
7. BUSINESS OVERVIEW

7.1 BACKGROUND AND HISTORY

Incorporation of our Group

We were incorporated in Malaysia on 29 December 2020 as a private limited company under the name of Steel Hawk Sdn Bhd. On 8 July 2021, we were converted into a public limited company and were listed on the LEAP Market of Bursa Securities on 29 October 2021.

Our Company is currently an investment holding company and through our Subsidiaries, we are principally involved in the provision of onshore and offshore support services for the O&G industry. Our business is segmented into the following core principal activities:

- (i) EPCC services for chemical injection skids and facilities improvement / maintenance of topside O&G facilities⁽¹⁾;
- (ii) installation and maintenance of oilfield equipment⁽²⁾; and
- (iii) supply of oilfield equipment.

Notes:

- (1) The maintenance of topside O&G facilities relates to maintenance of any structures and fittings as well as defective pipes, tubing and electrical cables identified within the topside O&G facilities.
- (2) The maintenance of oilfield equipment relates to maintenance of the specific oilfield equipment (e.g. pig trap systems, fire rated doors, oil spill recovery equipment, etc.). For avoidance of doubt, our Group's maintenance of oilfield equipment is conducted expressly on an "as-needed" basis.

For information purposes, topside O&G facilities are parts of an offshore drilling platform that are above the waterline such as drilling rig, living accommodations and processing facilities. Please refer to **Sections 7.2 and 7.5** of this Prospectus for further details on our business activities and their respective revenue contributions to our Group.

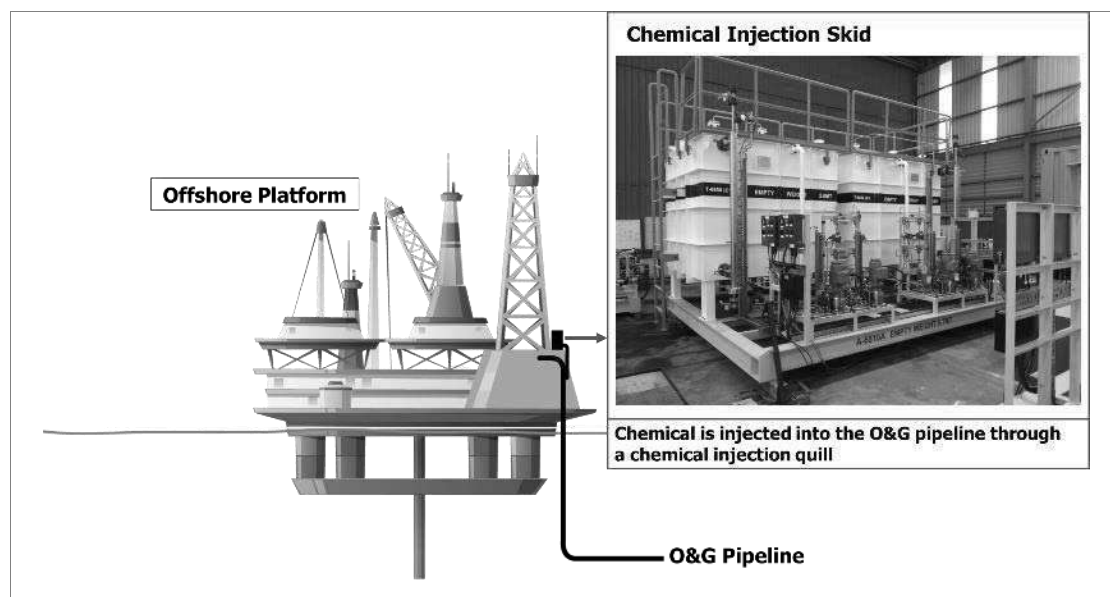
Evolution of our business over the years

Commencement of our business – EPCC services for chemical injection skids

Our Group's history can be traced back to the incorporation of Steel Hawk Engineering on 3 October 2012 by our Promoter, Deputy Chairman / Executive Director, namely Dato' Sharman and 2 other shareholders (who subsequently disposed their shareholdings to Siti Aishah Binti Amdan and Mohamad Fairus Bin Amdan in 2013 who in turn, disposed their shareholdings to Mhd Nasir Bin Omar and Azli Bin Mohd Nor within the same year to pursue their personal interest). Following the incorporation of Steel Hawk Engineering in October 2012, we commenced our initial business activity which was solely focused on the provision of EPCC services for chemical injection skids at offshore exploration and production platforms in the O&G industry.

7. BUSINESS OVERVIEW (CONT'D)

A brief illustration of the chemical injection skid at an offshore exploration and production platform, which is found at the platform's topside, is set out below:



A chemical injection skid is a type of equipment installed at onshore or offshore exploration and production facilities (e.g., platforms, rigs or terminals) to inject chemicals into pipelines and O&G wells for the purpose of well cleaning, improving pipeline flow and preventing internal corrosion of pipelines, which is crucial to ensure a smoother and more efficient flow of O&G as well as to mitigate environment risks such as leaks or spills in the pipelines of the O&G facilities. Our supply of chemical injection skids covers the full range of EPCC services which includes, amongst others, engineering works, development and preparation of drawings, procurement, fabrication, delivery to customer's site, installation, testing and commissioning of the chemical injection skids as well as related parts and components. Save for specialised services that are outsourced to third party subcontractors such as fabrication of large structures exceeding 6 metres (e.g. I-beam and metal plates) and blasting and painting of chemical tanks and skid bases, our Group undertakes the majority of EPCC services for chemical injection skids in-house (as elaborated in **Section 7.2(i)** of this Prospectus).

In October 2012, we set up our first office in Petaling Jaya, Selangor, which remains our head office until today, which currently houses our engineering, procurement, business development, finance and human resources departments. In December 2012, we obtained our first PETRONAS license which enables us to supply products and services to the upstream, midstream and downstream segments of the O&G industry in Malaysia. This was followed by securing our first fixed contract in May 2013 from PETRONAS Carigali to provide EPCC services for 9 chemical injection skids at 3 offshore platforms located within PETRONAS Carigali's Sarawak Operations (SKO), with contract duration of 3 years.

In June 2014, we registered with the CIDB as a Grade G5 contractor, allowing us to bid for and carry out building, civil, mechanical and electrical engineering projects not exceeding RM5 million in value for onshore projects. We subsequently upgraded our registration with CIDB to a G7 contractor in May 2021, which allows us to bid for and carry out building, civil, mechanical and electrical engineering projects without any limit in value. We are required to register with the CIDB as pursuant to the CIDB Act, it is a mandatory requirement for all contractors who carry out or complete any civil engineering construction and / or mechanical and electrical construction works to hold a valid certificate of registration issued by CIDB.

7. BUSINESS OVERVIEW (CONT'D)

In February 2015, 2 of our Promoters, namely Salimi Bin Khairuddin and Khairul Nazri Bin Kamarudin, acquired 31.00% and 20.00% equity interest in Steel Hawk Engineering from Mhd Nasir Bin Omar and Azli Bin Mohd Nor, respectively. They have since maintained their equity interest in Steel Hawk Engineering over the past 9 years and up to the LPD. For the avoidance of doubt, the remaining 49.00% equity interest in Steel Hawk Engineering has been held by Dato' Sharman since its incorporation. Salimi Bin Khairuddin joined our Group in June 2013 as our Quality Assurance and Quality Control Manager to which he was appointed as the Chief Operating Officer (Onshore) in February 2015 and had subsequently on 7 April 2022, assumed the role of Chief Executive Officer and Executive Director of our Group while Khairul Nazri Bin Kamarudin joined our Group in February 2014 as the our Senior Mechanical Engineer, to which he was appointed as the Chief Operating Officer (Offshore) in February 2015 and had subsequently stepped down from our Board as the Executive Director of our Group on 5 October 2023 and assumed the role of Chief Operating Officer of our Group. Both Salimi Bin Khairuddin and Khairul Nazri Bin Kamarudin continue to hold their respective positions in our Group as at the LPD.

In February 2015, we secured 3 additional contracts with contract duration ranging from 6 months to 2 years, from PETRONAS group to provide EPCC services for chemical injection skids at offshore platforms located within PETRONAS Carigali's Sarawak Operations (SKO). Subsequently, in December 2015, we secured our first Price Agreement (call out contract) (which does not have a fixed contract value and as such, our Group is engaged through work orders to provide specified services for the duration of the contract, as and when such services are required) from PETRONAS Carigali to provide EPCC services for chemical injection skids to 124 offshore platforms across its Peninsular Malaysia Operations (PMO), Sarawak Operations (SKO) and Sabah Operations (SBO). It was our first contract that involved PETRONAS Carigali's Peninsular Malaysia Operations (PMO) and Sabah Operations (SBO) as well as one of our longest duration contracts at the time (valid for 3 years, including a 1-year extension option which was awarded). The Price Agreement (call out contract) differed from our other contracts at the time, as it defined all aspects of pricing for our provision of EPCC services for chemical injection skids. As a result of securing the contract, we expanded our operations into Sabah and Sarawak where we established an operations office in Kota Kinabalu, Sabah (subsequently ceased in 2019 upon the completion of the Price Agreement (call out contract) in Sabah) and an operations office in Miri, Sarawak.

We continued to expand our operations in the following years where in April 2017, we established an operations office in Kemaman, Terengganu. This was followed by establishing another operations office in Kerteh, Terengganu in April 2019 which was later moved to Teluk Kalung, Terengganu in April 2021.

