modification of rights

"23. Modification of Rights

Notwithstanding Article 24 hereof, the repayment of preference share capital other than redeemable preference share capital, or any other alteration of preference shareholders' rights, shall 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 (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting."

14.2.8 Issue of Shares

"5. Issue of Shares

- (1) Subject to the Act, the Central Depositories Act, the Rules, the Relevant Regulations and the conditions, restrictions and limitations expressed in these Articles, the Directors may allot, grant options over or otherwise dispose of the unissued share capital of the Company to such persons, at such time 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 provisions 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;*

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (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% of the nominal value of the issued and paid-up capital (excluding treasury shares) 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;*
- (e) *every issue of shares or options to employees and/or 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 members in general meeting have approved of the specific allotment to be made to such aforesaid persons.*
- (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 referred to in Article 5(2) 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.*

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (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."*

14.2.9 Dividends

"158. Payment of dividends

The profits of the Company available for dividend and determined to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities. The Company in general meeting may declare dividends accordingly."

"159. Amount of dividend

No dividend shall be paid otherwise than out of profits of the Company and no dividend shall be paid in excess of the amount recommended by the Directors."

"160. Apportionment of dividends

Subject to the rights of persons (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividends is paid, but amount paid up on a share in advance of calls shall not, whilst carrying interest pursuant to Article 33, be treated for the purpose of this Article as paid up in the share.

All dividends shall be apportioned and paid pro-rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid except that if any share is issued on terms providing that it shall rank for dividend as if paid up (in whole or in part) as from a particular date, such share shall rank for dividend accordingly."

"161. Interim dividends

The Directors may if they think fit from time to time pay to the members such interim dividends as appear to the Directors to be justified by the profits of the Company. If at any time the share capital of the Company is divided into different classes the Directors may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Directors act bona fide they shall not incur any responsibility to the holder of shares conferring any preferential rights for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights. The Directors may also pay half-yearly or at other suitable intervals to be determined by them any dividend which may be payable at a fixed rate if they are of the opinion that the profits justify the payment."

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**14.2.10 Winding-up****"188. Distribution of assets in specie**

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company, divide amongst the members in specie or in kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, thinks fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability."

"189. Proportionate distribution of assets

Save that this Article shall be without prejudice to the rights of holders of shares issued upon special terms and conditions the following provisions shall apply:-

- (1) If the a Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding-up, on the shares held by them respectively; and*
- (2) If in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed among the members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively."*

14.2.11 Calls**"26. Directors may make calls**

The Directors may from time to time make such calls upon the members as the Directors may think fit in respect of the amounts unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium), and not by the conditions of allotment made payable at fixed times. Except in the case of calls payable at fixed times pursuant to the conditions of allotment, each member shall be entitled to receive at least seven (7) days notice specifying the time or times and place of payment."

"27. How calls may be made

Any call may be made payable either in one sum or by instalments, and each member upon whom a call is made is liable to pay the amount of the call to the person and at the time or times and place appointed by the Directors. A call may be revoked or the time for its payment may be postponed by the Directors."

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

"28. When a call is deemed made

A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed."

14.2.12 Acquisition of own Shares*"11. Purchase of Own Shares*

- (1) Subject to the provisions of the Act and any regulations made thereunder and to any rights previously conferred on the holders of any class of shares and to any requirements imposed by the relevant Exchange in respect of securities admitted to listing, and any rules or guidelines of any relevant authorities (whether having the force of law or not) issued from time to time whether by way of amendment, modification or variation or in replacement thereof (other than any such of the rules and guidelines compliance with which by the Company is waived by the relevant authority), the Company may purchase or may enter into a contract under which it will or may purchase any of its shares of any class, including any redeemable shares.*
- (2) Neither the Company nor the Board shall be required to select the shares to be purchased rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares."*

14.3 Deposited securities and rights of Depositors

As our Shares are proposed for quotation on the Official List, 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, 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.

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

14.4 Material contracts

Save as disclosed below, our Company and our subsidiaries have not entered into any material contract with parties outside of our Group which is not in the ordinary course of our Group's business during the two (2) years preceding the LPD:-

- (i) Share sale and purchase agreement dated 30 November 2012 between Sindora, E.A. Technique and Trident Hallmark Sdn Bhd ("**Trident**") for the disposal of 51% equity interest in Orkim comprising 19,186,286 ordinary shares of RM1.00 each, out of which 11,662,267 units representing 31% of the share capital belongs to E.A. Technique and 7,524,019 units representing 20% of the share capital belongs to Sindora, for a cash consideration of RM110,000,000 to Trident. The total consideration proportionate to E.A. Technique's shareholdings in Orkim is RM66,862,745 and the total consideration proportionate to Sindora's shareholdings in Orkim is RM43,137,255. The share sale and purchase agreement was terminated on 29 January 2013 upon the non-fulfilment of condition precedent under the share sale and purchase agreement following the non-waiver of pre-emption rights by GMV-Orkim Sdn Bhd ("**GMV**"), which is the shareholder of Orkim;
- (ii) Share sale and purchase agreement dated 1 March 2013 between Sindora, E.A. Technique and GMV for the disposal of 51% equity interest in Orkim comprising 19,186,286 ordinary shares of RM1.00 each, out of which 11,662,267 units representing 31% of the share capital belongs to E.A. Technique and 7,524,019 units representing 20% of the share capital belongs to Sindora, for a cash consideration of RM110,000,000 to GMV. The total consideration proportionate to E.A. Technique's shareholdings in Orkim is RM66,862,745 and the total consideration proportionate to Sindora's shareholdings in Orkim is RM43,137,255. The share sale and purchase agreement was completed on 23 April 2013;
- (iii) Letter of offer dated 19 September 2014 whereby RHB Investment Bank offered to E.A. Technique the services to act as the sole placement agent for 78,800,000 Issue Shares by way of private placement to institutional and selected investors at an issue price to be determined later. RHB Investment Bank will charge E.A. Technique a placement fee of two percent (2.0%) of the total value of shares successfully placed out to the potential investors to subscribe for the shares identified by RHB Investment Bank and accepted by E.A. Technique pursuant to the private placement. In the event E.A. Technique identifies the potential investors to subscribe for the shares, RHB Investment Bank will charge E.A. Technique a placement fee of one percent (1.0%) of the total value of shares placed out. E.A. Technique had, on 26 September 2014 agreed to accept the services offered by RHB Investment Bank; and
- (iv) Underwriting Agreement dated 7 November 2014 between E.A. Technique and RHB Investment Bank to underwrite (i) 25,200,000 Issue Shares available for application by the Malaysian Public through a balloting process; and (ii) 10,000,000 Issue Shares reserved for application by the eligible Directors and employees of E.A. Technique Group at an underwriting commission of two percent (2.0%) of the total value of the underwritten shares. The total value of the underwritten shares means the total number of underwritten shares multiplied by the IPO Price. Further details of the Underwriting Agreement are set out in **Section 3.11** of this Prospectus.

14.5 Material litigation

As at the LPD, neither our Company nor our subsidiaries is involved in any material litigation or arbitration, either as plaintiff or defendant, which may have a material adverse effect on the business or financial position of our Group, and our Directors are not aware of any legal proceeding, pending or threatened, or of any fact likely to give rise to any legal proceeding which may have a material adverse effect on the business or financial position of our Group.

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

14.6 Repatriation of capital and remittance of profit

There are no governmental law, decree, regulation or other requirement in Malaysia which may affect the repatriation of capital and the remittance of profit by or to our Group.

14.7 Public take-overs

During the last financial year up to the date of this Prospectus, there were no:-

- i. public take-over offers by third parties in respect of our Shares; and
- ii. public take-over offers by us in respect of other companies' shares.

14.8 Letters of consent

The written consents of our Principal Adviser, Underwriter, Placement Agent, Legal Advisers, Principal Bankers, 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 such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants to the inclusion of its name, Accountants' Report, and Reporting Accountants' letter on our proforma consolidated statement of financial position as at 31 May 2014 in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of Vital Factor to the inclusion of its name and the Independent Market Research Report 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.

14.9 Documents available for inspection

Copies of the following documents may be inspected at our registered office at Level 11, Menara KOMTAR, Johor Bahru City Centre, 80000 Johor Bahru, Malaysia, during normal working hours for a period of twelve (12) months from the date of this Prospectus:-

- (i) Memorandum and Articles of Association of our Company;
- (ii) Reporting Accountants' letter on the proforma consolidated statements of financial position as included in **Section 11.2** of this Prospectus;
- (iii) Accountants' Report referred to in **Section 12** of this Prospectus;
- (iv) Directors' Report referred to in **Section 13** of this Prospectus;
- (v) the letters of consent referred to in **Section 14.8** of this Prospectus;
- (vi) material contracts referred to in **Section 14.4** of this Prospectus;
- (vii) the service agreements of the key management of our Group referred to in **Section 8.9** of this Prospectus;

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (viii) audited consolidated financial statements of our Company for the past three (3) FYE 31 December 2011, 2012 and 2013 as well as the five (5)-month FPE 31 May 2014;
- (ix) audited financial statements of Johor Shipyard for the past three (3) FYE 31 December 2011, 2012 and 2013 as well as the five (5)-month FPE 31 May 2014;
- (x) Independent Market Researchers' Report as included in **Section 7** of this Prospectus; and
- (xi) Undertaking letter by Dato' Hak referred to in **Section 8.5** of this Prospectus.

14.10 Responsibility statements

Our Directors, the Promoters and Selling Shareholders have seen and approved this Prospectus. 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 is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

RHB Investment Bank as our Principal Adviser, acknowledge that, based on all available information and to the best of their knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE

15.1 OPENING AND CLOSING OF APPLICATIONS

Applications will be accepted from 10.00 a.m. on 24 November 2014 and will remain open until 5.00 p.m. on 1 December 2014 or for such further period or periods as our Board, Promoters and Selling Shareholders together with our Underwriter in their absolute discretion may mutually decide.

In the event the closing date for the Applications is extended, you will be notified of the change in a widely circulated daily Bahasa Malaysia and English daily newspaper in Malaysia prior to the original closing date of the application. Following this, the dates for the balloting of the applications for the IPO Shares, allotment of the IPO Shares and Listing would be extended accordingly. **Late Applications will not be accepted.**

15.2 METHODS OF APPLICATION

Applications for the IPO Shares may be made using any of the following ways:-

- (i) Application Forms; or
- (ii) Electronic Share Applications; or
- (iii) Internet Share Applications.

15.3 PROCEDURES FOR APPLICATION

The Applications shall be made in connection with and subject to the terms of this Prospectus and our Memorandum and Articles of Association.

FULL INSTRUCTIONS FOR THE APPLICATION OF THE IPO SHARES AND THE PROCEDURES TO BE FOLLOWED ARE SET OUT IN THE APPLICATION FORMS. YOU ARE ADVISED TO READ THE APPLICATION FORMS AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

15.3.1 Application by the Public

Applications for the 25,200,000 IPO Shares made available for the Malaysian Public must be made on the **White Application Forms** provided OR by way of Electronic Share Application OR Internet Share Application. A corporation or institution cannot apply for shares by way of Electronic Share Application or Internet Share Application. The amount payable in full on application is RM0.65 per IPO Share.

