

NOTICE OF PROVISIONAL ALLOTMENT OF WARRANTS

The provisional allotment of Warrants (as defined herein) are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) Amendment Act, 1998 and the Rules of Bursa Malaysia Depository Sdn Bhd (165570-W) ("Bursa Depository") shall apply in respect of dealings in the provisional allotment of Warrants.



KEJURUTERAAN SAMUDRA TIMUR BERHAD

(Company No.: 142241-X)

(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF 71,513,250 WARRANTS ("WARRANT(S)") AT AN ISSUE PRICE OF RM0.05 FOR EACH WARRANT ON THE BASIS OF ONE (1) WARRANT FOR EVERY TWO (2) EXISTING ORDINARY SHARES OF RM0.30 EACH IN KEJURUTERAAN SAMUDRA TIMUR BERHAD ("KSTB")("KSTB SHARES") HELD AT 5.00 P.M. ON 7 DECEMBER 2012 ("RIGHTS ISSUE OF WARRANTS")

Principal Adviser



HWANGDBS INVESTMENT BANK BERHAD (14389-U)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

To: Shareholders of KEJURUTERAAN SAMUDRA TIMUR BERHAD

Dear Sir/Madam,

The Board of Directors of KSTB ("Board") has provisionally allotted to you, in accordance with the approval of Bank Negara Malaysia on 15 October 2012, approval of Bursa Malaysia Securities Berhad ("Bursa Securities") on 29 October 2012 and the Ordinary Resolution passed at the Extraordinary General Meeting convened on 19 November 2012, the number of Warrants as indicated below ("Provisional Allotment").

We wish to advise that the following number of Warrants provisionally allotted to you in respect of the Rights Issue of Warrants have been confirmed by Bursa Depository and upon acceptance will be credited into your Central Depository System ("CDS") account(s) subject to the terms and conditions stated in the Abridged Prospectus and the Rights Subscription Form dated 7 December 2012 issued by the Company.

The Provisional Allotment is made subject to the provisions in the Abridged Prospectus dated 7 December 2012 issued by the Company. Bursa Securities has already prescribed the securities of KSTB, listed on the Main Market of Bursa Securities, to be deposited with Bursa Depository. Accordingly, the provisional allotment of the Warrants arising from the Rights Issue of Warrants are prescribed securities and, as such, all dealings in the Provisional Allotment of the Warrants will be by way of book entry through CDS accounts and will be governed by the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) Amendment Act, 1998 and the Rules of Bursa Depository.

ALL THE WARRANTS TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE OF WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING THE WARRANTS INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S) (IF APPLICABLE). NO PHYSICAL WARRANT CERTIFICATES WILL BE ISSUED.

The basis of allocation for excess Warrants will be determined after the last day of application and payment for excess Warrants. Nevertheless, it is the intention of the Board to allot the excess Warrants in the following priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to Entitled Shareholders who have applied for excess Warrants on a pro-rata basis and in board lot, calculated based on their respective shareholdings in KSTB as at the Entitlement Date;
- (iii) thirdly, for allocation to Entitled Shareholders who have applied for excess Warrants on a pro-rata basis and in board lot, calculated based on the quantum of their respective excess Warrants application;
- (iv) fourthly, for allocation to renounee(s) who have applied for excess Warrants on a pro-rata basis and in board lot, calculated based on the quantum of their respective excess Warrants application; and
- (v) lastly, in the event that there are still unsubscribed Warrants after allocating all the excess Warrants, the remaining unsubscribed Warrants will be subscribed by the substantial shareholders of KSTB, who have given the Undertakings (as defined in the Abridged Prospectus) in proportion to their respective shareholdings in KSTB.

NAME, ADDRESS AND CDS ACCOUNT NUMBER OF ENTITLED SHAREHOLDER		
NUMBER OF KSTB SHARES HELD AT 5:00 P.M. ON 7 DECEMBER 2012	NUMBER OF WARRANTS PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE AT RM0.05 PER WARRANT (RM)

IMPORTANT RELEVANT DATES	
Entitlement date.....	: 7 December 2012 at 5:00 p.m.
Last date and time for sale of provisional allotment.....	: 14 December 2012 at 5:00 p.m.
Last date and time for transfer of provisional allotment.....	: 19 December 2012 at 4:00 p.m.
Last date and time for acceptance and payment.....	: *24 December 2012 at 5:00 p.m.
Last date and time for excess Rights Shares application and payment.....	: *24 December 2012 at 5:00 p.m.