Expansion of our business activities – supply, installation and maintenance of oilfield equipment

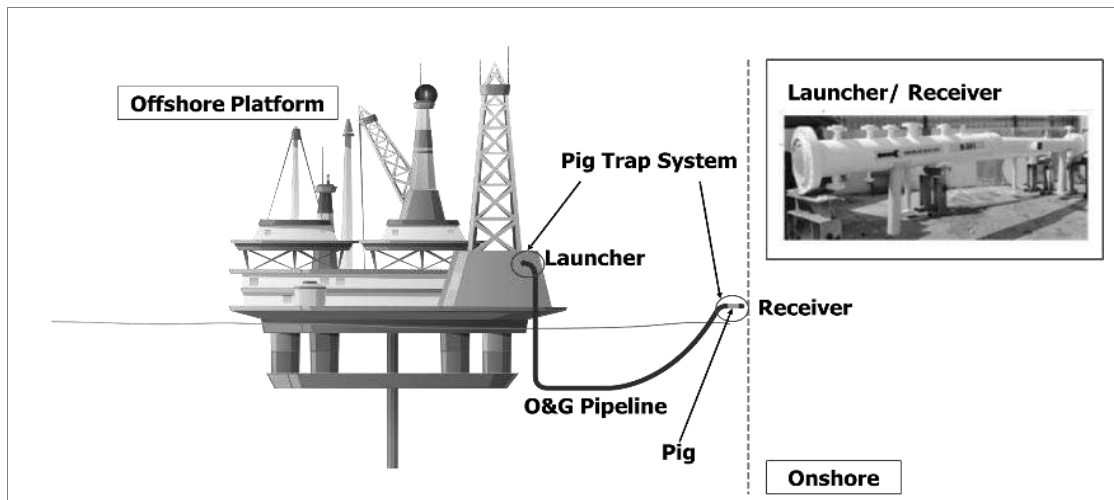
Over the years, we gradually expanded our services from our expertise in the improvement / maintenance of pipelines to include installation and maintenance of oilfield equipment as well as supply of oilfield equipment for topside O&G platforms, this includes maintenance services such as blasting and painting, modification of pig trap barrels (launcher and receiver) and replacement of existing fire rated doors as well as supply of oilfield equipment such as fire rated door accessories (i.e., hinges, door handle, panic bar, sight glass and perimeter gasket), pig trap accessories (i.e., pig signaller, door seals and quick opening closures) and oil spill consumables (i.e., oil absorbent and skimmer pumps), as part of our initiatives to provide additional value to our customers.

In July 2017, we secured our first Price Agreement (call out contract) from PETRONAS Carigali for the supply, delivery, installation, and maintenance of fire rated doors for its onshore and offshore O&G facilities in its Peninsular Malaysia Operations (PMO) and Sarawak Operations (SKO) for a duration of 3 years. This contract marks the expansion of our services into supply, installation, and maintenance of oilfield equipment.

7. BUSINESS OVERVIEW (CONT'D)

In July 2018, we secured our first Price Agreement (call out contract) from PETRONAS Carigali which involved the provision of fabrication, installation, commissioning, inspection and maintenance works of pig trap system at onshore and offshore O&G facilities across PETRONAS Carigali's Peninsular Malaysia Operations (PMO), Sarawak Operations (SKO) and Sarawak Gas Operation (SKG) with a contract duration of 4 years, further establishing our Group's footprint in pipeline cleaning and maintenance services within the O&G industry. In view of this, we further expanded the range of our supply of oilfield equipment as well as installation and maintenance of oilfield equipment to include pig trap systems (i.e., static equipment through which the pigging tool such as pig launchers and receiver are introduced into a pipeline and received from the pipeline).

A brief illustration of the pig trap system covering the onshore and offshore pipeline system is as set out below:



Pigging activity – a pipeline maintenance service involving the use of pipeline inspection gauges or 'pigs', which are pushed along the pipeline from the launcher enclosure door until it reaches the receiver enclosure door, cleaning the pipeline along the way.

Expansion of our business activities – facilities improvement / maintenance services

In December 2018, we were awarded a Price Agreement (call out contract) by PETRONAS Carigali to provide maintenance, construction, and modification services for their onshore facilities at Kerteh, Terengganu (i.e., Onshore Gas Terminal and Onshore Slug Catcher). The works performed under this contract falls within our EPCC services and facilities improvement / maintenance, encompassing improvements and / or modifications to existing facilities, replacement of corroded or damaged structural members, handrails, gratings and piping spools, cleaning and painting of structures as well as removal, installation or modification of piping, tubing, fittings and component parts of structures. The contract is currently ongoing and valid for a period of 5 years (including 2 years extension) until December 2023. The contract was further extended until December 2024. Our involvement in this contract was a major milestone in enabling us to solidify and establish ourselves as a service provider for onshore facilities improvement / maintenance services, offering a complete range of necessary maintenance, modifications, construction and fabrication services for such facilities. Additionally, the aforementioned contract allowed our Group to gain the skills applicable to conduct the abovementioned services on offshore facilities as well.

In October 2020, we secured a 5-year Price Agreement (call-out contract) from PETRONAS Carigali to provision of maintenance of fire rated doors for living quarters and modularised offshore buildings for its Peninsular Malaysia Assets, Sarawak Oil Assets and Sarawak Gas Assets.

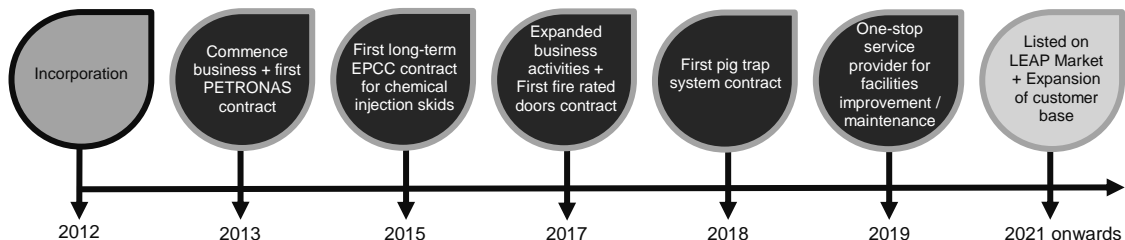
7. BUSINESS OVERVIEW (CONT'D)

In February 2021, we acquired our first overseas client, when we were awarded a one-off supply contract to provide oilfield equipment (i.e., welding safety habitat – a protective structure or enclosure used in welding and other hot work operations to ensure safety of workers and the surrounding environment) to SAHID Sendirian Berhad, a company based in Brunei Darussalam which is involved in the provision of engineering, construction and maintenance services for the O&G industry. In the same year, we also secured a 3-year Price Agreement (call out contract) from PETRONAS Carigali to provide oil spill recovery equipment maintenance for its Peninsular Malaysia Assets. The contract involved the supply of oilfield equipment such as oil booms, oil filters, hydraulic hoses, rubber seals, and recoil starters as well as the installation and maintenance of such equipment, whereby it was carried out on a scheduled and ad-hoc basis. Our involvement in this contract shows our Group's continued efforts in expanding our services within the O&G industry and enabled us to grow our revenue.

In October 2021, our Group was listed on the LEAP Market of Bursa Securities. Since 2021, up to the LPD, we have expanded our customer base to include companies such as Customer A (2021), PBH Engineering Sdn Bhd (2022), Sigma Water Engineering (M) Sdn Bhd (2022), and Customer F (i.e., a subsidiary of a public company listed on the Main Market of Bursa Securities) (2023).

In addition to our PETRONAS license, we are required to meet SWEC requirements for the services that we provide to our customers in Malaysia. As at the LPD, we have 168 SWEC under our PETRONAS license, with each SWEC allowing our Group to bid for and supply specific registered services and products to the O&G industry in Malaysia. Further, as at the LPD, we have 11 ongoing contracts with PETRONAS group with expiration date of up to August 2026. Please refer to **Sections 7.2.1 and 7.2.2** of this Prospectus for further details on our secured contracts and SWEC, respectively. We have obtained other licenses and certifications over the years, including, amongst others, our ISO certifications in 2013 from NQA, our Suruhanjaya Tenaga (ST) license in 2016, the transition from ISO 9001:2008 to ISO 9001:2015 compliant in 2018, as well as ISO 45001:2018 in 2022.

A brief illustration of the key events in the history and development of our Group is depicted in the following diagram:



In summary, we have been involved in the O&G industry in Malaysia for approximately 12 years. Over the years, we have gradually expanded the scope of our business from a pipeline cleaning and maintenance specialist that provides EPCC services for chemical injection skids within the O&G industry to a broader range of O&G services covering installation and maintenance of oilfield equipment, supply of oilfield equipment and subsequently establishing itself as a one-stop service provider for improvement / maintenance of topside O&G facilities.

A summary of our Group's key events and milestones are set out below:

Year	Key achievements and milestones
2012	<ul style="list-style-type: none"> Incorporation of Steel Hawk Engineering. Obtained PETRONAS license.
2013	<ul style="list-style-type: none"> Secured first contract from PETRONAS Carigali involving the provision of EPCC services for chemical injection skids at offshore platforms located within PETRONAS Carigali's Sarawak Operations (SKO). Certified as an ISO 9001:2008 company by NQA.