15.3.2 Application by eligible Directors and employees of our Group

Applications for the 10,000,000 IPO Shares made available for eligible Directors and employees of our Group must be made on the **Pink Application Forms** provided only and not by way of other Application Forms or by way of Electronic Share Application or Internet Share Application. Applicants using the Pink Application Forms may still apply for the IPO Shares offered to the Malaysian Public using the **White Application Form**, Electronic Share Application or Internet Share Application. The amount payable in full on application is RM0.65 per IPO Share.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

15.3.3 Application by places under the private placement

Selected investors being allocated the IPO Shares and/or Offer Shares under this method will be contacted directly by the Placement Agent. Selected investors may still apply for the IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

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

Directors and employees of MIH and their immediate families are strictly prohibited from applying for the IPO Shares in this exercise.

15.4 APPLICATIONS USING APPLICATION FORMS

15.4.1 Types of Application Forms

The following relevant Application Forms issued with their notes and instructions enclosed with this Prospectus are deemed to form an integral part hereof:-

- (i) **White** Application Forms for application by the Malaysian Public; and
- (ii) **Pink** Application Forms for applications by our eligible Directors and employees of our Group.

White Application Forms together with copies of this Prospectus may be obtained, subject to availability, from RHB Investment Bank, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and MIH.

Pink Application Forms together with copies of this Prospectus will be sent out to eligible Directors and employees of our Group.

The submission of an Application Form does not necessarily mean that your application will be successful.

You may submit only one (1) Application Form and your application must be for 100 Shares or multiples thereof. Multiple applications will not be accepted. We wish to caution you that if you submit multiple applications in your own name or by using the name of others, with or without their consent, you will be committing an offence under Section 179 of the CMSA and if convicted, may be punished with a minimum fine of RM1,000,000 and to a jail term of up to ten (10) years under Section 182 of the CMSA.

Your application for the IPO Shares must be made on the respective Application Form accompanying this Prospectus and must be completed in accordance with the notes and instructions printed on the reverse side of the Application Form and on this Prospectus. In accordance with Section 232 of the CMSA, the Application Form together with the notes and instructions printed therein shall constitute an integral part of this Prospectus. Our Board may at their absolute discretion reserve the right not to accept applications which do not **STRICTLY** conform to the terms of this Prospectus or Application Form or notes and instructions printed therein or which are illegible.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

IF YOU ARE AN INDIVIDUAL OTHER THAN A MEMBER OF THE ARMED FORCES OR POLICE, YOUR NAME AND NATIONAL REGISTRATION IDENTITY CARD ("NRIC") NUMBER MUST BE EXACTLY THE SAME AS STATED IN:-

- (i) a) YOUR NRIC; OR
 - b) ANY VALID TEMPORARY IDENTITY DOCUMENT AS ISSUED BY THE NATIONAL REGISTRATION DEPARTMENT FROM TIME TO TIME; OR
 - c) YOUR RESIT PENGENALAN SEMENTARA ("KPPK 09") ISSUED PURSUANT TO PERATURAN 5(5), PERATURAN-PERATURAN PENDAFTARAN NEGARA 1990; AND
- (ii) THE RECORDS OF BURSA DEPOSITORY.

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 THE SAME AS THAT STATED IN YOUR AUTHORITY CARD AND IN THE RECORDS OF BURSA DEPOSITORY. YOUR ADDRESS MUST BE THE ADDRESS OF YOUR RESPECTIVE CAMP, BASE OR STATION.

IF YOU ARE A CORPORATION OR INSTITUTION, THE NAME AND THE CERTIFICATE OF INCORPORATION NUMBER MUST BE EXACTLY THE SAME AS THAT STATED IN THE CORPORATION'S OR INSTITUTION'S CERTIFICATE OF INCORPORATION AND IN THE RECORDS OF BURSA DEPOSITORY. THE ADDRESS MUST BE THE REGISTERED ADDRESS.

We, together with MIH will not issue any acknowledgement of the receipt of your Application Form or application monies.

15.4.2 Terms and conditions for application using Application Forms

Your applications by way of Application Forms shall be made on, and subject to, the following terms and conditions:-

- (i) If you are an individual, you must be a Malaysian citizen residing in Malaysia, with a CDS Account and a Malaysian address (White Application Forms only).

If you are an individual, you must have a CDS Account and a correspondence address in Malaysia (Pink Application Forms only).
- (ii) If you are a corporation or institution incorporated in Malaysia, you must have a CDS Account and be subject to the following:-
 - (a) if you have a share capital, more than half of the issued share capital (excluding preference share capital) is held by Malaysian citizens; and
 - (b) there is a majority of Malaysian citizens on the board of directors or trustee.

If you are a corporation or institution incorporated outside Malaysia, you must have a CDS Account and provide a correspondence address in Malaysia (Pink Application Forms only).

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iii) If you are a superannuation, co-operative, foundation, provident or pension fund, you must be established or operating in Malaysia and must have a CDS Account.
- (iv) Applications will not be accepted from trustees, any person under eighteen (18) years of age, sole proprietorships, partnerships or other incorporated bodies or associations, other than corporations or institutions referred to in **Section 15.4.2 (ii)** and **Section 15.4.2 (iii)** above or the trustees thereof.
- (v) EACH COMPLETED APPLICATION FORM MUST BE ACCOMPANIED BY REMITTANCE IN RINGGIT MALAYSIA FOR THE FULL AMOUNT PAYABLE BY EITHER:-
 - (a) BANKER'S DRAFT OR CASHIER'S ORDER PURCHASED WITHIN MALAYSIA ONLY AND DRAWN ON A BANK IN KUALA LUMPUR; OR
 - (b) MONEY ORDER OR POSTAL ORDER (FOR APPLICANTS FROM SABAH AND SARAWAK ONLY); OR
 - (c) GUARANTEED GIRO ORDER ("GGO") FROM BANK SIMPANAN NASIONAL MALAYSIA BERHAD;

AND MUST BE MADE OUT IN FAVOUR OF "MIH SHARE ISSUE ACCOUNT NO. 560" AND CROSSED "A/C PAYEE ONLY" AND ENDORSED ON THE REVERSE SIDE WITH THE NAME AND ADDRESS OF THE APPLICANT.

APPLICATIONS ACCOMPANIED BY MODE OF PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES OR INAPPROPRIATE BANKER'S DRAFTS, CASHIER'S ORDERS, MONEY ORDERS OR POSTAL ORDER, OR GGO WILL NOT BE ACCEPTED. DETAILS OF REMITTANCES MUST BE COMPLETED IN THE APPROPRIATE BOXES PROVIDED IN THE APPLICATION FORMS.

- (vi) YOU MUST STATE YOUR CDS ACCOUNT NUMBER IN THE SPACE PROVIDED IN THE APPLICATION FORM AND YOU SHALL BE DEEMED TO HAVE AUTHORISED BURSA DEPOSITORY TO DISCLOSE INFORMATION PERTAINING TO YOUR CDS ACCOUNT TO MIH AND/OR OUR COMPANY. IF YOU DO NOT PRESENTLY HAVE A CDS ACCOUNT, YOU MAY OPEN ONE BY CONTACTING ANY ONE OF THE ADAs LISTED IN **SECTION 16** OF THIS PROSPECTUS.
- (vii) YOUR NAME AND ADDRESS MUST BE WRITTEN ON THE REVERSE SIDE OF THE BANKER'S DRAFT, CASHIER'S ORDER, MONEY ORDER OR POSTAL ORDER, OR GGO FROM BANK SIMPANAN MALAYSIA BERHAD.
- (viii) Our Board reserves the right to require you, if your Application is successful, to appear in person at the registered office of MIH within fourteen (14) days of the date of the notice issued to you to ascertain the regularity or propriety of your Application. Our Board 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.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (ix) MIH, acting on the authority of our Board reserves the right to reject your Application if it does not conform to these instructions or if it is illegible or if it is accompanied by remittances improperly drawn.
- (x) MIH, acting on the authority of our Board reserves the right not to accept your Application or to accept it in whole or in part only without assigning any reason therefor. We will give due consideration to the desirability of allotting or allocating the IPO Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares.
- (xi) You shall ensure that your personal particulars stated in the Application Form are identical with the records maintained by Bursa Depository. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your registered or correspondence address registered with Bursa Depository.
- (xii) Your completed Application Form accompanied by the appropriate remittance and legible photocopy of the relevant documents, must be despatched by **ORDINARY POST** in the official envelopes provided, to the following address:-

Malaysian Issuing House Sdn Bhd (Company No. 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
Selangor Darul Ehsan

or **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 1 December 2014, or such other later date or dates as our Board, Promoters and Selling Shareholders together with our Principal Adviser and Underwriter in their absolute discretion may mutually decide.

- (xiii) **PLEASE DIRECT ALL YOUR ENQUIRIES IN RESPECT OF THE WHITE APPLICATION FORM TO MIH.**

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

15.5 APPLICATION USING ELECTRONIC SHARE APPLICATION**15.5.1 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.
- (ii) You must have a CDS Account.
- (iii) You are to apply for the IPO Shares via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. Mandatory statements required in the application are set out in **Section 15.5.3** of this Prospectus under the terms and conditions for Electronic Share Application. You are to enter at least the following information through the ATM where the instructions on the ATM screen at which you enter your Electronic Share Application requires you to do so:-
 - a) Your Personal Identification Number ("PIN");
 - b) MIH Share Issue Account No. 560;
 - c) Your CDS Account number;
 - d) Number of IPO Shares applied for and/or the Ringgit Malaysia amount to be debited from the account; and
 - e) You are to confirm several mandatory statements.

15.5.2 Participating Financial Institutions

Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches:-

- a) AFFIN BANK BERHAD; OR
- b) AMBANK (M) BERHAD; OR
- c) CIMB BANK BERHAD; OR
- d) HSBC BANK MALAYSIA BERHAD; OR
- e) MALAYAN BANKING BERHAD; OR
- f) PUBLIC BANK BERHAD; OR
- g) RHB BANK BERHAD; OR
- h) STANDARD CHARTERED BANK MALAYSIA BERHAD (at selected branches only).

15.5.3 Terms and conditions for Electronic Share Application

The procedures for Electronic Share Application at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions (the "**Steps**"). For illustration purposes, the procedures for Electronic Share Application at ATMs are set out in **Section 15.5.1** of this Prospectus. The Steps set out the actions that you must take at the ATM to complete an Electronic Share Application. You are advised to read and understand the terms of this Prospectus, the Steps and the terms and conditions for Electronic Share Application set out below before making an Electronic Share Application.

You must be an individual with a CDS Account to make an Electronic Share Application. The CDS Account must be in your own name. Invalid, nominee or third party CDS Accounts will not be accepted.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

You must have an existing bank account with, and be an ATM cardholder of, one (1) of the Participating Financial Institutions before you can make an Electronic Share Application at an ATM of that Participating Financial Institution. An ATM card issued by one (1) of the Participating Financial Institutions cannot be used to apply for the IPO Shares at an ATM belonging to other Participating Financial Institutions. Upon completion of your Electronic Share Application transaction, you will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of your Electronic Share Application. The Transaction Record is only a record that you have completed a 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 us or MIH. The Transaction Record is for your retention and should not be submitted with any Application Form.

Upon the closing of the offer for the Application for the IPO Shares, on 1 December 2014 at 5.00 p.m. ("**Closing Date**"), the Participating Financial Institution shall submit a magnetic tape containing its respective customers' applications for the IPO Shares to MIH as soon as practicable but not later than 12.00 p.m. of the second (2nd) business day after the Closing Date.