* or such later date and time as the Board may decide and announce not less than two (2) market days before the original closing date, subject to Bursa Securities' approval

By order of the Board
Chua Siew Chuan (MAICSA 0777689)
Chin Mun Yee (MAICSA 7019243)
Company Secretaries

Share Registrar
SECURITIES SERVICES (HOLDINGS) SDN BHD (36869-T)
Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel: 03 - 2084 9000
Fax: 03 - 2094 9940

THIS RSF IS NOT A TRANSFERABLE OR NEGOTIABLE INSTRUMENT.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. All enquiries concerning this Rights Issue of Warrants should be addressed to the Share Registrar, Securities Services (Holdings) Sdn Bhd (36869-T), Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur. INVESTORS SHOULD READ AND UNDERSTAND THE CONTENTS OF THE ABRIDGED PROSPECTUS DATED 7 DECEMBER 2012 TO WHICH THIS RSF RELATES BEFORE COMPLETING THIS RSF. PLEASE BE REMINDED THAT IN ACCORDANCE WITH THE CAPITAL MARKETS AND SERVICES ACT 2007, THIS RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE ABRIDGED PROSPECTUS DATED 7 DECEMBER 2012.

This RSF is not intended to be issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that this Rights Issue of Warrants complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and/or their renounee(s) (if applicable), who are residents in countries or jurisdictions other than Malaysia, should therefore immediately consult your legal advisers as to whether the acceptance or renunciation (as the case may be) of the provisional allotment of the Warrants (as defined herein) would result in the contravention of any laws of such countries or jurisdictions. We and HwangDBS Investment Bank Berhad ("HwangDBS") shall not accept any responsibility or liability whatsoever, in the event that any acceptance or renunciation of provisional allotment of Warrants made by the Entitled Shareholders and/or their renounee(s) (if applicable) is/ or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions. By signing this RSF, the Entitled Shareholders and/or their renounee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) KSTB, its Directors and Officers, HwangDBS and other experts, that the Entitled Shareholders and/or their renounee(s) complies with the statements mentioned in Section 3.7 of the Abridged Prospectus.

Approval for this Rights Issue of Warrants had been obtained from Bank Negara Malaysia, vide its letter dated 15 October 2012. Approval had been obtained from Bursa Securities on 29 October 2012 for the admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the Warrants to be issued pursuant to the Rights Issue of Warrants and the new KSTB Shares to be issued upon exercise of the Warrants, if any on the Main Market of Bursa Securities, and from the shareholders of KSTB through the ordinary resolution passed at an Extraordinary General Meeting held on 19 November 2012. The admission and listing of and quotation for the Warrants shall commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the Entitled Shareholders and/or their renounee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

A copy of the Abridged Prospectus together with the Notice of Provisional Allotment ("NPA") and RSF has been registered with the SC and lodged with the Companies Commission of Malaysia both of whom take no responsibility for the contents of these documents. The expiry date of the Abridged Prospectus is 6 December 2013, which is twelve (12) months from the date of the Abridged Prospectus.

Neither Bursa Securities nor the SC takes any responsibility for the correctness of statements made or opinions expressed herein. Admission to the Official List and quotation of the said securities on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue of Warrants.

This RSF, together with the Abridged Prospectus and the NPA, has been seen and approved by our Board of Directors ("Board") and they, collectively and individually, accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement in these documents false or misleading.

The provisionally allotted Warrants are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) Amendment Act, 1998 and the Rules of Bursa Depository shall apply in respect of dealings in the provisionally allotted Warrants.

Unless otherwise stated, the unit of currency used in this RSF is Ringgit Malaysia (or "RM" in abbreviation) and sen. Terms defined in the Abridged Prospectus shall have the same meanings when used in this document, unless they are otherwise defined here or the context otherwise requires.