7. BUSINESS OVERVIEW (CONT'D)

Year	Key achievements and milestones
2014	<ul style="list-style-type: none"> • Registered with CIDB as a Grade G5 contractor. • Received 'Zero Lost Time injury' Certificate from PETRONAS.
2015	<ul style="list-style-type: none"> • Secured multiple contracts from PETRONAS group within the scope of EPCC services for chemical injection skids. • Awarded first long-term Price Agreement (call out contract) from PETRONAS Carigali to provide EPCC services for chemical injection skids to 124 offshore platforms across PETRONAS Carigali's Peninsular Malaysia Operations (PMO), Sarawak Operations (SKO) and Sabah Operations (SBO).
2017	<ul style="list-style-type: none"> • Secured first contract from PETRONAS Carigali for the provision of supply, delivery, installation, maintenance and services of fire rated doors (involved supply of oilfield equipment as well as installation and maintenance of oilfield equipment). • Secured first contract from PETRONAS Carigali involving oil spill recovery equipment maintenance for Peninsular Malaysia Assets (involved supply of oilfield equipment as well as installation and maintenance of oilfield equipment).
2018	<ul style="list-style-type: none"> • Awarded first contract from PETRONAS Carigali involving the provision of onshore facilities maintenance, construction and modification services (involved EPCC services and facilities improvement / maintenance). • Awarded first contract from PETRONAS Carigali involving, amongst others, the provision of fabrication, installation, commissioning, inspection and maintenance works of pig trap system (involved supply of oilfield equipment as well as installation and maintenance of oilfield equipment). • Implemented transition from ISO 9001:2008 to ISO 9001:2015 by NQA.
2020	<ul style="list-style-type: none"> • Secured a 5-year contract from PETRONAS Carigali for the provision of living quarters & modularized offshore buildings maintenance and fire rated doors for Peninsular Malaysia Assets, Sarawak Oil Assets and Sarawak Gas Assets (involved supply of oilfield equipment as well as installation and maintenance of oilfield equipment). • Inked a memorandum of understanding with PETRONAS for the implementation of Vendor Development Program as an anchor contractor based on past performance.
2021	<ul style="list-style-type: none"> • Awarded a one-off supply contract by SAHID Sendirian Berhad of Brunei which is our first contract from the overseas market. • Upgraded our registration with CIDB as a Grade G7 contractor. • Secured a 3-year contract from PETRONAS Carigali involving oil spill recovery equipment maintenance for Peninsular Malaysia Assets (involved supply of oilfield equipment as well as installation and maintenance of oilfield equipment).
2022	<ul style="list-style-type: none"> • Secured a one-off contract from Sigma Water Engineering (M) Sdn Bhd for the provision of the design, supply, manufacture and delivery of chemical injection skid for Effluent Management At Source (EMAS) Project. • Secured a one-off contract from PBH Engineering Sdn Bhd for the provision of detailed engineering design work involving procurement, construction, installation and commissioning of storage and handling facilities for Propylene Oxide and Ethylene Oxide operations in Kerteh, Terengganu. • Received 'best contractor HSSE performance for Quarter 1 2022' certificate from Pengerang Refining and Petrochemical Company Sdn Bhd. • Certified as an ISO 45001:2008 company by Intertek Certification Limited.
2023	<ul style="list-style-type: none"> • Secured a contract from PETRONAS Carigali for the provision of pig trap system maintenance. • Secured a contract from PETRONAS Chemical LPDE Sdn Bhd for the provision of manpower, equipment, tools, services and consumables for bagging machines maintenance services.

7. BUSINESS OVERVIEW (CONT'D)

Year	Key achievements and milestones
2023 (cont'd)	<ul style="list-style-type: none"> Secured a contract from PETRONAS Refinery and Petrochemical Corporation Sdn Bhd for the provision of rental of industrial hygiene equipment. Secured 2 contracts from a company involved in provision of civil and structural engineering works for provision of EPCC services.

7.2 OUR PRINCIPAL ACTIVITIES AND BUSINESS MODEL

We are principally involved in the provision of onshore and offshore support services for the O&G industry. Our Group's business activities are as follows:

Business activities	EPCC services and facilities improvement / maintenance		Installation and maintenance of oilfield equipment	Supply of oilfield equipment ⁽¹⁾
Description	<p>EPCC services for chemical injection skids Provision of EPCC services for chemical injection skids installed at onshore or offshore exploration and production facilities (e.g., platforms, rigs or terminals)</p>	<p>Facilities improvement / maintenance Overall improvement and maintenance of O&G facilities (i.e. oil rig platform, onshore and offshore) - upgrade and/ or replacement of corroded or damaged structures as well as removal, installation or modification of component parts of structures</p>	Supply of the oilfield equipment to be installed and maintained (i.e. repair, refurbishment, and replacement) at customers' sites	Supply and delivery of specific oilfield equipment and / or parts and components to embarkation points
Product and Services	<ul style="list-style-type: none"> Site survey and inspection Design and 3D modelling Development of engineering drawings Procurement of supplies Fabrication and construction⁽²⁾ Erection and installation Pre-testing, pre-commissioning, testing and commissioning Preservation of existing chemical injection skids 	<ul style="list-style-type: none"> Inspection Development of shop drawings, fabrication drawings and as-built drawings Procurement of supplies Fabrication and construction⁽²⁾ Erection and replacement of structures, fittings, pipes, tubing and electrical cables Pre-testing, pre-commissioning, testing and commissioning Rigging and scaffolding Civil, electrical and instrumental works 	<ul style="list-style-type: none"> Oilfield equipment survey Repair and refurbishment Procurement of oilfield equipment as well as parts and components Replacement of parts, components and oilfield equipment 	<ul style="list-style-type: none"> Pig trap system Fire rated doors Oil spill recovery equipment, etc.

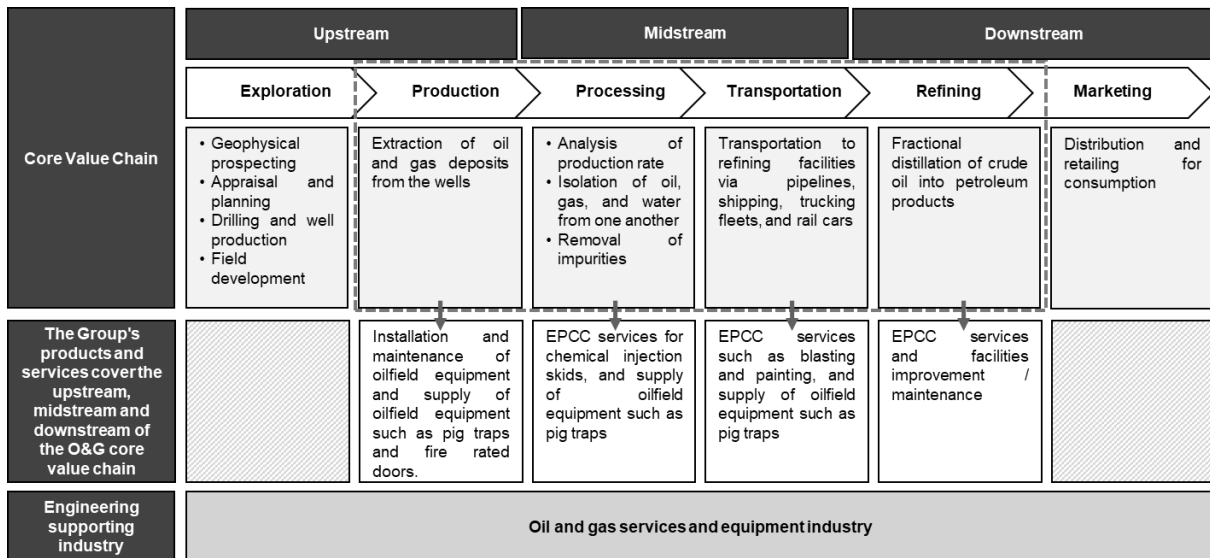
Notes:

- (1) Our Group's supply of oilfield equipment only involves the delivery of specific oilfield equipment and/ or parts and components to embarkation points such as supply bases or ports designated by its customers, without any installation or maintenance provided at its customers' facilities.
- (2) Our Group's fabrication of large structures exceeding 6 metres (e.g., I-beam and metal plates) are currently outsourced to subcontractors due to space constraints in our Group's Existing Teluk Kalung Facility 1. Additionally, blasting and painting of materials (i.e. structures, pipes, tubing, and fittings) are also outsourced to subcontractors. However, with the construction of the Proposed Teluk Kalung Facility 2, the aforementioned services will be conducted in-house.

7. BUSINESS OVERVIEW (CONT'D)

Our Group operates in the O&G services and equipment industry where our business activities are to support the upstream, midstream, and downstream segments of the O&G industry. We are primarily focused on maintenance and upkeep of pipelines and topside facilities to ensure the efficiency of crude oil and gas production, and functionality and safety of the topside facilities. As such, our services are considered essential to our customers' ongoing operations as our customers require periodic planned maintenances (and shutdown) to upkeep their facilities, hence providing us a certain degree of insulation from fluctuation in crude oil and gas prices. For the avoidance of doubt, our Group's EPCC services and facilities improvement/maintenance segment is still affected by market conditions of the O&G industry. For example, during period of high crude oil prices, customers are more inclined to conduct expansion and upgrading of facilities and vice versa.

The value chain of the O&G industry is depicted as follows:



Note:



Denotes the segments of the O&G industry value chain which our Group supports. For the avoidance of doubt, our Group provides support services (i.e., maintenance of existing facilities, supply of oilfield equipment and improvement of facilities) to customers who operate within these sub-sectors of the supply chain.