You will be allowed to make an Electronic Share Application for the IPO Shares via an ATM that accepts the ATM cards of the Participating Financial Institution with which you have an account and its branches, subject to you making only one (1) Application. If you have a bank account with a Participating Financial Institution and have been issued an ATM card, you will be allowed to apply for shares via an ATM of that Participating Financial Institution which is situated in another country or place outside of Malaysia, subject to you making only one (1) Application.

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 OWN NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE FOREGOING CONDITIONS.

The Electronic Share Application shall be made on, and subject to, the terms and conditions contained herein as well as the terms and conditions set out below:-

- (i) Your Electronic Share Application shall be made in connection with and subject to the terms of this Prospectus and our Memorandum and Articles of Association.
- (ii) You are required to confirm the following statement (by pressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given are true and correct:-
 - a) You have attained eighteen (18) years of age as at the Closing Date of the Share Application;
 - b) You are a Malaysian citizen residing in Malaysia;
 - c) You have read the relevant Prospectus and understood and agreed with the terms and conditions of this Application;
 - d) This is the only Application that you are submitting; and

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- e) You 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 MIH and other relevant authorities.

Your Application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the Steps required by the Participating Financial Institution. By doing so, you shall be treated as signifying your confirmation of each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia, including Section 133 of the Financial Services Act, 2013 and Section 45 of the SICDA to the disclosure by the relevant Participating Financial Institution or Bursa Depository, as the case may be, of any of your particulars to MIH or any other relevant regulatory bodies.

- (iii) YOU CONFIRM THAT YOU ARE NOT APPLYING FOR THE IPO SHARES AS A NOMINEE OF ANY OTHER PERSONS AND THAT ANY ELECTRONIC SHARE APPLICATION THAT YOU MAKE IS MADE BY YOU AS THE BENEFICIAL OWNER. YOU SHALL ONLY MAKE ONE (1) ELECTRONIC SHARE APPLICATION AND SHALL NOT MAKE ANY OTHER APPLICATION FOR THE IPO SHARES, WHETHER AT THE ATMS OF ANY PARTICIPATING FINANCIAL INSTITUTION OR ON THE PRESCRIBED APPLICATION FORMS OR VIA INTERNET SHARE APPLICATION.
- (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 IPO Shares applied for as stated on the Transaction Record or any lesser number of IPO Shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that we decide to allot or allocate any lesser number of the IPO Shares or not to allot or allocate any IPO Shares to you, you agree to accept any such decision as final. If your Electronic Share Application is successful, your confirmation (by your action of pressing the designated key or button on the ATM) of the number of IPO Shares applied for shall signify, and shall be treated as, your acceptance of the number of IPO Shares that may be allotted or allocated to you and to be bound by our Memorandum and Articles of Association.
- (vi) MIH, on the authority of our Board reserves the right to reject or accept any Electronic Share Application in whole or in part only on a non-discriminatory basis without assigning any reason therefor. We will give due consideration to the desirability of allotting or allocating the IPO Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (vii) You request and authorise us:-
- a) to credit the IPO Shares allotted or allocated to you into your CDS Account; and
 - b) to issue share certificate(s) representing such IPO Shares allotted or allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.
- (viii) Acknowledging that your Electronic Share Application is subject to the risks of electrical, electronic, technical and computer-related faults and breakdowns, fires and other events beyond our control and the control of MIH or the Participating Financial Institutions or Bursa Depository, irrevocably agree that if:-
- a) we or MIH do/ does not receive your Electronic Share Application; or
 - 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 MIH,
- you shall be deemed not to have made an Electronic Share Application and you shall not claim whatsoever against us, MIH, the Participating Financial Institutions or Bursa Depository for the IPO Shares applied for or for any compensation, loss or damage.
- (ix) All your particulars in the records of the relevant Participating Financial Institution at the time you make your Electronic Share Application shall be deemed to be true and correct and we, MIH and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (x) 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 is liable to be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allotment or allocation will be sent to your registered address last maintained with Bursa Depository.
- (xi) By making and completing an Electronic Share Application, you agree that:-
- a) in consideration of us agreeing to allow and accept the making of any Application for IPO 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 MIH shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Share Application due to a breakdown, failure of transmission or communication facilities, or to any cause beyond our/ their control;
 - c) notwithstanding the receipt of any payment by us or on our behalf, the acceptance of your offer to subscribe for and purchase the IPO Shares for which your Electronic Share Application has been successfully completed shall be constituted by the issue of notices of successful allotment for prescribed securities, in respect of the IPO Shares

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- d) you irrevocably authorises Bursa Depository to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the IPO Shares allotted or allocated to you; and
 - e) you agree that, in relation to any legal action or proceedings arising out of or in connection with the contract between the parties and/or the Electronic Share Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that our Company irrevocably submits to the jurisdiction of the Courts of Malaysia.
- (xii) Our Board reserves the right to require you, if your Application is successful, to appear in person at the registered office of MIH within fourteen (14) days of the date of the notice issued to you to ascertain the regularity or propriety of your Application. Our Board shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.
- (xiii) MIH, acting on the authority of our Board reserves the right to reject your Application, if it does not conform to these instructions.
- (xiv) The following processing fee per Electronic Share Application will be charged by the respective Participating Financial Institutions:
- a) Affin Bank Berhad – No fee will be charged for application by their account holders;
 - b) AmBank (M) Berhad – RM1.00;
 - c) CIMB Bank Berhad – RM2.50
 - d) HSBC Bank Malaysia Berhad – RM2.50;
 - e) Malayan Banking Berhad – RM1.00;
 - f) Public Bank Berhad – RM2.00;
 - g) RHB Bank Berhad – RM2.50; or
 - h) Standard Chartered Bank Malaysia Berhad (as selected branches only) – RM2.50

15.6 APPLICATION USING INTERNET SHARE APPLICATION**15.6.1 Steps for Internet Share Application**

The exact steps for Internet Share Application in respect of the IPO Shares are as set out on the internet financial services website of the Internet Participating Financial Institutions.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

For illustration purposes only, we have set out below possible steps for an application for the IPO Shares via Internet Share Application. The steps set out the actions that you must take at the Internet financial services website of the Internet Participating Financial Institution to complete an Internet Share Application.

PLEASE NOTE THAT THE ACTUAL STEPS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS MAY DIFFER FROM THE STEPS OUTLINED BELOW.

- (i) Connect to the internet financial services website of the Internet Participating Financial Institution with which you have an account.
- (ii) Login 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 initial public offerings.
- (iv) Select the counter in respect of the IPO 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 IPO Shares applied for and the account number to debit are correct, and select the designated hyperlink on the screen to confirm and submit the online application form.
- (viii) By confirming such information, you will undertake that the mandatory statements as stated in **Section 15.6.2(iii)** are true and correct.
- (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 of the application money for the Public Issue.
- (x) 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 of the application of the Public Issue is being made.
- (xi) Subsequent to the above, the Internet Participating Financial Institution shall confirm that the Internet Share Application has been completed, via the Confirmation Screen (as defined below) on its website.
- (xii) You are advised to print out the Confirmation Screen for reference and retention.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

15.6.2 Terms and Conditions for Internet Share Application

Your application for the IPO Shares may be made through the internet financial services website of the Internet Participating Financial Institutions.

YOU ARE ADVISED NOT TO APPLY FOR THE IPO SHARES THROUGH ANY WEBSITE OTHER THAN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

Internet Share Applications may be made through the internet financial services websites of the following Internet Participating Financial Institutions:-

- a) Affin Bank Berhad at www.affinOnline.com; or
- b) Affin Hwang Investment Bank Berhad at trade.affinhwang.com; or
- c) CIMB Bank Berhad at www.cimbclicks.com.my; or
- d) CIMB Investment Bank Berhad at www.eipocimb.com; or
- e) Malayan Banking Berhad at www.maybank2u.com.my; or
- f) Public Bank Berhad at www.pbebank.com; or
- g) RHB Bank Berhad at www.rhb.com.my.

PLEASE READ THE TERMS OF THIS PROSPECTUS, THE TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATIONS SET OUT HEREIN AND THE STEPS FOR INTERNET SHARE APPLICATIONS SET OUT HEREIN CAREFULLY PRIOR TO MAKING AN INTERNET SHARE APPLICATION.

THE EXACT TERMS AND CONDITIONS AND ITS SEQUENCE FOR INTERNET SHARE APPLICATIONS IN RESPECT OF THE IPO SHARES ARE AS SET OUT ON THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

PLEASE NOTE THAT THE ACTUAL TERMS AND CONDITIONS OUTLINED BELOW SUPPLEMENT THE ADDITIONAL TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATION CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITES OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

An Internet Share Application shall be made on and shall be subject to the terms and conditions as set out below:-

- (i) In order to make an Internet Share Application, you must:-
 - a) be an individual with a CDS Account and in the case of a joint account, an individual CDS Account registered in your name which is to be used for the purpose of the application if you are making the application instead of a CDS Account registered in the joint account holder's name;

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- b) have an existing account with access to internet financial services facilities with an Internet Participating Financial Institution. You must have ready your user identification ("User ID") and Personal Identification Numbers ("PIN")/password for the relevant internet financial services facilities; and
- c) be a Malaysian citizen and have a Malaysian address.

You are advised to note that a User ID and PIN/password issued by one of the Internet Participating Financial Institutions cannot be used to apply for the IPO Shares at internet financial service websites of other Internet Participating Financial Institutions.

- (ii) An Internet Share Application shall be made on and shall be subject to the terms of this Prospectus and our Memorandum and Articles of Association.
- (iii) You are required to confirm the following statements (by selecting the designated hyperlink on the relevant screen of the internet financial services website of the Internet Participating Financial Institution) and to undertake that the following information given are true and correct:-
 - a) you have attained eighteen (18) years of age as at the date of the application for the IPO Shares;
 - 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 for the IPO Shares;
 - e) the Internet Share Application is the only application that you are submitting for the IPO Shares;
 - f) you authorise the Internet Participating Financial Institution or the Authorised Financial Institution to deduct the full amount payable for the IPO Shares from your account with the Internet Participating Financial Institution or the 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 the SICDA to 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 MIH and the Authorised Financial Institution, the SC and any other relevant authority;

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- h) YOU ARE NOT APPLYING FOR THE IPO SHARES AS A NOMINEE OF ANY OTHER PERSON AND THE APPLICATION IS MADE IN YOUR OWN NAME, AS THE BENEFICIAL OWNER AND SUBJECT TO THE RISKS REFERRED TO IN THIS PROSPECTUS; AND
- (i) you authorise the Internet Participating Financial Institution to disclose transfer to any person, including any government or regulatory authority in any jurisdiction, us, Bursa Securities or other relevant parties in connection with the Public Issue, 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 Public Issue. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information relating to you furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Share Application services.
- (iv) Your application will not be successfully completed and cannot be recorded as a completed application unless you have completed all relevant application steps and procedures for the Internet Share Application which would result in the internet financial services website displaying the Confirmation Screen.

For the purposes of this Prospectus, "**Confirmation Screen**" shall mean the screen which appears or is displayed on the internet financial services website, which confirms that the Internet Share Application has been completed and states the details of your Internet Share Application, including the number of IPO Shares applied for which can be printed out by you for your records.

Upon the display of the Confirmation Screen, you shall be deemed to have confirmed the truth of the statements set out in **Section 15.6.2(iii)** of this Prospectus.