INSTRUCTIONS:**(i) LAST TIME AND DATE FOR ACCEPTANCE AND PAYMENT**

This RSF is valid for acceptance until 5.00 p.m. on 24 December 2012 or such extended date and time as the Directors of KSTB may determine. Where the closing date for acceptance is extended from the original date of 24 December 2012, the notice of such extensions will be announced not less than two (2) market days before the original closing date.

If acceptance and payment(s) in the manner specified herein are not received by the Share Registrar, Securities Services (Holdings) Sdn Bhd (36869-T), Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur by 5.00 p.m. on 24 December 2012 (or such later time and day as may be announced by the Directors of KSTB) for any part of the Warrants provisionally allotted to you, such provisional allotment will be deemed to have been declined and will be cancelled. The Directors of KSTB will then have the right to allot the Warrants not taken up in a fair and equitable manner and in the interest of the Company.

(ii) ACCEPTANCE OF RIGHTS WARRANTS

If you and/or your renounee(s) (if applicable) wish to accept all or any part of the Warrants provisionally allotted to you and/or your renounee(s) (if applicable), please complete Part I(A) and Part II of this RSF and return this RSF, together with the appropriate remittance made in Ringgit Malaysia (RM) for the full amount in the form of Banker's Draft(s)/Cashier's Order(s)/Money Order(s) or Postal Order(s) drawn on a Bank or Post Office in Malaysia and made payable to "KSTB WARRANTS ACCOUNT", crossed "ACCOUNT PAYEE ONLY" and endorsed on the reverse side with your name and address in block letters and your CDS account number, for the full amount payable for the Warrants accepted, to be received by the Share Registrar, Securities Services (Holdings) Sdn Bhd (36869-T), Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur before 5.00 p.m. on 24 December 2012 (or such later time and day as may be announced by the Directors of KSTB).

If acceptance and payment for the Warrants provisionally allotted to you and/or your renounee(s) (if applicable) is not received by the Share Registrar by 5.00 p.m. on 24 December 2012, being the last time and date for acceptance and payment (or such extended time and date as may be determined and announced by our Board), such provisional allotment of Warrants will be deemed to have been declined and will be cancelled. Our Board will then have the right to allot such Warrants not taken up, to applicants applying for excess Warrants on a fair and equitable basis and in such manner as our Board in its absolute discretion deems fit and expedient in the best interest of KSTB, and such that the incidence of odd lots will be minimised.

The remittance must be made for the exact amount payable for the Warrants accepted (ROUNDED UP TO THE NEAREST SEN). No acknowledgement will be issued but a notice of allotment will be despatched to you and/or your renounee(s) (if applicable) by ordinary post to the address shown in the Record of Depositors provided by Bursa Depository at your own risk within eight (8) market days from the last date of acceptance and payment for the Warrants.

(iii) APPLICATION FOR EXCESS RIGHTS WARRANTS

If you and/or your renounee(s) (if applicable) wish to apply for excess Warrants in addition to those provisionally allotted to you and/or your renounee(s) (if applicable), please complete Part I(B) of this RSF (in addition to Parts I(A) and II) and forwarding it (together with a separate remittance for the full amount payable in respect of the excess Warrants applied for) to the Share Registrar. Payment for the excess Warrants applied for should be made in the same manner described in note (ii) above, with remittance in the form of Banker's Draft(s) or Cashier's Order(s) or Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia and made payable to "KSTB EXCESS WARRANTS ACCOUNT" and crossed "ACCOUNT PAYEE ONLY" and endorsed on the reverse side with the name, address and CDS account number of the applicant in block letters to be received by the Share Registrar not later than 5.00 p.m. on 24 December 2012, being the last time and date for acceptance and payment for the excess Warrants (or such extended time and date as may be determined and announced by our Board). No acknowledgement will be issued but a notice of allotment will be despatched to you and/or your renounee(s) (if applicable) by ordinary post to the address shown in the Record of Depositors provided by Bursa Depository at your own risk within eight (8) market days from the last date for acceptance and payment for the excess Warrants. In respect of unsuccessful or partially successful excess Warrants applications, the full amount or the surplus application monies (as the case may be) will be refunded without interest within fifteen (15) market days from the last date for application and payment for the excess Warrants by ordinary post to the address shown in the Record of Depositors provided by Bursa Depositors at your own risk. The basis of allocation for excess Warrants will be determined after the last day of application and payment for excess Warrants. Nevertheless, it is the intention of the Board to allot the excess Warrants in the following priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to Entitled Shareholders who have applied for excess Warrants on a pro-rata basis and in board lot, calculated based on their respective shareholdings in KSTB as at the Entitlement Date;
- (iii) thirdly, for allocation to Entitled Shareholders who have applied for excess Warrants on a pro-rata basis and in board lot, calculated based on the quantum of their respective excess Warrants application;
- (iv) fourthly, for allocation to renounee(s) who have applied for excess Warrants on a pro-rata basis and in board lot, calculated based on the quantum of their respective excess Warrants application; and
- (v) lastly, in the event that there are still unsubscribed Warrants after allocating all the excess Warrants, the remaining unsubscribed Warrants will be subscribed by the substantial shareholders of KSTB, who have given the Undertakings (as defined in the Abridged Prospectus) in proportion to their respective shareholdings in KSTB.