(i) EPCC services and facilities improvement / maintenance

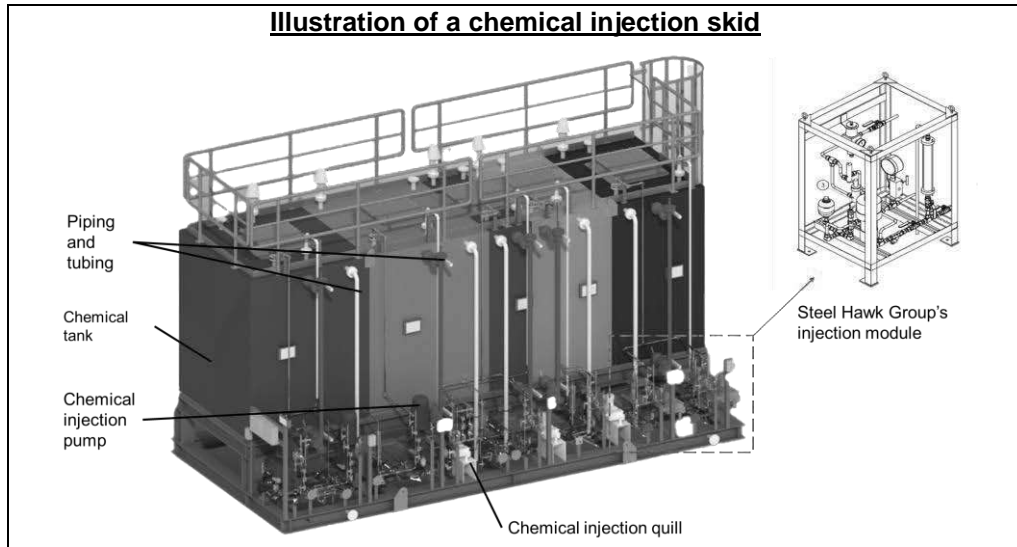
The services provided by our Group under this segment are categorised into EPCC services for chemical injection skids and facilities improvement / maintenance of topside O&G facilities which are described as follows:

EPCC services for chemical injection skids

A chemical injection skid is an equipment installed at onshore or offshore exploration and production facilities. It consists of multiple components, such as chemical tank, valves, piping and tubing, chemical injection pump, injection rate gauge, pressure gauge, and chemical injection quill. It is designed to inject various chemicals, usually as dilute solutions at precise amount and pressure into piping and O&G wells for the purpose of well cleaning, improving pipeline flow and preventing internal corrosion of pipelines.

7. BUSINESS OVERVIEW (CONT'D)

An illustration of the chemical injection skid within the O&G exploration and production facilities is as follows:



Our EPCC services for chemical injection skids mainly cater to offshore O&G exploration and production facilities. We leverage on our engineering capabilities, as well as our network of suppliers and subcontractors. Save for specialised services that are outsourced to third party subcontractors such as the fabrication of large structures exceeding 6 metres (e.g., I-beam and metal plates) and blasting and painting of chemical tanks and skid bases, we undertake the majority of EPCC services for chemical injection skids to in-house (as elaborated below).

The scope of our EPCC services for chemical injection skids offered are as follows:

EPCC services	Description
Site survey and inspection	We conduct site surveys where we assess current condition of chemical injection skids at customers' sites. We make recommendations on the maintenance or replacement of chemical injection skids, as well as their parts and components. This applies to both maintenance of existing chemical injection skids and / or the need to install new chemical injection skids at customers' facilities.
Design	We design and engineer customised chemical injection skids with considerations of the condition of O&G exploration and production facilities and technical specification provided by our customers, amongst others, in order to optimise the chemical injection process.
Development of engineering drawings	We develop engineering drawings such as general arrangement drawing for equipment, piping isometric drawing and installation layout drawing, based on the technical specifications provided by our customers prior to commencement of procurement, fabrication and construction, as well as as-built drawings upon commissioning.
Procurement of supplies	We procure the necessary parts and components from our list of pre-approved suppliers.

7. BUSINESS OVERVIEW (CONT'D)

EPCC services	Description
Fabrication and construction	The fabrication of large structures exceeding 6 metres (e.g., I-beam and metal plates) and blasting and painting of chemical tanks and skid bases are outsourced to our subcontractors, under our management and supervision. The assembling of chemical injection skids is conducted in-house by our employees upon completion of fabrication and blasting and painting works by our subcontractors.
Erection and installation	We remove existing chemical injection skids and install new chemical injection skids at our customers' sites.
Pre-testing, pre-commissioning, testing, and commissioning	We conduct pre-testing and pre-commissioning activities of chemical injection skids prior to installation. Upon installation, we conduct testing and commissioning activities with representatives of our customers at our customers' sites.
Preservation of existing chemical injection skid	We also conduct preservation of existing chemical injection skids which includes flushing of residue chemical inside the skid, nitrogen purging and line isolation on the existing chemical skid.

Facilities improvement / maintenance of topside O&G facilities

Our facilities improvement / maintenance of topside O&G facilities includes, amongst others, the periodical (with periodic interval ranging between 1 month to 6 months depending on our customers' maintenance schedule and written requests) or ad-hoc replacement of corroded or damaged structural members, handrails, gratings and piping spools; cleaning and painting of structures; as well as removal, installation or modification of piping, tubing, fittings and component parts of structures conducted onsite at the customers' facilities.

Our Group was awarded the first project involving facilities improvement / maintenance in December 2018 from PETRONAS Carigali to provide maintenance, construction and modification services for their onshore facilities at Kerteh, Terengganu (i.e. Onshore Gas Terminal and Onshore Slug Catcher). Pursuant to the said contract, the first work order issued to our Group was in March 2019 to carry out improvement/ modification works to the Onshore Gas Terminal of PETRONAS Carigali during its shutdown period, which involved, amongst others, the rerouting of pipelines. The rerouting of pipelines involves consideration of technical feasibility, environmental impact and requires engineering design and planning. As such, the work order issued to Steel Hawk under the said contract involved the provision of EPCC services and facilities improvement / maintenance.

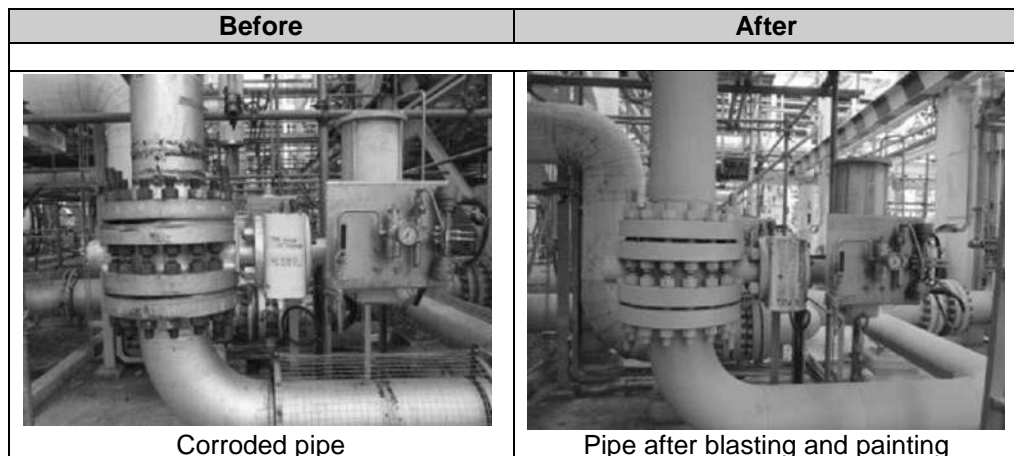
The scope of our facilities improvement / maintenance of topside O&G facilities is as follows:

Facilities improvement / maintenance	Description
Inspection	We conduct periodical or ad-hoc inspections where we identify damaged or corroded structures and fittings as well as defective pipes, tubing and electrical cables.

7. BUSINESS OVERVIEW (CONT'D)

Facilities improvement / maintenance	Description
Development of shop drawings, fabrication drawings and as-built drawings	We develop shop drawings and fabrication drawings based on the approved for construction drawings and technical specifications provided by our customers prior commencement of procurement, fabrication and construction, as well as as-built drawings upon commissioning.
Procurement of supplies	We procure the necessary parts and components from our list of pre-approved suppliers.
Fabrication and construction	The fabrication of large structures exceeding 6 metres, blasting and painting of materials (i.e. structures, pipes, tubing and fittings) are outsourced to our subcontractors, while we manage and supervise all aspects of the fabrication, blasting and painting.
Erection and replacement of structures, fittings, pipes, tubing and electrical cables	We remove the damaged structures and fittings as well as defective pipes, tubing and electrical cables and install the newly fabricated structures, fittings, pipes, tubing and electrical cables at our customers' sites on an ad-hoc basis, and during major shutdowns and turnarounds.
Pre-testing, pre-commissioning, testing, and commissioning	We conduct pre-testing and pre-commissioning activities prior to installation. Upon installation, we conduct testing and commissioning activities with representatives of our customers at our customers' sites.
Rigging and scaffolding	We provide rigging and scaffoldings, which are temporary structures built to allow access for replacement, testing and commissioning activities.
Civil, electrical and instrumentation works	We provide civil, electrical and instrumentation works, as and when required by our customers.

The illustrations below are samples of parts on topside O&G facilities before and after we undertake facilities improvement / maintenance activities:



7. BUSINESS OVERVIEW (CONT'D)

(ii) Installation and maintenance of oilfield equipment

We provide installation and maintenance services (i.e., repair, refurbishment, and replacement) of specified oilfield equipment such as fire rated doors, pig trap systems, and oil spill recovery equipment in topside O&G facilities. Please refer to **Section 7.2 (iii)** of this Prospectus for the details of the specified oilfield equipment. For information purposes, unlike our Group's facilities maintenance of topside O&G facilities, where such services generally involve the periodical maintenance of any structures and fittings as well as defective pipes, tubing and electrical cables identified within the topside O&G facilities, the installation and maintenance services of specified oilfield equipment provided by our Group are based on ad-hoc basis, as and when needed or requested by our customers.









Our installation and maintenance of oilfield equipment includes the supply of the oilfield equipment (such as fire rated doors, panic bar and perimeter gasket), pig trap accessories (such as pig signaller, door seals and quick opening closures) to be installed and maintained at customers' sites.