- (v) You must have sufficient funds in your account with the Internet Participating Financial Institution or the Authorised Financial Institution at the time of making the Internet Share Application, to cover and pay for the IPO Shares and the related processing fees, charges and expenses, if any, to be incurred, failing which the Internet Share Application will not be deemed complete, notwithstanding the display of the Confirmation Screen. Any Internet Share Application which does not conform strictly to the instructions set out in this Prospectus or any instructions displayed on the screens of the internet financial services website through which the Internet Share Application is made shall be rejected.
- (vi) You irrevocably agree and undertake to subscribe for and to accept the number of IPO Shares applied for as stated on the Confirmation Screen or any lesser number of IPO Shares that may be allotted or allocated to you in respect of the Internet Share Application. In the event that we decide to allot or allocate any lesser number of such IPO Shares or not to allot or allocate any IPO Shares to you, you agree to accept our decision as final.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

In the course of completing the Internet Share Application on the website of the Internet Participating Financial Institution, your confirmation of the number of IPO Shares applied for (by way of your action of clicking the designated hyperlink on the relevant screen of the website) shall be deemed to signify and shall be treated as:-

- a) your acceptance of the number of IPO Shares that may be allotted or allocated to you in the event that your Internet Share Application is successful or successful in part, as the case may be; and
 - b) your agreement to be bound by our Memorandum and Articles of Association.
- (vii) You are fully aware that multiple or suspected multiple Internet Share Applications for the IPO Shares will be rejected. MIH on the authority of our Board reserves the right to reject any Internet Share Application or accept any Internet Share Application in part only without assigning any reason therefor. We will give due consideration to the desirability of allotting or allocating the IPO Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares.
- (viii) Internet Share Applications will be closed at 5.00 p.m. on 1 December 2014 or such other date(s) as our Board, Promoters, Selling Shareholders and together with our Underwriter may in their absolute discretion mutually decide. An Internet Share Application is deemed to be received only upon its completion that is when the Confirmation Screen is displayed on the internet financial services website. You are advised to print out and retain a copy of the Confirmation Screen for record purposes. Late Internet Share Applications will not be accepted.
- (ix) You irrevocably agrees and acknowledge that the Internet Share Application is subject to risk of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, acts of God and other events beyond our control and the control of MIH or the Internet Participating Financial Institutions and the Authorised Financial Institution. If, in any such event, we, MIH and/or the Internet Participating Financial Institution and/or the Authorised Financial Institution do not receive your Internet Share Application and/or the payment therefor, or in the event that any data relating to the Internet Share Application or the tape or any other devices containing such data is lost, corrupted, destroyed or otherwise not accessible, whether wholly or partially and for any reason whatsoever, you shall be deemed not to have made an Internet Share Application and you shall have no claim whatsoever against us, MIH or the Internet Participating Financial Institution and the Authorised Financial Institution in relation to the IPO Shares applied for or for any compensation, loss or damage whatsoever, as a consequence thereof or arising therefrom.
- (x) All your particulars in the records of the relevant Internet Participating Financial Institution at the time you make your Internet Share Application shall be deemed to be true and correct, and we, MIH, the relevant Internet Participating Financial Institutions and all other persons who, are entitled or allowed under the law to such information or where you expressly consent to the provision of such information shall be entitled to rely on the accuracy thereof.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

You shall ensure that your personal particulars as recorded by both Bursa Depository and the Internet Participating Financial Institution are correct and identical. Otherwise, your Internet Share Application is liable to be rejected. The notification letter on successful allotment or allocation will be sent to your registered address last maintained with Bursa Depository. It is your responsibility to notify the Internet Participating Financial Institution and Bursa Depository of any changes in your personal particulars that may occur from time to time.

- (xi) By making and completing an Internet Share Application, you are deemed to have agreed that:-
- a) in consideration of us making available the Internet Share Application facility to you through the Internet Participating Institution acting as our agents, the Internet Share Application is irrevocable;
 - b) you have irrevocably requested and authorised us to register the IPO Shares allotted or allocated to you for deposit into your CDS Account;
 - c) neither us nor the Internet Participating Financial Institution shall be liable for any delay, failure or inaccuracy in the recording, storage or transmission or delivery of data relating to the Internet Share Application to MIH or Bursa Depository due to any breakdown or failure of transmission, delivery or communication facilities or due to any risk referred to in **Section 15.6.2(ix)** of this Prospectus or to any cause beyond their control;
 - d) 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 MIH, us and/or the Internet Participating Financial Institution for reasons of multiple application, suspected multiple application, inaccurate and/or incomplete details provided by you, or any other cause beyond the control of the Internet Participating Financial Institution;
 - e) the acceptance of your offer to subscribe for the IPO Shares for which your Internet Share Application has been successfully completed shall be constituted by written notification in the form of the issue of a notice of allotment by us or on our behalf and not otherwise, notwithstanding the receipt of any payment by us or on our behalf;
 - f) you are not entitled to exercise any remedy of rescission for misrepresentation at any time after we have accepted your Internet Share Application;
 - g) in making the Internet Share Application, you have relied solely on the information contained in this Prospectus. We, RHB Investment Bank and any other person involved in the Public Issue shall not be liable for any information not contained in this Prospectus which you may have relied on in making the Internet Share Application; and
 - h) the acceptance of your Internet Share Application and the contract resulting therefrom under the Public Issue shall be governed by and construed in accordance with the laws of Malaysia, and the applicant irrevocably submits to the jurisdiction of the courts of Malaysia.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (xiii) The following processing fee per Internet Share Application will be charged by the respective Internet Participating Financial Institution:-
- a) Affin Bank Berhad (www.affinOnline.com) - No fee will be charged for application by their account holders;
 - b) Affin Hwang Investment Bank Berhad (trade.affinhwang.com) – No fee will be charged for application by their account holders;
 - c) CIMB Bank Berhad (www.cimbclicks.com.my) - RM 2.00 for applicants with CDS Account held with CIMB Investment Bank Berhad and RM2.50 for applicants with CDS Account with other ADAs;
 - d) CIMB Investment Bank Berhad (www.eipocimb.com) – RM2.00 for payment via CIMB Bank Berhad or via Malayan Banking Berhad;
 - e) Malayan Banking Berhad (www.maybank2u.com.my) – RM1.00;
 - f) Public Bank Berhad (www.pbebank.com) – RM2.00; and
 - g) RHB Bank Berhad (www.rhb.com.my) – RM2.50.

15.7 OVER/UNDER-SUBSCRIPTION

In the event of an over-subscription, our Issuing House will conduct a ballot in a manner as approved by our Board to determine acceptance of applications. In determining the manner of balloting, our Board will consider the desirability of distributing our IPO Shares in a fair and equitable manner to a reasonable number of applicants for the purpose of broadening our shareholding base and establishing an adequate market in the trading of our Shares.

Pursuant to the Listing Requirements, we are required to have at least 25% of our enlarged issued and paid-up share capital to be held by a minimum number of 1,000 public shareholders holding not less than 100 Shares each upon our Listing and completion of this IPO. We expect to achieve this at the point of our Listing. However, in the event that the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all applications will be returned without interest.

If any Issue Shares allocated to Malaysian Public are undersubscribed, the balance portion will be allocated to our eligible employees of our Group. Likewise, any Issue Shares which are not taken up by our eligible Directors and employees of our Group will be allocated to the Malaysian Public.

Subject to **Section 3.4.3(i)** of this Prospectus and in the event there are Issue Shares not subscribed by the Malaysian Public as well as our eligible Directors and employees of our Group, the remaining portion will be made available for application by way of private placement to institutional and selected investors to be identified under **Section 3.4.1(ii)** of this Prospectus. Thereafter, any remaining Issue Shares that are still not subscribed for will be underwritten based on the terms and conditions of the Underwriting Agreement dated 7 November 2014.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

In the event of an over-subscription by the Malaysian Public and a corresponding under-subscription under **Sections 3.4.1(ii), 3.4.1(iii) and 3.4.2** of this Prospectus, the remaining portion will be clawed-back and be allocated to the Malaysian Public to increase the participation of retail investors.

The clawback and reallocation shall not apply in the event of over-application under **Sections 3.4.1(i), 3.4.1(ii), 3.4.1(iii) and 3.4.2** of this Prospectus.

15.8 APPLICATION AND ACCEPTANCES

MIH, acting on the authority of our Board reserves the right not to accept your Application, if it does not strictly comply with the instructions, or to accept your Application in part only without assigning any reason therefor.

The submission of an Application does not necessarily mean that the Application will be successful.

YOUR APPLICATION MUST BE FOR 100 ORDINARY SHARES OR MULTIPLES THEREOF.

NO APPLICATION SHALL BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCES HAVING BEEN PRESENTED FOR PAYMENT.

15.9 UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICATIONS

If you are unsuccessful/ partially successful in your application, the full amount or the balance of the application monies, as the case may be, will be refunded without interest in the following manner:-

15.9.1 For applications by way of WHITE Application Form

- (i) The full amount or the balance of the application monies, as the case may be, will be refunded to you via the self-addressed and stamped Official 'A' envelope you provided by ordinary post (for fully unsuccessful applications) or crediting into your bank account if you have provided such bank account information to Bursa Depository or by ordinary post/ registered post (for partially successful application) within ten (10) Markets Days from the date of the final ballot if you have not provided such bank account information to Bursa Depository.
- (ii) If your Application is rejected because you did not provide a CDS Account, the full amount of your application monies will be sent to you to the address as per the NRIC or "Resit Pengenalan Sementara (KPPK 09)" or any valid temporary identity document as issued by the National Registration Department from time to time, or the authority card in the case of armed forces or police personnel, at your own risk.
- (iii) MIH reserves the right to bank in all application monies from unsuccessful applicants and these monies will be refunded by crediting into your bank account if you have provided such bank account information to Bursa Depository or by ordinary post/registered post to your address last maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be) within ten (10) Market Days from the date of the final ballot.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

15.9.2 For applications by way of Electronic Share Application

- (i) MIH shall inform the relevant Participating Financial Institution of the unsuccessful or partially successful Applications within two (2) Market Days after the balloting date.
- (ii) Where your Electronic Share Application is unsuccessful, the relevant Participating Financial Institution will credit the full amount of the Application monies, in Ringgit Malaysia (without interest or any share of revenue or benefit arising therefrom) into your account with that Participating Financial Institution within two (2) Market Days after the receipt of confirmation from MIH. You may check your account on the fifth (5th) Market Day from the balloting day.
- (iii) Where your Electronic Share Application is partially successful, the relevant Participating Financial Institution will credit the balance of the Application monies, in Ringgit Malaysia (without interest or any share of revenue or benefit arising therefrom) into your account with that Participating Financial Institution within two (2) Market Days after the receipt of confirmation from MIH.
- (iv) We will, however, hold in reserve a number of Applications to replace any successfully balloted Applications that are subsequently rejected. If your Application held in reserve, is subsequently rejected, your Application monies without interest will be refunded (without interest or any share revenue or benefit arising therefrom) to you by MIH by crediting into your account with the Participating Financial Institution.