The remittance must be made for the exact amount payable for the Warrants accepted (ROUNDED UP TO THE NEAREST SEN). No acknowledgement will be issued but a notice of allotment will be despatched to you and/or your renounee(s) (if applicable) by ordinary post to the address shown in the Record of Depositors provided by Bursa Depository at your own risk within (8) market days from the last date of acceptance and payment for the Warrants.

(iv) SALE/TRANSFER OF THE PROVISIONAL ALLOTMENT OF WARRANTS

If you wish to sell/transfer all or part of your provisional allotment of the Warrants to your renounee(s) (if applicable), you may do so immediately through your stockbroker without first having to request the Company for a splitting of the provisional allotment of the Warrants standing to the credit of your CDS accounts. To sell/transfer all or part of your provisional allotment of the Warrants, you may sell such provisional allotment of the Warrants on the open market of Bursa Securities or transfer such provisional allotment to such persons as may be allowed pursuant to the Rules of Bursa Depository. In selling/transferring all or part of your provisional allotment of the Warrants, you and/or your renounee(s) (if applicable) need not deliver any document, including this RSF, to the stockbroker. However, you and/or your renounee(s) (if applicable) must ensure that you have sufficient provisional allotment of Warrants standing to the credit of your CDS account that are available for settlement of the sale. The renounee(s) can collect a copy of this RSF for the acceptance of his/her/their rights from his/her/their stockbroker, the Share Registrar, Registered Office of the Company, or Bursa Malaysia's website at <http://www.bursamalaysia.com>. If you have sold/transferred only part of the provisional allotment of the Warrants, you may still accept the balance of your provisional allotment of the Warrants by completing Parts I(A) and II of this RSF.

(v) GENERAL INSTRUCTIONS

- (a) All applicants must sign on the front page of this RSF. All corporate bodies must affix their Common Seals.
- (b) Warrants subscribed by the entitled shareholders and/or their renounee(s) will be credited into their respective CDS accounts as shown in the Record of Depositors.
- (c) Any interest or other benefit accruing on or arising from or in connection with any application monies shall be for the benefit of the Company and the Company shall not be under any obligation to account for such interest or other benefit to you.
- (d) The contract arising from the acceptance of the provisionally allotted Warrants by you shall be governed by and construed in accordance with the laws of Malaysia, and you shall be deemed to have irrevocably and unconditionally submitted to the exclusive jurisdiction of the courts of Malaysia in respect of any matter in connection with this RSF and the contract.
- (e) The Company reserves the right to accept or reject any acceptance and/or application if the instructions hereinabove stated are not strictly adhered to.
- (f) Entitled shareholders and/or their renounee(s) (if applicable) should note that the RSF and remittances so lodged with the Share Registrar shall be irrevocable and may not subsequently be withdrawn.
- (g) Malaysian Revenue Stamp (NOT POSTAGE STAMP) of Ringgit Malaysia Ten (RM10.00) must be affixed on the RSF.