We leverage on our engineering capabilities, specific industry knowledge of regulations and requirements / criteria as well as our network of suppliers to offer installation and maintenance of oilfield equipment to our customers. The scope of our installation and maintenance of oilfield equipment services are as follows:

Installation and maintenance of oilfield equipment	Descriptions
Oilfield equipment survey	We conduct ad-hoc surveys (upon request from customers) of existing oilfield equipment at our customers' sites where we identify damaged parts and components as well as defective oilfield equipment.
Repair and refurbishment	We repair and refurbish oilfield equipment if the damages are able to be repaired or refurbished. These include equipment such as fire rated doors, hinges, door handle, panic bar and perimeter gaskets.
Procurement of oilfield equipment as well as parts and components	If the oilfield equipment can be repaired or refurbished, we procure the necessary parts and components from our list of pre-approved suppliers for repair or refurbishment. If the oilfield equipment is unable to be repaired or refurbished, we source and procure replacement oilfield equipment, either as complete assembled or as separate parts and components for in-house assembly, from our suppliers, based on the required technical specifications, to be installed at our customers' sites.
Replacement of parts, components and oilfield equipment	We remove the damaged parts, components and oilfield equipment, and install with the repaired / refurbished / new parts, components, and oilfield equipment.

7. BUSINESS OVERVIEW (CONT'D)

The illustrations below are samples of pig trap system and fire rated doors before and after we undertake installation and maintenance services:

Before	After
Pig Trap System	
 <p data-bbox="491 674 788 701">Corroded pig trap receiver door</p>	 <p data-bbox="1034 674 1257 701">Replaced receiver door</p>
 <p data-bbox="480 965 799 992">Damaged pig trap launcher barrel</p>	 <p data-bbox="959 965 1337 992">Replaced entire pig trap launcher barrel</p>
Fire Rated Doors	
 <p data-bbox="544 1346 735 1373">Malfunctioning door</p>	 <p data-bbox="1002 1346 1289 1373">Upgraded new door with frame</p>
 <p data-bbox="496 1787 783 1814">Door with damaged panic bar</p>	 <p data-bbox="1034 1787 1257 1814">Door with new panic bar</p>

7. BUSINESS OVERVIEW (CONT'D)

(iii) Supply of oilfield equipment

We are involved in standalone supply of oilfield equipment services to our customer which we undertake through purchase orders on an ad-hoc basis. For clarification, unlike our installation and maintenance of oilfield equipment, the supply of oilfield equipment only involves the delivery of specific oilfield equipment and / or parts and components to embarkation points such as supply bases or ports designated by our customers, without any installation or maintenance provided at our customers' facilities. The oilfield equipment and their parts and components are procured for our list of pre-approved suppliers as complete assembled oilfield equipment, or as separate parts and components for in-house assembly prior to delivery.

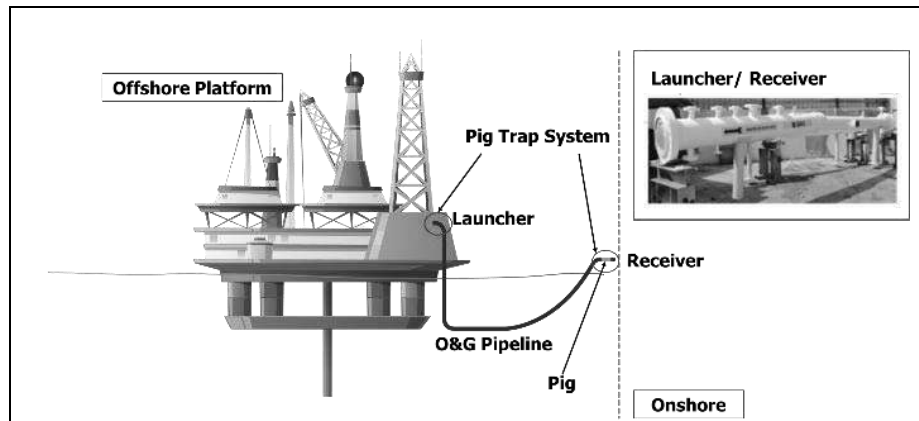
The types of oilfield equipment that we offer include the following:

(a) Pig trap system

A pig trap system is used in the maintenance of pipelines and comprises a launcher and receiver enclosure door with associated equipment. It is typically installed at onshore or offshore facilities and connected to pipelines to enable the execution of pigging activity, which is an essential pipeline maintenance activity that serves to maximise production flow and mitigate internal corrosions of pipelines without interrupting production flow.

Pig trap system comprises launcher and receiver enclosure doors, major barrel, reducer, minor barrel and its associated equipment such as isolation valves, drain line piping, vent line piping, kicker plate / bypass line piping, equalizer, pig signaller, pressure gauge, double block and bleed system and temperature gauge.



The pig trap system is assembled by our Group's engineers at our customers' facility, where the barrels are fabricated by our subcontractors while the other parts and components are sourced from our suppliers.



Pigging activity – a pipeline maintenance service involving the use of pipeline inspection gauges or 'pigs', which are pushed along down the pipeline from the launcher enclosure door until it reaches the receiver enclosure door, cleaning the pipeline along the way.

7. BUSINESS OVERVIEW (CONT'D)

The illustrations below are types of pig signaller (part of the pig trap system equipment) that we offer:

Non-intrusive pig signaller	Non-intrusive pig signaller
	
<p>Used on pipes measuring above 18 inches in diameter</p>	<p>Used on pipes measuring 18 inches and below in diameter</p>



(b) Fire rated doors

Fire rated doors are fittings that provide protection by slowing the transfer of heat and flames when in contact with fire.

We offer single leaf, double leaf, sliding and customised onshore fire rated doors with 15 minutes, 1-hour and 2-hour fire ratings, as well as offshore fire rated doors with 2-hour fire rating. All our fire rated doors are in compliance to requirements by the Standards and Industrial Research Institute of Malaysia (SIRIM) and Fire and Rescue Department of Malaysia (BOMBA), Universal Building By-Law 1984, International Maritime Organisation and Safety of Lift at Sea (SOLAS) & PETRONAS Technical Standard (PTS) 11.22.04: Design of Offshore Living Quarters.

We procure complete assembled fire rated doors as well as their parts and components from our suppliers, which are then assembled at our yard and subsequently to be installed at our customers' sites.

The illustrations below are the fire rated door or parts and components of fire rated doors that we offer:



Single leaf door	Double leaf door
	

7. BUSINESS OVERVIEW (CONT'D)

(c) Oil spill recovery equipment



The oil spill recovery equipment provided by our Group includes oil booms, skimmers and absorbents that are used to clean up and control ocean oil spills. We procure complete assembled oil spill recovery equipment, as well as parts and components from our suppliers to be installed and/ or replaced at our customers' sites.

The illustrations below are types of oil spill recovery equipment that we offer:

Oil skimmers	Oil booms
	
<p>An oil skimmer is a device used to recover spilled oil from the water's surface.</p>	<p>An oil boom is a temporary floating barrier used to contain oil spills on water.</p>

(d) Other oilfield equipment

We also offer other oilfield equipment such as subsea mechanical connectors and welding safety habitats as illustrated below:

Subsea mechanical connectors	Welding safety habitat
	
<p>Specialised devices used in underwater applications in joining various components and equipment together</p>	<p>A protective structure or enclosure used in welding and other hot work operations to ensure safety of workers</p>

7. BUSINESS OVERVIEW (CONT'D)

7.2.1 Our Contracts

Price Agreements (call out contracts)

We provide our abovementioned O&G support services to customers through Price Agreements (call out contracts) with tenures ranging from 1 to 5 years, which include options for extension of up to 2 years. Notwithstanding the foregoing, the parties may agree for further extensions, where applicable. Under a Price Agreement (call out contract) (which does not have a fixed contract value), we are engaged by our customer through work orders to provide specified services for the duration of the contract, as and when such services are required. As at the LPD, our ongoing Price Agreements (call out contracts) are as follows:

Description of contracts	Business activities involved⁽¹⁾	Customer(s)	Contract validity period
Provision of onshore facilities maintenance, construction, and modification services (Package B – Peninsular Malaysia Asset, Terengganu Gas Terminal and Onshore Slug Catcher)	(i)	PETRONAS Carigali	12 December 2018 – 31 December 2024 ⁽²⁾
Provision of living quarters and modularised offshore buildings maintenance and fire rated doors (Package B1 – Peninsular Malaysia Asset)	(ii), (iii)	PETRONAS Carigali	28 October 2020 – 27 October 2025
Provision of living quarters and modularised offshore buildings maintenance and fire rated doors (Package B3 – Sarawak Oil)	(ii), (iii)	PETRONAS Carigali	28 October 2020 – 27 October 2025
Provision of living quarters and modularised offshore buildings maintenance and fire rated doors (Package B4 – Sarawak Gas)	(ii), (iii)	PETRONAS Carigali	28 October 2020 – 27 October 2025
Provision of oil spill recovery equipment maintenance	(ii), (iii)	PETRONAS Carigali	21 March 2021 – 20 March 2024
Provision of scaffolding services	(ii)	Customer E	8 February 2022 – 9 February 2025 ⁽³⁾
Provision of rental of gas detector, walkie talkie and leak detection equipment at Petronas NGV stations	(iii)	PETRONAS NGV Sdn Bhd	1 December 2022 – 30 November 2025
Provision of pig trap system maintenance (Package A – Sarawak Asset)	(ii), (iii)	PETRONAS Carigali	27 February 2023 – 26 February 2025 ⁽⁴⁾
Provision of pig trap system maintenance (Package C – Peninsular Malaysia Asset)	(ii), (iii)	PETRONAS Carigali	27 February 2023 – 26 February 2025 ⁽⁴⁾
Provision of manpower, equipment, tools, services and consumables for bagging machines maintenance services	(ii), (iii)	PETRONAS Chemical LDPE Sdn Bhd	18 June 2023 – 17 June 2025

7. BUSINESS OVERVIEW (CONT'D)

Description of contracts	Business activities involved ⁽¹⁾	Customer(s)	Contract validity period
Provision of rental of industrial hygiene equipment	(ii), (iii)	PETRONAS Refinery and Petrochemical Corporation Sdn Bhd	8 August 2023 – 7 August 2026
Provision of engineering, procurement, fabrication, construction, and delivery of integrated chemical injection skid for all Dulang platforms	(i)	PETRONAS Carigali	26 December 2023 – 2 December 2024

Notes:

- (1) (i) refers to EPCC services and facilities improvement / maintenance; (ii) refers to installation and maintenance of oilfield equipment; and (iii) refers to supply of oilfield equipment.
- (2) The initial contract period was 3 years including a 2-year extension which was exercised by PETRONAS Carigali. Subsequently on 5 December 2023, PETRONAS Carigali has granted a further extension of 1 year and 20 days from 12 December 2023.
- (3) The initial contract period is for 2 years and has a 1-year extension option subsequent to completion of the initial contract period.
- (4) The initial contract period is for 1 year and has a 1-year extension option subsequent to completion of the initial contract period.