15.9.3 For applications by way of Internet Share Application

- (i) If your Internet Share Application is unsuccessful or successful in part only, MIH shall inform the relevant Internet Participating Financial Institution of the unsuccessful or partially successful Internet Share Application within two (2) Market Days after the balloting date.
- (ii) Where your Internet Share Application is unsuccessful, the relevant Internet Participating Financial Institution will credit or arrange with the Authorised Financial Institution to credit the full amount of the application monies, in Ringgit Malaysia (without interest or any share of revenue or other benefit arising therefrom) into your account with the Internet Participating Financial Institution or the Authorised Financial Institution within two (2) Market Days after receipt of written confirmation from MIH. You may check your account on the fifth (5th) Market Days from the balloting day.
- (iii) If your Internet Share Application is successful in part only, the relevant Internet Participating Financial Institution will credit the balance of the application monies in Ringgit Malaysia (without interest or any share of revenue or other benefit arising therefrom) into your account with the Internet Participating Financial Institution or the Authorised Financial Institution within two (2) Market Days after receipt of written confirmation from MIH.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iv) We will, however, hold in reserve a number of applications to replace any successfully balloted applications that are subsequently rejected. If your application held in reserve is subsequently rejected, your application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by MIH by crediting into your account with the Internet Participating Financial Institution not later than ten (10) Market Days from the date of the final ballot, at your own risk.
- (v) For applications that are held in reserve and which are subsequently unsuccessful (or partly successful), the Internet Participating Financial Institution will credit into your account the application monies (or any part thereof but without interest or any share of revenue or other benefit arising therefrom) within two (2) Market Days after the receipt confirmation from MIH.

Except where MIH is required to refund application monies, it is the sole responsibility of the Internet Participating Financial Institution to ensure the timely refund of application monies from unsuccessful or partially successful Internet Share Applications. Therefore, you are strongly advised to consult the Internet Participating Financial Institution through which the application was made in respect of the mode or procedure of enquiring on the status of the Internet Share Application in order to determine the status or exact number of IPO Shares allotted or allocated, if any, before trading of our IPO Shares on Bursa Securities.

15.10 CDS ACCOUNTS

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed the Shares as Prescribed Securities. In consequence thereof, the share issued/offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these shares will be carried out in accordance with the SICDA and rules of Bursa Depository.

Following the above, in accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS Account. Thus, we will not issue any share certificates to you.

Only if you have a CDS Account can you make an Application by way of an Application Form. If you apply using an Application Form, you should state your CDS Account number in the space provided in the Application Form and you shall be deemed to have authorised Bursa Depository to disclose information pertaining to your CDS Account to MIH or us and any relevant regulatory bodies, as the case may be. If you do not presently have a CDS Account, you should open a CDS Account at an ADA prior to making an Application for our Shares.

Only if you have a CDS Account can you make an Application by way of an Electronic Share Application. If you apply using an Electronic Share Application, you shall furnish your CDS Account number to the Participating Financial Institution by way of keying in your CDS Account number if the instructions on the ATM screen at which you enter your Electronic Share Application require you to do so.

Only if you have a CDS Account can you make an Application by way of an Internet Share Application. In certain cases, you can only make an Internet Share Application if you have a CDS Account opened with the Internet Participating Financial Institution. Arising therewith, your CDS Account number would automatically appear in the e-IPO online application form.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

If you fail to comply with these specific instructions or there are inaccuracies in the CDS Account number, arising from use of invalid, third party or nominee accounts, your application may be rejected. If you are successful in your Application but fail to state your CDS Account number, MIH, acting on the authority of our Board, reserves the right to reject your Application. MIH, acting on the authority of our Board also reserves the right to reject any incomplete and inaccurate Application. We may also reject your Application if your particulars provided in the Application Forms, or in the case of Electronic Share Application or Internet Share Application, if the records of the Participating Financial Institutions or Internet Participating Financial Institutions at the time of making the Electronic Share Application or Internet Share Application, respectively, differ from those in Bursa Depository's records, such as your identity card number, name and nationality.

15.11 NOTICE OF ALLOTMENT

If your Application is successful or partially successful, we will credit our Shares allotted to you to your CDS Account. We will despatch a notice of allotment to you at your address last maintained with Bursa Depository at your own risk prior to our Listing. For Electronic Share Applications or Internet Share Applications, the notice of allotment will be despatched to you at your address last maintained with Bursa Depository at your own risk prior to our Listing. This is the only acknowledgement of acceptance of your Application as we will not be issuing any share certificate to you.

You must inform Bursa Depository of your updated address promptly by adhering to certain rules and regulation of Bursa Depository, failing which we shall send the notification letter on your allotment to your address last maintained with Bursa Depository.

You may also check the status of your application by calling your ADA at the telephone number as stated in Section 16 of this Prospectus or MIH at (03)-7841 8000 or (03)-7841 8289, between five (5) to ten (10) Market Days (during office hours only) after the balloting date.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

16. LIST OF ADAs

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
KUALA LUMPUR			
AFFIN HWANG INVESTMENT BANK BERHAD Ground, Mezzanine & 3 rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No : 03-21438668	068-018	AFFIN HWANG INVESTMENT BANK BERHAD 7 th , 22 nd & 23 rd Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel No : 03-27116888	068-014
AFFIN HWANG INVESTMENT BANK BERHAD 38A & 40A Jalan Midah 1 Taman Midah 56000 Cheras Kuala Lumpur Tel No : 03-91308803	068-021	AFFIN HWANG INVESTMENT BANK BERHAD 57-10 Level 10 The Boulevard, Mid Valley City Lingkaran Syed Putra 59000 Kuala Lumpur Tel No : 03-22872273	068-017
ALLIANCE INVESTMENT BANK BERHAD Level 17, Menara Multi-Purpose Capital Square 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No : 03- 26043333	076-001	INTER-PACIFIC SECURITIES SDN BHD West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel No : 03-21171888	054-001
AMINVESTMENT BANK BERHAD 15 th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-20782788 / 20362633	086-001	INTER-PACIFIC SECURITIES SDN BHD Ground Floor, 7-0-8, Jalan 3/109F Danau Business Centre, Danau Desa 58100 Kuala Lumpur Tel No : 03-79847796	054-003
BIMB SECURITIES SDN BHD Level 32, Menara Multi Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No : 03-26918887	024-001	INTER-PACIFIC SECURITIES SDN BHD No. 33-1 (First Floor) Jalan Radin Bagus Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No : 03-9056 2921	054-005
CIMB INVESTMENT BANK BERHAD Level 17, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Tel No : 03-22618888	065-001	JUPITER SECURITIES SDN BHD Level 8 & 9, Menara Olympia No. 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-20341888	055-001
HONG LEONG INVESTMENT BANK BERHAD Level 7, Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur Tel No : 03-21616121 / 21681168	066-001	KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD 11 th -14 th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No : 03-21688800	053-001

16. LIST OF ADAs (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
HONG LEONG INVESTMENT BANK BERHAD (formerly known as MIMB Investment Bank Berhad) Level 18, Menara Raja Laut 288, Jalan Raja Laut 50350 Kuala Lumpur Tel No : 03-26910200 / 26928899	066-006	KENANGA INVESTMENT BANK BERHAD Level 8, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel No : 03-21649080	073-001
AFFIN HWANG INVESTMENT BANK BERHAD 2 nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel No : 03-77106688	068-009	KENANGA INVESTMENT BANK BERHAD M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Tel No : 03-42978806	073-020
KENANGA INVESTMENT BANK BERHAD 1 st Floor West Wing ECM Libra Building 8, Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel No : 03-20892888	073-021	RHB INVESTMENT BANK BERHAD Level 3A, Tower One RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel No : 03-92873888	087-001
KENANGA INVESTMENT BANK BERHAD 1st Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Tel No : 03-21781133	073-029	RHB INVESTMENT BANK BERHAD 12 th , 20 th & 21 st Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel No : 03-23338333	087-018
M & A SECURITIES SDN BHD Level 1-3, No. 45 & 47 The Boulevard, Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel No : 03-22821820	057-002	RHB INVESTMENT BANK BERHAD No. 62 & 64, Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Tel No : 03-62575869	087-028
MAYBANK INVESTMENT BANK BERHAD Level 5-13, MaybanLife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel No : 03-22978888	098-001	RHB INVESTMENT BANK BERHAD No. 5 & 7 Jalan Pandan Indah 4/33 Pandan Indah 55100 Kuala Lumpur Tel No : 03-42804798	087-054

16. LIST OF ADAs (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
MERCURY SECURITIES SDN BHD L-7-2, No. 2 Jalan Solaris Solaris Mont' Kiara 50480 Kuala Lumpur Tel No : 03-62037227	093-002	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 : 03-90587222	087-058
MIDF AMANAH INVESTMENT BANK BERHAD Level 21, Menara MIDF 82, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-21738888	026-001	TA SECURITIES HOLDINGS BERHAD Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No : 03-20721277	058-003
PM SECURITIES SDN BHD Ground, Mezzanine, 1 st & 10 th Floor Menara PMI No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Tel No : 03-21463000	064-001	UOB KAY HIAN SECURITIES (M) SDN BHD N-1-3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel No : 03-62056000	078-004
PUBLIC INVESTMENT BANK BERHAD 27 th Floor, Public Bank Building No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No : 03-20313011	051-001		
SELANGOR DARUL EHSAN			
AFFIN HWANG INVESTMENT BANK BERHAD 3 rd & 4 th Floor, Wisma Meru 1 Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No : 03-33439999	068-019	AFFIN HWANG INVESTMENT BANK BERHAD East Wing & Centre Link Floor 3A, Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-56356688	068-010
AFFIN HWANG INVESTMENT BANK BERHAD Lot 229, 2 nd Floor, The Curve 6 Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77298016	068-020	JF APEX SECURITIES BERHAD 6 th Floor, Menara Apex Off Jalan Semenyih, Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel No : 03-87361118	079-001

16. LIST OF ADAs (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
AFFIN HWANG INVESTMENT BANK BERHAD 1 st Floor, 20-22 Jalan 21/12, SEA Park 46300 Petaling Jaya Selangor Darul Ehsan Tel No : 03-78776229	068-022	JF APEX SECURITIES BERHAD 15 th & 16 th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No : 03-76201118	079-002
AFFIN HWANG INVESTMENT BANK BERHAD No.79-1 & 79-2 Jalan Batu Nilam 5 Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel No : 03-33221999	068-023	KENANGA INVESTMENT BANK BERHAD Ground – Fifth Floor East Wing, Quattro West No. 4, Lorong Persiaran Barat 46200 Petaling Jaya Selangor Darul Ehsan Tel No : 03-78626200	073-005
AMINVESTMENT BANK BERHAD 4 th Floor, Plaza Damansara Utama No. 2, Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77106613	086-003	KENANGA INVESTMENT BANK BERHAD No. 55C, 2 nd Floor Jalan USJ 10/1F 47610 UEP Subang Jaya Selangor Darul Ehsan Tel No : 03-80241773	073-006
CIMB INVESTMENT BANK BERHAD Level G & Level 1, Tropicana City Office Tower No 3 Jalan SS20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03 – 77173388	065-009	KENANGA INVESTMENT BANK BERHAD Lot 240, 2 nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77259095	073-016
HONG LEONG INVESTMENT BANK BERHAD Level 10 1 First Avenue Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77246888	066-002	KENANGA INVESTMENT BANK BERHAD Level 1 East Wing Wisma Consplant 2 No. 7 Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-56212118	073-030
AFFIN HWANG INVESTMENT BANK BERHAD 16 th , 18 th -20 th Floor, Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Tel No : 03-55133288	068-002	KENANGA INVESTMENT BANK BERHAD 35 (Ground & 1 st Floor) Jalan Tiara 3 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No : 03-33488080	073-035

16. LIST OF ADAs (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
MALACCA SECURITIES SDN BHD No. 16, Jalan SS15/4B 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-56361533	012-002	RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 15, Jalan Bandar Rawang 4 48000 Rawang Selangor Darul Ehsan Tel No : 03-60928916	087-047
MALACCA SECURITIES SDN BHD No. 58 & 60, 1 st Floor Jalan SS2/67 47300 Petaling Jaya Selangor Darul Ehsan Tel No : 03-78761533	012-003	RHB INVESTMENT BANK BERHAD Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No : 03-33439180	087-048
MAYBANK INVESTMENT BANK BERHAD Suite 8.02, Level 8, Menara Trend Intan Millennium Square No. 68, Jalan Batai Laut 4, Taman Intan 41300 Klang Selangor Darul Ehsan Tel No : 03 30508888	098-003	RHB INVESTMENT BANK BERHAD Ground Floor and First Floor No.13 Jalan Kenari 3 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No : 03-80706899	087-049
MAYBANK INVESTMENT BANK BERHAD Wisma Bentley Music Level 1, No. 3, Jalan PJU 7/2 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03 77188888	098-004	RHB INVESTMENT BANK BERHAD 11-1, Jalan PJU 5/12 Dataran Sunway Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan Tel No : 03-61483361	087-051
PM SECURITIES SDN BHD No. 157, Jalan Kenari 23A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No : 03-80700773	064-003	RHB INVESTMENT BANK BERHAD Unit 1B & 2B Jalan USJ 10/1J 47610 UEP Subang Jaya Selangor Darul Ehsan Tel No : 03-80221888	087-059
PM SECURITIES SDN BHD No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No : 03-33415300	064-007	SJ SECURITIES SDN BHD Ground Floor, Podium Block Wisma Synergy Lot 72, Persiaran Jubli Perak Section 22 40000 Shah Alam Selangor Darul Ehsan Tel No : 03-51920202	096-001

16. LIST OF ADAs (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
SJ SECURITIES SDN BHD 101B, Jalan SS15/5A 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-56317888	096-002	SJ SECURITIES SDN BHD No. 74-2, Jalan Batu Nilam 5 Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel No : 03-33221915	096-004
RHB INVESTMENT BANK BERHAD 24, 24M, 24A, 26M, 28M, 28A & 30 Jalan SS 2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel No : 03-78736366	087-011	TA SECURITIES HOLDINGS BERHAD No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T, Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Tel No : 03-80251880	058-005
RHB INVESTMENT BANK BERHAD No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel No : 03-87363378	087-045	TA SECURITIES HOLDINGS BERHAD 2 nd Floor Wisma TA 1A Jalan SS20/1 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77295713	058-007
MELAKA			
CIMB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No : 06-2898800	065-006	PM SECURITIES SDN BHD No. 13, Jalan PM2 Plaza Mahkota 75000 Melaka Tel No : 06-2866008	064-006
KENANGA INVESTMENT BANK BERHAD 71 (A&B) & 73 (A&B) Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06-2881720	073-028	RHB INVESTMENT BANK BERHAD No 19, 21 & 23, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06-2833622 / 2818823	087-002
KENANGA INVESTMENT BANK BERHAD 22A & 22A -1 and 26 & 26 – 1 Jalan MP 10 Taman Merdeka Permai 75350 Batu Berendam Melaka Tel No : 06-3372550	073-034	RHB INVESTMENT BANK BERHAD 579, 580 & 581 Taman Melaka Raya 75000 Melaka Tel No : 06-2825211	087-026
MALACCA SECURITIES SDN BHD No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang 75250 Melaka Tel No : 06-3371533	012-001	TA SECURITIES HOLDINGS BERHAD 59, 59A, 59B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06-2862618	058-008

16. LIST OF ADAs (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
MERCURY SECURITIES SDN BHD No. 81-B & 83-B, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06-2921898	093-003		
PERAK DARUL RIDZUAN			
CIMB INVESTMENT BANK BERHAD Ground, 1 st , 2 nd & 3 rd Floor No. 8, 8A-C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2088688	065-010	AFFIN HWANG INVESTMENT BANK BERHAD 2 nd & 3 rd Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2559988	068-015
HONG LEONG INVESTMENT BANK BERHAD 51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2530888	066-003	KENANGA INVESTMENT BANK BERHAD Ground, 1 st , 2 nd & 4 th Floor No. 63 Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2422828	073-022
AFFIN HWANG INVESTMENT BANK BERHAD 21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Tel No : 05-8066688	068-003	KENANGA INVESTMENT BANK BERHAD No. 7B-1, Jalan Laman Intan Bandar Baru Teluk Intan 36000 Teluk Intan Perak Darul Ridzuan Tel No : 05-6222828	073-026
KENANGA INVESTMENT BANK BERHAD Ground Floor No. 25 & 25A Jalan Jaya 2, Medan Jaya 32000 Sitiawan Perak Darul Ridzuan Tel No : 05-6939828	073-031	RHB INVESTMENT BANK BERHAD Ground Floor, No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No : 05-8088229	087-034
M & A SECURITIES SDN BHD M&A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No : 05-2419800	057-001	RHB INVESTMENT BANK BERHAD 72, Ground Floor Jalan Idris 31900 Kampar Perak Darul Ridzuan Tel No : 05-4651261	087-044

16. LIST OF ADAs (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
MAYBANK INVESTMENT BANK BERHAD B-G-04 (Ground Floor), Level 1 & 2 42 Persiaran Greentown 1 Pusat Dagangan Greentown 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2453400	098-002	RHB INVESTMENT BANK BERHAD Ground Floor No. 2, Jalan Wawasan 4 Taman Wawasan 34200 Parit Buntar Perak Darul Ridzuan Tel No : 05-7170888	087-052
RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 17, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No : 05-6236498	087-014	TA SECURITIES HOLDINGS BERHAD Ground, 1 st & 2 nd Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel No : 05-2531313	058-001
RHB INVESTMENT BANK BERHAD Ground, 1 st Floor No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No : 05-6921228	087-016	UOB KAY HIAN SECURITIES (M) SDN BHD 29G, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No : 05-6216010	078-009
RHB INVESTMENT BANK BERHAD 21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2415100	087-023		
PULAU PINANG			
ALLIANCE INVESTMENT BANK BERHAD Ground & Mezzanine Floor Bangunan Barkath 21, Lebu Pantai 10300 Pulau Pinang Tel No: 04-2611688	076-015	AMINVESTMENT BANK BERHAD Level 3 No. 15, Lebu Pantai 10300 Pulau Pinang Tel No : 04-2619288	086-007
AMINVESTMENT BANK BERHAD 3 rd Floor, Menara Liang Court 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2261818	086-004	CIMB INVESTMENT BANK BERHAD Ground Floor Suite 1.01, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2385900	065-003

16. LIST OF ADAs (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
AFFIN HWANG INVESTMENT BANK BERHAD Level 2, 3, 4, 5, 7 & 8 Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel No : 04-2636996	068-001	PM SECURITIES SDN BHD Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2273000	064-004
AFFIN HWANG INVESTMENT BANK BERHAD No. 2 & 4 Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5372882	068-006	RHB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Seberang Prai Pulau Pinang Tel No : 04-3900022	087-005
INTER-PACIFIC SECURITIES SDN BHD Ground, Mezzanine & 8 th Floor Sentral Tower 3, Penang Street 10200 Pulau Pinang Tel No : 04-2690888	054-002	RHB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5402888	087-015
KENANGA INVESTMENT BANK BERHAD 7 th , 8 th & 16 th Floor Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2283355	073-023	RHB INVESTMENT BANK BERHAD 834 Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Pulau Pinang Tel No : 04-5831888	087-032
M & A SECURITIES SDN BHD 332H-1 & 332G-2 Harmony Square Jalan Perak 11600 Georgetown Pulau Pinang Tel No : 04-2817611	057-005	RHB INVESTMENT BANK BERHAD 64 & 64-D Ground Floor – 3 rd Floor & 5 th – 8 th Floor Lebuh Bishop 10200 Pulau Pinang Tel No : 04-2634222	087-033
MALACCA SECURITIES SDN BHD Suite 98-3-13A, 13B, 13C Prima Tanjung Jalan Fettes 11200 Tanjung Tokong Pulau Pinang Tel No : 04-8981525	012-004	RHB INVESTMENT BANK BERHAD Ground & 1st Floor No. 15-G-5, 15-G-6, 15-1-5 & 15-1-6 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Tel No : 04-6404888	087-042

16. LIST OF ADAs (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
MERCURY SECURITIES SDN BHD Ground, 1 st , 2 nd & 3 rd Floor Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth, Seberang Perai Pulau Pinang Tel No : 04-3322123	093-001	RHB INVESTMENT BANK BERHAD 41-A, 41-B and 41-C Lintang Angsana Bandar Baru Air Itam 11500 Pulau Pinang Tel No : 04-8352988	087-056
MERCURY SECURITIES SDN BHD 2 nd Floor Standard Chartered Bank Chambers 2 Lebu Pantai 10300 Pulau Pinang Tel No : 04-2639118	093-004	UOB KAY HIAN SECURITIES (M) SDN BHD 1 st Floor, Bangunan Heng Guan 171 Jalan Burmah 10050 Pulau Pinang Tel No : 04-2299318	078-002
UOB KAY HIAN SECURITIES (M) SDN BHD Ground & 1 st Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5541388	078-003	SJ SECURITIES SDN BHD 12 th Floor, office Tower Hotel Royal Penang No 3 Jalan Larut 10050 Georgetown Pulau Pinang Tel No : 04-2289836	096-003
PERLIS INDRA KAYANGAN			
RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 39, Taman Suriani Persiaran Jubli Emas 01000 Kangar Perlis Indra Kayangan Tel No : 04-9793888	087-060		
KEDAH DARUL AMAN			
ALLIANCE INVESTMENT BANK BERHAD Lot T-30, 2 nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No : 04-7317088	076-004	RHB INVESTMENT BANK BERHAD 35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Tel No : 04-4964888	087-019
AFFIN HWANG INVESTMENT BANK BERHAD 70 A, B, C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No : 04-4256666	068-011	RHB INVESTMENT BANK BERHAD Ground & 1 st Floor 214-A, 214-B, 215-A & 215-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No : 04-7209888	087-021

16. LIST OF ADAs (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
RHB INVESTMENT BANK BERHAD No. 112, Jalan Pengkalan Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No : 04-4204888	087-017	UOB KAY HIAN SECURITIES (M) SDN BHD Lot 4, 5 & 5A, 1 st Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No : 04-7322111	078-007
NEGERI SEMBILAN DARUL KHUSUS			
AFFIN HWANG INVESTMENT BANK BERHAD 1 st Floor, 105, 107 & 109 Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7612288	068-007	MAYBANK INVESTMENT BANK BERHAD Wisma HM No. 43, Jalan Dr Krishnan 70000 Seremban Negeri Sembilan Tel No : 06-7669555	098-005
AFFIN HWANG INVESTMENT BANK BERHAD 6, Upper Level, Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No : 06-4553188	068-013	PM SECURITIES SDN BHD Ground, 1 st -3 rd Floor 18-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7623131	064-002
KENANGA INVESTMENT BANK BERHAD 1C & 1D, Ground & 1 st Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Tel No : 06-7655998	073-033	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 : 06-7641641	087-024
RHB INVESTMENT BANK BERHAD 1 st Floor, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel No : 06-4421000	087-037	RHB INVESTMENT BANK BERHAD Ground & Mezzanine Floor No. 346 & 347, Batu ½, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Tel No : 06-6461234	087-046
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 : 06-4553014	087-040		