Based on the table above, as at the LPD, our Group has 11 ongoing Price Agreements (call out contracts) with PETRONAS group with expiration date of up to August 2026.

The key salient terms of our Price Agreements (call out contracts) with PETRONAS group are, among others, as follows:

*Note: For the purpose of disclosing the salient terms of the Price Agreements (call out contracts), Steel Hawk Engineering shall be referred to as the "**Contractor**" and PETRONAS group shall be referred to as the "**Customer**".*

Duration	The tenure of the Price Agreements (call out contracts) ranging from 1 to 5 years, which include options for extensions of up to 2 years. Notwithstanding the foregoing, the parties may agree for further extensions, where applicable.
Work order	The contract does not constitute or imply any commitment or guarantee by the Customer on any volume (including any minimum order) and / or call-outs on the works. Requisition of the works to be performed will be based on any purchase order, release order, service order or work order issued by the Customer and any payment pertaining thereof will be subject to the terms and completion of the relevant order.

7. BUSINESS OVERVIEW (CONT'D)

<p>Invoicing and payment</p>	<ul style="list-style-type: none"> (i) Payments shall be made by the 30th day after receipt date of the payment request complete with the invoice by the Customer (date of receipt excluded). If the 30th day falls on Saturday, Sunday or a gazetted public holiday, the next working day shall be deemed to be the due date of payment. (ii) Payments due to the Contractor may be withheld by the Customer on account of the following: <ul style="list-style-type: none"> (a) Breach and / or unsatisfactory performance of work under the contract; (b) The filing of claims against the Customer cause by acts or omission of the Contractor or failure of the Contractor; (c) Failure to submit or maintain the bank guarantee (including renewals) and / or the parental / principal guarantee if required under the contract; (d) Failure to submit or maintain valid insurance policies; or (e) Failure of the Contractor in performing the works or amount due to the Contractor's sub-contractor on the works. (iii) If and when cause(s) for withholding any such payment has / have been remedied by the Contractor and satisfactory evidence of such remedy has been presented to the Customer, the payments withheld shall be released by the Customer. (iv) If and when cause(s) for withholding any such payment are not remedied by the Contractor, the Customer shall then have the right to deduct any monies due to the Contractor.
<p>Performance Guarantees</p>	<ul style="list-style-type: none"> (i) If required, the Contractor shall furnish to the Customer within 30 days from the effect date of the contract the following performance guarantee: <ul style="list-style-type: none"> (a) An irrevocable and unconditional first call bank guarantee issued by a commercial bank operating and licensed in Malaysia and acceptable to the Customer by way of guarantee for the due performance by the Contractor of its obligations under the contract. The value of the bank guarantee, shall throughout the contract period be maintained at the value as specified in the contract and shall be binding on the Contractor notwithstanding any alterations, or extensions of time as may be made, given, conceded, or agreed under the contract; and / or (b) A parental / principal guarantee duly executed by the Contractor's ultimate holding company or principal / technical partner(s) in the form and substance in the contract. (ii) The performance guarantee shall remain valid and effective throughout the contract period and until the following: <ul style="list-style-type: none"> (a) 90 days after the expiry of the contract period; or

7. BUSINESS OVERVIEW (CONT'D)

<p>Performance Guarantees (cont'd)</p>	<p>(b) 90 days after the expiry of the defect liability period of works; whichever is late.</p> <p>For the avoidance of doubt, in the event that the performance guarantee provided do not fulfill the requirement abovementioned, or insufficient, the Contractor shall, furnish additional performance guarantee to cover the shortfall between the existing performance guarantee and the value as required under the contract. In the event the Contractor fails to provide the additional performance guarantee as required, the Customer shall, without prejudice to all its other rights under the contract, invoke the performance guarantee and / or withhold any payments due or that may become due to the Contractor upon occurrence of such failure.</p>
<p>Insurance</p>	<p>The Contractor shall at its own cost and expense carry and maintain in full force throughout the contract period the relevant insurances as specified in the contract with insurance companies satisfactory to the Customer.</p>
<p>Liquidated ascertained damages</p>	<p>If the Contractor fails to deliver the works on or before the scheduled delivery date, then it is agreed that the Contractor shall pay the Customer an amount consists of 0.50% to 1.00% of the value of the relevant order with a maximum 10.00% of the value of the relevant order, where applicable, by way of liquidated damages for late delivery. The parties agree that the liquidated damages for late delivery shall be deemed a genuine pre-estimate of losses likely to be suffered by the Customer.</p>
<p>Default</p>	<p>The occurrence of any of the following events shall be deemed a default by the Contractor under the contract:</p> <ul style="list-style-type: none"> (i) The Contractor commits a breach under the contract and / or applicable law; or (ii) Any attempted transfer, novation or assignment by the Contractor of the contract without the prior written approval of the Customer; or (iii) The making by the Contractor of an assignment for the benefits of creditors, the filing by or against the Contractor of a petition in bankruptcy or for corporate re-organization, or the appointment of a receiver or trustee for the Contractor or the properties of the Contractor or the Contractor becomes insolvent or suspends payment of its debts generally or is unable to pay its debt as and when the debts fall due or an order is made or a resolution is passed for the winding-up, liquidation and / or dissolution of the Contractor; or (iv) The failure of the Contractor to satisfy within 30 days of its entry any judgment upon which execution is possible or the attachment of any general liens against the real or personal property of the Contractor; or

7. BUSINESS OVERVIEW (CONT'D)

<p>Default (cont'd)</p>	<ul style="list-style-type: none"> (v) If the Contractor is incompetent or has acted in a manner prejudicial to the Customer's best interest or has engaged in graft or any malpractices for doing or forbearing to do or for having done or forborne to do any act in relation to the obtaining or executing of the contract or any other contract with the Customer; or (vi) If the Contractor has failed to perform the works or part thereof, in a diligent, skillful and professional manner as required, failed to comply with the Customer's safety or other rules or regulations, has produced sub-standard works, the works delivered or to be delivered are not in conformance with the requirement of the contract or Contractor has failed to adhere to any of its duties and obligations under the contract; or (vii) If the Contractor fails, neglects, omits or refuses to carry out its obligations under the contract; or The failure by the Contractor to deliver the works by the due date or failure to rectify or replace defective works to the Customer's satisfaction within the time period; or (viii) The failure by the Contractor to maintain a valid PETRONAS' license and / or registration; or (ix) If the Contractor has breached the representations and warranties; or (x) If the Contractor has failed to comply with the Customer's applicable Health, Safety and Environmental (HSE) laws, rules and regulations; or (xi) If the Contractor has failed to submit the requisite performance guarantee, if applicable under the contract; or (xii) If the Contractor has failed to comply with the insurance requirement; or (xiii) If the Contractor has breached its confidentiality obligations; or The change in the financial position of the Contractor which materially affects the Contractor's business, operations and Contractor's performance of the contract.
<p>Termination</p>	<ul style="list-style-type: none"> (i) Termination without cause <ul style="list-style-type: none"> (a) The Customer may, at any time, terminate the contract without cause by giving 30 days prior written notice to the Contractor that the Customer intends to terminate the Contract, specifying the contract to be terminated and the effective date of termination. (b) The Contractor shall, within 30 days from the effective date of termination, submit its final invoice for the following: <ul style="list-style-type: none"> (aa) all amounts incurred for the works performed up to the date of termination; and (bb) all auditable expenses resulting directly from the termination to the extent it is authorized in advance by the Customer.