16. LIST OF ADAs (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
JOHOR DARUL TAKZIM			
ALLIANCE INVESTMENT BANK BERHAD No. 73, Ground & 1 st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No : 07-7717922	076-006	KENANGA INVESTMENT BANK BERHAD Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3333600	073-004
AMINVESTMENT BANK BERHAD 3 rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4342282	086-002	KENANGA INVESTMENT BANK BERHAD Ground & Mezzanine Floor 34 Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No : 07-9333515	073-009
AMINVESTMENT BANK BERHAD 18 th Floor, Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel No : 07-3343855	086-006	KENANGA INVESTMENT BANK BERHAD Ground Floor No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel No : 06-9782292	073-011
HONG LEONG INVESTMENT BANK BERHAD (formerly known as MIMB Investment Bank Berhad) Suite 25.02, Level 25 Johor Bahru City Square (Office Tower) No. 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No : 07-2227388	066-005	KENANGA INVESTMENT BANK BERHAD Ground Floor No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel No : 06-9782292	073-011
HWANGDBS INVESTMENT BANK BERHAD Level 7, Johor Bahru City Square (Office Tower) 106-108 Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No : 07-2222692	068-004	KENANGA INVESTMENT BANK BERHAD 24, 24A & 24B Jalan Penjaja 3 Kim Park Centre 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4326963	073-017
INTER-PACIFIC SECURITIES SDN BHD 95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No : 07-2231211	054-004	RHB INVESTMENT BANK BERHAD 6 th Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel No : 07-2788821	087-006

16. LIST OF ADAs (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
KENANGA INVESTMENT BANK BERHAD Suite 16-02, 16-03 & 16-03A Level 16 Menara MSC Cyberport No. 5 Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No : 07-2237423	073-019	RHB INVESTMENT BANK BERHAD 53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4380288	087-009
KENANGA INVESTMENT BANK BERHAD 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel No : 06-9531222	073-024	RHB INVESTMENT BANK BERHAD No. 33-1, 1 st & 2 nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Tel No : 06-9538262	087-025
KENANGA INVESTMENT BANK BERHAD Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Tel No : 07-4678885	073-025	RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel No : 07-5577628	087-029
M & A SECURITIES SDN BHD Suite 5.3A, Level 5, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3381233	057-003	RHB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel No : 07-9321543	087-030
M & A SECURITIES SDN BHD 26, Jalan Indah 16/5 Taman Bukit Indah 81200 Johor Bahru Johor Darul Takzim Tel No : 07-2366288	057-006	RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 40 Jalan Haji Manan 86000 Kluang Johor Darul Takzim Tel No : 07-7769655	087-031
MERCURY SECURITIES SDN BHD Suite 17.1, Level 17, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3316992	093-005	RHB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No : 07-6626288	087-035
PM SECURITIES SDN BHD No. 41, Jalan Molek 2/4 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No : 07-3513232	064-005	RHB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Tel No : 06-9787180	087-038

16. LIST OF ADAs (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
PM SECURITIES SDN BHD Ground & 1 st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4333608	064-008	UOB KAY HIAN SECURITIES (M) SDN BHD 42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel No : 07-6637398	078-005
RHB INVESTMENT BANK BERHAD No. 2, 1 st Floor, Jalan Makmur Taman Sri Aman 85300 Labis Johor Darul Takzim Tel No : 07-9256881	087-039	UOB KAY HIAN SECURITIES (M) SDN BHD 70 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No : 07-3513218	078-006
RHB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor Nos. 21 & 23 Jalan Molek 1/30 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No : 07-3522293	087-043	UOB KAY HIAN SECURITIES (M) SDN BHD 171 Ground Floor Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Tel No : 07-5121633	078-008
UOB KAY HIAN SECURITIES (M) SDN BHD Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No : 07-3332000	078-001		
PAHANG DARUL MAKMUR			
ALLIANCE INVESTMENT BANK BERHAD Ground, Mezzanine & 1 st Floor B400, Jalan Beserah 25300 Kuantan Pahang Darul Makmur Tel No : 09-5660800	076-002	RHB INVESTMENT BANK BERHAD B32 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel No : 09-5173811	087-007
CIMB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd No. A-27 Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel No : 09-5057800	065-007	RHB INVESTMENT BANK BERHAD Ground & 1 st Floor, 98 Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel No : 09-2234943	087-022

16. LIST OF ADAs (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
KENANGA INVESTMENT BANK BERHAD A15, A17 & A19, Ground Floor Lorong Tun Ismail 2 Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Tel No : 09-5171698	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 : 05-4914913	087-041
KELANTAN DARUL NAIM			
RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 3953-H, Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No : 09-7430077	087-020	TA SECURITIES HOLDINGS BERHAD 298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No : 09-7432288	058-004
TERENGGANU DARUL IMAN			
ALLIANCE INVESTMENT BANK BERHAD Ground & Mezzanine Floor Wisma Kam Choon 101, Jalan Kampung Tiong 20100 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6317922	076-009	RHB INVESTMENT BANK BERHAD Ground & 1 st Floor 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel No : 09-8583109	087-027
FA SECURITIES SDN BHD No. 51 & 51A Ground, Mezzanine & 1 st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6238128	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 : 09-6261816	087-055
SARAWAK			
AMINVESTMENT BANK BERHAD No. 164, 166 & 168 1 st Floor, Jalan Abell 93100 Kuching Sarawak Tel No : 082-244791	086-005	KENANGA INVESTMENT BANK BERHAD Level 2-4, Wisma Mahmud Jalan Sungai Sarawak 93400 Kuching Sarawak Tel No : 082-338000	073-003
CIMB INVESTMENT BANK BERHAD Level 1, Wisma STA 26 Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel No : 082-358606	065-004	KENANGA INVESTMENT BANK BERHAD 11-12, Ground & 1 st Floor Lorong Kampung Datu 3 96000 Sibu Sarawak Tel No : 084-313855	073-012

16. LIST OF ADAs (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
CIMB INVESTMENT BANK BERHAD No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibu Sarawak Tel No : 084-367700	065-008	RHB INVESTMENT BANK BERHAD Yung Kong Abell Units No. 1-10, 2 nd Floor Lot 365, Section 50 Jalan Abell 93100 Kuching Sarawak Tel : 082- 250888	087-003
AFFIN HWANG INVESTMENT BANK BERHAD Ground Floor & 1 st Floor No. 1, Jalan Pending 93450 Kuching Sarawak Tel No : 082-341999	068-005	RHB INVESTMENT BANK BERHAD Lot 170 & 171 Section 49, K.T.L.D Jalan Chan Chin Ann 93100 Kuching Sarawak Tel No : 082-422252	087-008
AFFIN HWANG INVESTMENT BANK BERHAD 282, 1 st Floor Park City Commercial Centre Phase 4, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No : 086-330008	068-016	RHB INVESTMENT BANK BERHAD 2 nd Floor, Lot 1268 & Lot 1269 Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel No : 085-422788	087-012
KENANGA INVESTMENT BANK BERHAD Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel No : 085-435577	073-002	RHB INVESTMENT BANK BERHAD No. 102, Pusat Pedada Jalan Pedada 96000 Sibu Sarawak Tel No : 084-329100	087-013
RHB INVESTMENT BANK BERHAD Ground Floor & 1 st Floor No. 10, Jalan Bersatu 96100 Sarikei Sarawak Tel No : 084-654100	087-050	TA SECURITIES HOLDINGS BERHAD 12G, H & I Jalan Kampong Datu 96000 Sibu Sarawak Tel No : 084-319998	058-002
RHB INVESTMENT BANK BERHAD Ground & 1st Floor No. 221, Park City Commerce Square Phase III, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No : 086-311770	087-053	TA SECURITIES HOLDINGS BERHAD 2 nd Floor, Bangunan Binamas Lot 138, Section 54 Jalan Padungan 93100 Kuching Sarawak Tel No : 082-236333	058-006

16. LIST OF ADAs (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
SABAH			
CIMB INVESTMENT BANK BERHAD 1 st & 2 nd Floor Central Building No.28, Jalan Sagunting 88000 Kota Kinabalu Sabah Tel No : 088-328878	065-005	RHB INVESTMENT BANK BERHAD Lot 14-0, Ground Floor Lorong Lintas Plaza 2 Lintas Plaza, Off Jalan Lintas 88300 Kota Kinabalu Sabah Tel No : 088-258618	087-036
AFFIN HWANG INVESTMENT BANK BERHAD Suite 1-9-E1, CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu, Sabah Tel No : 088-311688	068-008	RHB INVESTMENT BANK BERHAD Ground Floor, Block 2 Lot 4 & Lot 5, Bandar Indah, Mile 4 North Road 91000 Sandakan Sabah Tel No : 089-229286	087-057
KENANGA INVESTMENT BANK BERHAD Level 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No : 088-236188	073-032	UOB KAY HIAN SECURITIES (M) SDN BHD 11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Tel No : 088-234090	078-011
RHB INVESTMENT BANK BERHAD 5 th Floor, Wisma BSN Sabah Jalan Kemajuan, Karamunsing 88000 Kota Kinabalu Sabah Tel No : 088-269788	087-010		

ANNEXURE A: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP AS AT THE LPD

Details of major licences and permits held by our Group as at the LPD are as follows:-

No.	Licensee / Contractor	Approving authority	Permit / License / Registration number	Description of licenses	Date of grant or renewal / Expiry date	Salient conditions	Status of compliance
1.	E.A. Technique	PETRONAS	256516-W	License to supply product/ services to exploration and oil/gas companies in Malaysia pursuant to Section 7, Petroleum Development Act 1974 for the following categories:- SF2010000 - Floating & mobile offshore facilities -- floating offshore facilities SM3010301 - Marine transportation service- Marine vessels – fast crew boat / supply crew boats – fast crew boat / supply crew boat –20 knots and below	13.04.2012 / 12.04.2015	(i) Company is required to register, obtain a license, permit or authorization from the relevant authority to carry out the services or supply of product or material used in company's operation and activities; (ii) This license is not transferable to any company / other party; (iii) This license will be revoked if the company is found to be in process of liquidation, winding-up or dissolution; (iv) Company shall inform PETRONAS on any changes related to company's position such as equity ownership, board of directors and management staff within fourteen (14) days. Failure to do so can result in revoke of license; (v) Company should take immediate action to adhere to the special conditions imposed as appendix of the PETRONAS license certificate and to inform PETRONAS on the progress of this action; (vi) Company is not allowed to take another company as principal, agent, sub-contractor or otherwise to provide any service or supply of any facility, fittings or equipment on its behalf without prior written consent from PETRONAS; (vii) Company shall allow PETRONAS representatives for inspection visit / site / company audit and review / copy of documents and interviewing employees and related parties;	Complied

ANNEXURE A: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP AS AT THE LPD (Cont'd)