7. BUSINESS OVERVIEW (CONT'D)

<p>Termination (cont'd)</p>	<p>(c) The Contractor shall:</p> <p>(aa) waive all claims against the Customer; and</p> <p>(bb) release, protect, indemnify and hold harmless the Customer, from and against any claims, demands, causes of action, liabilities or losses arising from or connected with termination by the Customer.</p> <p>(ii) Termination with cause</p> <p>(a) Subject to the provision for default as stated above:</p> <p>(aa) the Customer shall forthwith terminate the contract in the event that a default is not capable of remedy; or</p> <p>(bb) in the event the Contractor fails to remedy a default (or overcome its effects) within the period specified by the Customer in the notice, the Customer shall give 30 days written notice to the Contractor specifying the contract to be terminated and the effective date of termination.</p> <p>(b) The Contractor shall be responsible for all claims, losses, costs and liabilities howsoever incurred as the result of the termination.</p>
<p>Dispute resolution</p>	<p>(i) Any dispute or difference arising out of or in connection with the contract or the implementation of any of the provisions of the contract shall be referred to the respective parties' senior management for resolution.</p> <p>(ii) Where such dispute or difference cannot be settled amicably within 30 days from being referred to the parties' senior management, such dispute or difference shall be submitted to arbitration by a panel of 3 arbitrators, 1 to be appointed by the claimant, 1 to be appointed by the respondent (or if there is more than 1 claimant or respondent, the 1 arbitrator in question shall be appointed jointly by such claimants or respondents) and the third, who shall be the chairman, to be jointly appointed by the arbitrators appointed by the claimant and respondent.</p>

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7. BUSINESS OVERVIEW (CONT'D)

Fixed contract

We provide our abovementioned O&G support services to customers through one-off fixed contracts with a fixed contract value with milestone payments, to be delivered within the stipulated delivery date. As at the LPD, our ongoing fixed contracts are as follows:

Description of contracts	Business activities involved ⁽¹⁾	Contract value RM'000	Customer(s)	Contract date / delivery date
Provision of supply and delivery of slug catcher skid (BMHT)	(i)	7,200	Customer F	16 June 2023 / 10 April 2024 ⁽²⁾
EPC of NC1 fire water piping replacement	(i)	4,250	Customer A	5 June 2021 / 13 June 2024
Supply, fabrication, installation and testing of new propylene oxide ("PO") storage tank, PO piping including of PO (jetty & feeding), vapor return, nitrogen, plant air, chilled water and service water line and provision of engineering, supply, non-destructive testing ("NDT"), factory acceptance test (FAT), installation and testing of equipment (mechanical), blasting and painting and installation of civil and structural work, equipment and electrical work, equipment and instrumentation work, fire fighting system and instrumentation signal cable	(i)	54,978	PBH Engineering Sdn Bhd	30 May 2022 / 12 April 2024 ⁽³⁾
Provision of the design, supply, manufacture and delivery of chemical injection skid	(i)	2,000	Sigma Water Engineering (M) Sdn Bhd	17 June 2022 / 30 April 2024 ⁽⁴⁾
Provision of the design, supply, manufacture and delivery of ladder and handrail chemical tank	(i)	73	Sigma Water Engineering (M) Sdn Bhd	27 July 2022 / 30 April 2024 ⁽⁴⁾
Provision of design, supply, manufacture and delivery of ACC controller for 9 units of pump in chemical injection skid	(i)	180	Sigma Water Engineering (M) Sdn Bhd	29 July 2022 / 30 April 2024 ⁽⁴⁾
Provision of delivery of 10 units of kenco magnetic level gauge	(i)	310	Sigma Water Engineering (M) Sdn Bhd	17 August 2022 / 30 April 2024 ⁽⁴⁾
Provision to design, supply, manufacture and delivery of the chemical injection skid	(i)	480	Sigma Water Engineering (M) Sdn Bhd	17 August 2022 / 30 April 2024 ⁽⁴⁾

7. BUSINESS OVERVIEW (CONT'D)

Description of contracts	Business activities involved ⁽¹⁾	Contract value RM'000	Customer(s)	Contract date / delivery date
Provision of supply and delivery of portable methanol injection skid	(i)	1,500	Customer F	16 June 2023 / 19 March 2024 ⁽⁵⁾
Provision of supply and delivery of booster pump injection skid	(i)	450	Customer G	5 December 2023 / 18 April 2024

Note:

- (1) (i) refers to EPCC services and facilities improvement / maintenance; (ii) refers to installation and maintenance of oilfield equipment; and (iii) refers to supply of oilfield equipment.
- (2) Based on the delivery date stated in the variation order dated 2 October 2023 from Customer F to Steel Hawk Engineering.
- (3) Based on the extended delivery date acknowledged by PBH Engineering Sdn Bhd on 23 February 2024.
- (4) Based on the extended delivery date acknowledged by Sigma Water Engineering (M) Sdn Bhd on 4 March 2024.
- (5) Based on the extended delivery date acknowledged by Customer F on 24 February 2024.

7.2.2 Our SWEC

We are required to register SWEC with PETRONAS in order to participate in tender activities and supply the registered services and products to the O&G industry in Malaysia. As at the LPD, we have 168 SWEC under our PETRONAS licence.

7.2.3 Warranty

Our contracts generally stipulate a warranty period of between 12 to 36 months to cover any defects, and if our customers report defects, our technical personnel will investigate and rectify the defects.

The parts and components that we source from our suppliers are provided with warranty period of typically 12 months from our suppliers. Thus, we practice back-to-back warranty where we obtain warranty claims from our suppliers if there are defects in any of the parts and components in the oilfield equipment installed at our customer's site.

7.3 COMPETITIVE STRENGTHS**7.3.1 We have an established track record through our achievements in our quality management systems and various HSE requirements**

Our Group places emphasis on the establishment of policies and procedures on quality assurance and quality control, as well as HSE to ensure compliance to the relevant regulations which our customers emphasise. As a testament to the conformity of our quality management system to international standards, Steel Hawk Engineering has been certified with ISO 9001: 2015 and ISO 45001: 2018 compliant by Intertek Certification Limited. Please refer to **Section 7.9** of this Prospectus for information on our ISO 9001: 2015 and ISO 45001: 2018 certificates.

7. BUSINESS OVERVIEW (CONT'D)

Over the years of our business operations, we received several certifications and focus recognitions from PETRONAS which attest to our performance and HSE management, as follows:

- Recorded zero lost time injury for the supply and delivery of chemical injection packages and sump and drain packages for pipeline replacement projects in 2014 and 2015.
- Awarded with Outstanding Vendor Award in 2015 and 2016.
- Recorded an overall supplier tracking assessment rating (STAR) of 4 rating (i.e., excellent) for our contracts between 2017 and 2020, which indicates that our overall performance is above acceptable standard.
- Received 8 focus recognitions from PETRONAS in 2018 and 2019 for our contribution towards zero HSE incidents and safe man-hours.

Our track record and recognitions we received from PETRONAS adds value to our evaluation criterion when we participate in tender activities for future contracts under PETRONAS group and enabled us to secure contract extensions or renewals from PETRONAS group. Our track record till date has enabled us to be awarded with extension and renewal of the following contracts with PETRONAS:

Contracts	Initial contract period	Extended contract period
Provision to supply and maintenance of chemical injection skid	15 December 2015 – 14 December 2017	15 December 2017 – 14 December 2018
Provision of manpower, equipment and material supply for vessel receiving and bunkering operations	14 July 2016 – 13 July 2018	14 July 2018 – 13 July 2019
Provision of pig supply and refurbishment services	2 April 2017 – 1 April 2018	2 April 2018 – 1 April 2019
Provision of supply, delivery, installation maintenance and services of fire rated doors (Package A – Sarawak Operations)	24 July 2017 – 23 July 2019	24 July 2019 – 23 July 2020
Provision of supply, delivery, installation maintenance and services of fire rated doors (Package C – Peninsular Malaysia Operations)	24 July 2017 – 23 July 2019	24 July 2019 – 23 July 2020
Provision of oil spill response equipment maintenance	11 December 2017 – 10 December 2019	11 December 2019 – 10 December 2020
Provision of onshore facilities maintenance, construction and modification services (Package B – Peninsular Malaysia Asset, Terengganu Gas Terminal and Onshore Slug Catcher Terminal)	12 December 2018 – 11 December 2021	12 December 2021 – 11 December 2023
Provision of engineering, procurement, fabrication, installation, commissioning, inspection and maintenance works of pig trap system (Package A – Sarawak Oil Assets)	23 July 2018 – 22 July 2021	23 July 2021 – 22 July 2022
Provision of engineering, procurement, fabrication, installation, commissioning, inspection and maintenance works of pig trap system (Package B – Sarawak Gas Assets)	23 July 2018 – 22 July 2021	23 July 2021 – 22 July 2022

7. BUSINESS OVERVIEW (CONT'D)

Contracts	Initial contract period	Extended contract period
Provision of engineering, procurement, fabrication, installation, commissioning, inspection and maintenance works of pig trap system (Package D – Peninsular Malaysia Assets)	23 July 2018 – 22 July 2021	23 July 2021 – 22 July 2022

Since the commencement of our business operations in 2013 up to the LPD, we have secured a total of 44 contracts (comprising fixed / Price Agreements (call out contracts)) with PETRONAS group.

7.3.2 Our team of in-house engineers are equipped with the relevant technical expertise in the O&G industry

Since the commencement of our business, we have been providing engineering solutions to suit the specific requirements of our customers. Our Group operates in a specialised industry where technical expertise in the O&G industry is a requirement for our Group to carry out our business operations.

This is mainly due to the stringent requirements imposed by our customers as well as governing bodies that may vary from customer to jurisdiction. In view of this, our Group requires individuals who have the requisite experience in their respective fields as well as experience in navigating the regulatory conditions to ensure that our engineering solutions are able to satisfy our customers' requirements.

In view of the above, our Group retains a team of engineers in-house who have technical backgrounds covering mechanical, mechatronics, civil, electric and electronics and instrumentation engineering, quality assurance and quality control, HSE and project management to carry out engineering works in both onshore and offshore. Our Group also retains a team who are based onshore to carry out technical works.

As at the LPD, we have 48 technical personnel, which accounted for 70.59% of our total 68 employees. Further details of our Group's technical personnel categorised by department/ division and working experience are as follows:

Department/ Division	Number of employees	Years of experience		
		0-5	5-10	>10
Mechanical, Mechatronics and Civil	25	10	12	3
Electric and electronics and instrumentation engineering	5	4	-	1
Onshore- welders, construction superintendents, fitter foremen and riggers	18	6	3	9
Total	48	20	15	13

7. BUSINESS OVERVIEW (CONT'D)

By leveraging on the combined knowledge and experience of our technical staff, we have been able to develop customised engineering solutions to satisfy our customers' requirements and specifications. The adaptability and resilience of our engineering and technical abilities have been fundamental to the growth of our business and will continue to ensure that we remain sustainable over the long term.

Please refer to **Section 7.19** of this Prospectus for information on our employees.