No.	Licensee / Contractor	Approving authority	Permit / License / Registration number	Description of licenses	Date of grant or renewal / Expiry date	Salient conditions	Status of compliance
				SM3010302 - Marine transportation service - Marine vessels - fast crew boat / supply crew boats - fast crew boat / supply crew boat - above 20 knots		(vii) This license must be shown to PETRONAS's officers when it is required for inspection;	
				SM3010400 - Marine transportation service- Marine vessels - safety standby / general purpose / utility vessel		(ix) This license is only valid for services and supply of products as stated in the appendix of the PETRONAS license certificate;	
				SM3011000 - Marine transportation service- Marine vessels - tug vessel		(x) This Company can be penalised if in PETRONAS' opinion, it has conducted one or more of the following: (a) Failed to execute the award job until completion. (b) Failed to perform a contractual obligation or any other obligation under the law to partners, principals, agents, sub-contractors and others. (c) Received garnishee order. (d) Facing bankruptcy action. (e) Cannot be traced through the last address. (f) Sub-contract work to another contractor without written permission from PETRONAS. (g) Reject any contract or tender awarded. (h) Entering or accepting contract or tender during the license suspension period. (i) Provide false, inaccurate or misleading information. (j) Does not follow tender's regulations and ethics including but not only limited to sending poison-pen letters, bribing or lobbying. (k) Engaged in any inappropriate activities with this license.	
				SM3012104 - Marine transportation service - LPG tankers			
				SM3012105 - Marine transportation service - Petroleum product tanker			

ANNEXURE A: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP AS AT THE LPD (Cont'd)

No.	Licensee / Contractor	Approving authority	Permit / License / Registration number	Description of licenses	Date of grant or renewal / Expiry date	Salient conditions	Status of compliance
						(xi) According to Act 9, Petroleum Acts 1974, a person who initiate or continue any business or continue providing services as mentioned in Act 3 without license or do not comply with any condition of the license is committing a crime and can be fined not exceeding RM50,000 or imprisonment for a period not more than two (2) years or both and in respect of each continuous crime, it is subject to further fine of RM1,000 for every one (1) day or any part of one (1) day which the offense continues after the first conviction is recorded;	
						(xii) This approval is not an agreement/guarantee that your company will be called to participate in a tender or quotation of PETRONAS or its subsidiaries;	
						(xiii) This license may be revoked, suspended or blacklisted at any time if any of the above conditions, general conditions of PETRONAS license and registration and any other conditions set in PETRONAS license and Registration General Guidelines are not fulfilled.	
2.	Johor Shipyard	MITI	A 019671	Manufacturing licence for "Shipbuilding, Ship repairing and Metal Fabrication" at Lot PT8436-A, Mukim Hutan Melintang, 36400, Daerah Hilir Perak, Perak Darul Ridzuan	05.05.2014 / None	To notify the MITI and the Malaysian Investment Development Authority (MIDA) on any sale of shares of the Johor Shipyard The Johor Shipyard must provide training to Malaysians to ensure technology and expertise can be delivered to all level of designation. Johor Shipyard shall implement projects approved and in accordance with law and other regulations enacted in Malaysia.	Complied

ANNEXURE A: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP AS AT THE LPD (Cont'd)

No.	Licensee / Contractor	Approving authority	Permit / License / Registration number	Description of licenses	Date of grant or renewal / Expiry date	Salient conditions	Status of compliance
3.	Princess Sofea (M.T. Nautica Kluang)	Domestic Shipping Licensing Board	DSL 3159/2014	Domestic Shipping License	03.09.2014 / 02.09.2015	The owner needs to increase the intake of citizen ratings of at least 75%. ⁽²⁾	Complied
4.	Princess Sofea (M.T. Nautica Kluang)	Bureau Veritas	06898A	Certificate of class	17.07.2013 / 30.11.2017	Please refer to Note 1	Complied
5.	M.T. Nautica Johor Bahru	Domestic Shipping Licensing Board	DSL 1021/2014	Domestic Shipping License	13.04.2014 / 12.04.2016	-	-
6.	M.T. Nautica Johor Bahru	Bureau Veritas	09657Y	Certificate of classification	12.07.2013 / 24.02.2018	Please refer to Note 1	Complied
7.	M.T. Nautica Batu Pahat	Domestic Shipping Licensing Board	DSL 3038/2013	Domestic Shipping License	30.07.2013 / 29.07.2015	-	-
8.	M.T. Nautica Batu Pahat	Bureau Veritas	16420A	Certificate of classification	25.05.2010 / 18.03.2015	Please refer to Note 1	Complied
9.	M.T. Nautica Kota Tinggi	Domestic Shipping Licensing Board	DSL 4761/2013	Domestic Shipping License	08.10.2013 / 07.10.2015	-	-
10.	M.T. Nautica Kota Tinggi	Bureau Veritas	16421B	Certificate of classification	27.07.2010 / 26.07.2015	Please refer to Note 1	Complied

ANNEXURE A: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP AS AT THE LPD (Cont'd)

No.	Licensee / Contractor	Approving authority	Permit / License / Registration number	Description of licenses	Date of grant or renewal / Expiry date	Salient conditions	Status of compliance
11.	M.T. Nautica Maharani	Domestic Shipping Licensing Board	DSL 3092/2014	Domestic Shipping License	30.07.2014 / 29.07.2015	-	-
12.	M.T. Nautica Maharani	Bureau Veritas	15922J	Certificate of classification	26.05.2011 / 25.05.2016	Please refer to Note 1	Complied
13.	M.T. Nautica Muar	Domestic Shipping Licensing Board	DSL 3490/2014	Domestic Shipping License	19.08.2014 / 18.08.2015	(i) The owner required to have insurance coverage for wreck removal	Complied
14.	M.T. Nautica Muar	Bureau Veritas	12282C	Certificate of classification	04.08.2013 / 04.08.2018	Please refer to Note 1	Complied
15.	M.V. Nautica Tg. Puteri I	Domestic Shipping Licensing Board	DSL 4904/2013	Domestic Shipping License	09.11.2013 / 08.11.2015	-	-
16.	M.V. Nautica Tg. Puteri I	Bureau Veritas	07098S	Certificate of classification	06.10.2012 / 22.07.2015	Please refer to Note 1	Complied
17.	M.V. Nautica Tg. Puteri II	Domestic Shipping Licensing Board	DSL 4586/2014	Domestic Shipping License	09.11.2014 / 08.11.2015	-	-
18.	M.V. Nautica Tg. Puteri II	Bureau Veritas	07099T	Certificate of classification	06.10.2012 / 22.07.2015	Please refer to Note 1	Complied
19.	M.V. Nautica Tg. Puteri IV	Domestic Shipping Licensing Board	DSL 0287/2014	Domestic Shipping License	28.01.2014 / 27.01.2015	The owner needs to increase the intake of citizen ratings of at least 75%. ⁽²⁾	Complied

ANNEXURE A: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP AS AT THE LPD (Cont'd)

No.	Licensee / Contractor	Approving authority	Permit / License / Registration number	Description of licenses	Date of grant or renewal / Expiry date	Salient conditions	Status of compliance
20.	M.V. Nautica Tg. Puteri IV	Bureau Veritas	08286J	Certificate of class	16.01.2013 / 18.01.2016	Please refer to Note 1	Complied
21.	M.V. Nautica Tg. Puteri V	Domestic Shipping Licensing Board	DSL 4025/2014	Domestic Shipping License	18.10.2014 / 17.10.2015	The owner needs to increase the intake of citizen ratings of at least 75%. ⁽²⁾	Complied
22.	M.V. Nautica Tg. Puteri V	Bureau Veritas	08137W	Certificate of class	27.01.2011 / 11.12.2015	Please refer to Note 1	Complied
23.	M.V. Nautica Tg. Puteri VII	Had Perlabuhan Sungai Udang	LC MMI2014/32264	Boat License	02.09.2014 / 01.09.2015	-	Complied
24.	M.V. Nautica Tg. Puteri VIII	Had Perlabuhan Sungai Udang	LC MMI2014/32265	Boat License	02.09.2014 / 01.09.2015	-	Complied
25.	M.V. Nautica Tg. Puteri IX	KERTEH - Kemaman Sahaja	LC TKH2014/31796	Boat License	21.07.2014 / 20.07.2015	-	Complied
26.	M.V. Nautica Tg. Puteri X	KERTEH - Kemaman Sahaja	LC TKH2014/31118	Boat License	29.05.2014 / 27.05.2015	-	Complied
27.	M.V. Nautica Tg. Puteri XI	Domestic Shipping Licensing Board	DSL 3540/2014	Domestic Shipping License	04.09.2014 / 03.09.2016	-	-

ANNEXURE A: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP AS AT THE LPD (Cont'd)

No.	Licensee / Contractor	Approving authority	Permit / License / Registration number	Description of licenses	Date of grant or renewal / Expiry date	Salient conditions	Status of compliance
28.	M.V. Nautica Tg. Puteri XI	Bureau Veritas	20036F	Certificate of class	12.05.2012 / 11.05.2017	Please refer to Note 1	Complied
29.	M.V. Nautica Tg. Puteri XII	Domestic Shipping Licensing Board	DSL 4027/2014	Domestic Shipping License	10.10.2014 / 09.10.2016	-	-
30.	M.V. Nautica Tg. Puteri XII	Bureau Veritas	20037G	Certificate of class	17.06.2012 / 16.06.2017	Please refer to Note 1	Complied
31.	M.V. Nautica Tg. Puteri XV	Domestic Shipping Licensing Board	DSL 3028/2014	Domestic Shipping License	31.10.2014 / 30.10.2016	-	-
32.	M.V. Nautica Tg. Puteri XV	Bureau Veritas	19839R	Certificate of class	24.07.2012 / 24.07.2017	Please refer to Note 1	Complied
33.	M.V. Nautica Tg. Puteri XVI	Domestic Shipping Licensing Board	DSL 0381/2013	Domestic Shipping License	25.01.2013 / 24.01.2015	-	-
34.	M.V. Nautica Tg. Puteri XVI	Bureau Veritas	19840S	Certificate of class	10.01.2013 / 09.01.2018	Please refer to Note 1	Complied
35.	M.V. Nautica Tg. Puteri XVII	Domestic Shipping Licensing Board	DSL 4587/2013	Domestic Shipping License	26.09.2013 / 25.09.2015	-	-
36.	M.V. Nautica Tg. Puteri XVII	Bureau Veritas	16745D	Certificate of class	23.07.2013 / 12.04.2018	Please refer to Note 1	Complied

ANNEXURE A: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP AS AT THE LPD (Cont'd)

No.	Licensee / Contractor	Approving authority	Permit / License / Registration number	Description of licenses	Date of grant or renewal / Expiry date	Salient conditions	Status of compliance
37.	M.V. Nautica Tg. Puteri XVIII	Sungai Udang, Melaka	LC MMI2014/30508	Boat License	17.04.2014 / 15.04.2015	-	-
38.	M.V. Nautica Tg. Puteri XIX	Domestic Shipping Licensing Board	DSL 3105/2014	Domestic Shipping License	04.08.2014 / 03.08.2016	-	-
39.	M.V. Nautica Tg. Puteri XIX	Bureau Veritas	23998M	Certificate of class	19.12.2013 / 18.12.2018	Please refer to Note 1	Complied
40.	M.V. Nautica Tg. Puteri XX	Domestic Shipping Licensing Board	DSL 3106/2014	Domestic Shipping License	04.08.2014 / 03.08.2016	-	-
41.	M.V. Nautica Tg. Puteri XX	Bureau Veritas	23999N	Certificate of class	27.12.2013 / 26.12.2018	Please refer to Note 1	Complied

Notes:-

- (1) Certificate of Classification / Certificate of class
Subject to continued compliance with Bureau Veritas' rules and regulations.
- (2) As Domestic Shipping Licensing Board is a Malaysian authority, 75% of crew complement of the vessel must be of Malaysian citizenship.