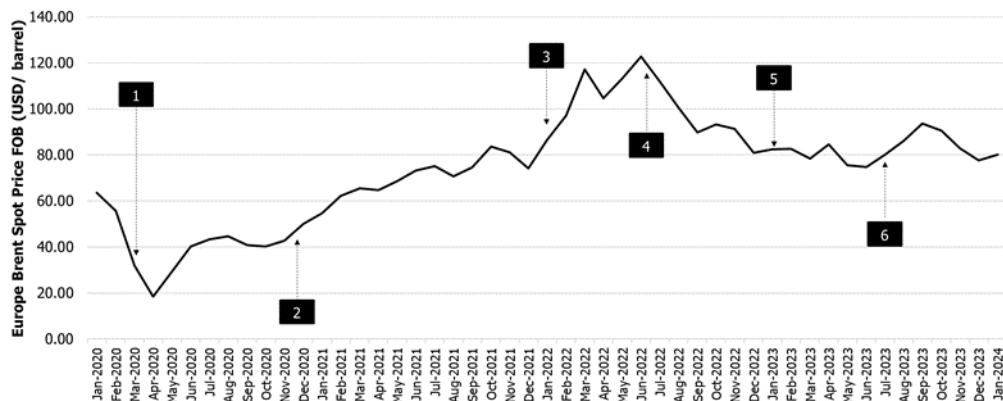
7.3.3 The nature of our business, where our business operations are not materially affected by crude oil and gas production and price fluctuations, coupled with our long-term contracts, enable us to generate sustainable revenue

The onshore and offshore support services which we provide to our customers are to upkeep pipelines and topside facilities. Our customers in the O&G industry require periodic maintenance and upkeep of their pipelines and topside facilities to ensure the efficiency of crude oil and gas production, and functionality and safety of said facilities.

As such, our services are required by our customers despite fluctuating crude oil and gas prices, which provides our Group a certain degree of insulation from the fluctuating crude oil and gas prices.

Nevertheless, our Group's EPCC services and facilities improvement / maintenance segment may still be affected by the capital expenditure of our customers in the O&G industry as their capital expenditure is based on market conditions of the O&G industry. For example, during period of high crude oil prices, our O&G customers are more inclined to conduct expansion and upgrading of facilities and vice versa.

Notwithstanding the above, the insulation derived for mandatory upkeep and maintenance enables us to generate sustainable revenue streams throughout the duration of our contracts. The following diagram provides the historical crude oil prices since 2020 up to January 2024:



Notes:

- (1) On 11 March 2020, the WHO declared COVID-19 as a global pandemic
- (2) In December 2022, WHO rolled-out the COVID-19 vaccination. Global economic activities continue to pick up
- (3) On 24 February 2022, Russia invaded parts of Ukraine, prompting the Russia-Ukraine war
- (4) Fears of global recession as inflation soared in major economies particularly in the US coupled with China economic slowdown

7. BUSINESS OVERVIEW (CONT'D)

- (5) In December 2022, China began to its zero-COVID policy, prompting revitalisation in the global supply chain
- (6) Tightening of oil supply as the Organisation of the Petroleum Exporting Countries members plus other oil-producing countries known as the nations announced extension of oil output cuts

A summary of our Group's revenue by business activities for the Financial Years Under Review is as follows:

Revenue	Audited		
	FYE 2021	FYE 2022	FYE 2023
	RM'000	RM'000	RM'000
EPCC services and facilities improvement / maintenance	18,240	57,788	64,927
Installation and maintenance of oilfield equipment	5,235	7,310	5,782
Supply of oilfield equipment	1,370	1,228	1,828
Total	24,845	66,326	72,537

Our Group had experience steady growth in our EPCC services and facilities improvement / maintenance segment from RM18.24 million in the FYE 2021 to RM64.93 million in the FYE 2023. This growth can be seen to be in tandem with increases in crude oil prices. However, in May 2022, oil prices began to drop as shown in the graph above. Notwithstanding this, our Group continued to experience growth in the FYE 2023 as we recorded revenue of RM64.93 million for our EPCC services and facilities improvement / maintenance segment as compared RM57.79 million in the FYE 2022.

Nevertheless, the business of our Group is subject to PETRONAS group's expenditure cycle and yearly pre-planned maintenance programs such as preventive maintenances, periodic maintenance, turnarounds and / or shutdown maintenances. Further, the duration of contracts we secured ranges from 1 to 5 years including options for extension of up to 3 years. Notwithstanding the foregoing, the parties may agree for further extensions, where applicable. As at the LPD, we have 11 ongoing contracts with PETRONAS group with expiration dates of up to August 2026. We have also signed Price Agreements (call out contracts) which allows us to charge our customers for our services and products at fixed rates as stipulated in the Price Agreements (call out contracts).

7.3.4 We have an experienced and technically strong key management team

Our Group has an experienced and technically strong key management team, led by our Executive Director and Deputy Chairman, Dato' Sharman, who has 20 years of experience in the O&G industry. He is responsible for the overall strategic management of our Group and plays a vital role in growing the business of our Group. Our Group's key management team is as follows:

7. BUSINESS OVERVIEW (CONT'D)

Name	Designation	Years of relevant working experience
Dato' Sharman	Deputy Chairman / Executive Director	20
Salimi Bin Khairuddin	Executive Director / Chief Executive Officer	14
Khairul Nazri Bin Kamarudin	Chief Operating Officer	10
Datin Annie A/P V Sinniah	Human Resource and Administration Director	17
Vintra A/P Vijayakumar	Chief Financial Officer	12

Our Key Senior Management has strong industry and functional expertise as a result of years of experience in their respective fields. The combination of knowledge and relevant working experience across a broad spectrum of business activities has enabled our Key Senior Management to take an active, hands-on role in spearheading their respective departments to support the growth of our Group. Their hands-on involvement in our Group enables the transference of skills and knowledge to employees at all level, which thereby demonstrates their strong commitment to our growth as we continue to expand. Please refer to **Section 5.4.2** of this Prospectus for the profiles of our Key Senior Management.

7.4 BUSINESS STRATEGIES AND FUTURE PLANS**7.4.1 We plan to establish our own fabrication yard at Teluk Kalung, Kemaman, Terengganu**

As at the LPD, our business operations are mainly carried out at the Existing Teluk Kalung Facility 1 located at Teluk Kalung, Kemaman, Terengganu, which has a total land area and gross built-up area of approximately 23,508 sq. ft. and 7,609 sq. ft., respectively. The works undertaken at the Existing Teluk Kalung Facility 1 include fabrication of chemical injection skids (save for the large structures exceeding 6 metres, e.g. I-beam and metal plates), pipes, tubing and fittings in-house to support our main business segment, namely the EPCC services and facilities improvement / maintenance operations. We also undertake assembly of fire rated doors at the Existing Teluk Kalung Facility 1 which are then installed at our customers' sites.

We anticipate that our fabrication activities will further increase in tandem with the anticipated increase in spending on EPCC services in the O&G industry as highlighted in **Section 8** of this Prospectus. Accordingly, our Group intends to construct the Proposed Teluk Kalung Facility 2 on part of the Teluk Kalung Land (approximately 0.5 kilometres from the Existing Teluk Kalung Facility 1) in order to expand our fabrication capacity to approximately 65MT per month or equivalent to 5 times of the fabrication capacity of the Existing Teluk Kalung Facility 1 (i.e. currently 13MT per month), to cater for the expected increase in demand of our products and services, which require a larger production space and office space for future increase in work force.

For information purposes, our Group had on 1 October 2023 entered into a leasing agreement with PMINT to lease part of the Teluk Kalung Land measuring approximately 124,629 sq. ft. for a period of up to 30 years with an option to apply for an extension of another 30 years. Pursuant to the Lease Agreement, our Group shall pay to PMINT a total lease payment of RM1.53 million, of which RM0.31 million deposit payment (i.e., 20% of the total lease payment) has been paid by our Group on 11 October 2023, and the balance lease payment of RM1.22 million (i.e., 80% of the total lease payment) shall be paid by our Group through its internally generated funds by way of 3 equal instalments of RM0.41 million in half-yearly intervals (i.e., on or before 30 April 2024, 31 October 2024 and 30 April 2025), respectively.

7. BUSINESS OVERVIEW (CONT'D)

For the avoidance of doubt, we will only be able to register the lease upon making full payment of the balance lease payment of RM1.22 million. As such, there can be no assurance that the aforementioned lease can be registered in favour of our Group or can be registered in a timely manner pursuant to the Lease Agreement due to reasons beyond the control of our Group. Notwithstanding the foregoing, our Board will endeavour to complete the payment of the balance lease consideration to facilitate the registration of the lease in favour of our Group thereafter.

The Proposed Teluk Kalung Facility 2 is estimated to have a gross built-up area of approximately 55,780 sq. ft. A floor space of approximately 44,024 sq. ft. will be allocated for production space consisting of 2 fabrication yards (i.e., carbon steel fabrication and stainless steel fabrication), a blasting and painting chamber, a NDT space and a chemical storage space. A floor space of approximately 11,756 sq. ft. will be allocated for office space and warehouse. The production space will be utilised for our EPCC services and facilities improvement/maintenance operations whereas the office space will be used for the new headquarters of Steel Hawk Engineering as well as to accommodate any future increases in workforce. The warehouse will be used to store raw materials, machinery and equipment.

The larger space of the Proposed Teluk Kalung Facility 2 will enable us to carry out more steelwork fabrication as well as undertaking blasting and painting activities internally as opposed to subcontracting such specialised works to third-party subcontractors. Being able to undertake the blasting and painting works in-house is critical to optimise the turnaround time of our EPCC services while minimising the possible delays caused by external subcontractors' delivery schedule. In addition, undertaking an active role in blasting and painting activities allows us to precisely meet our customer's requirement as we will have better control over the quality of such specialised works instead of relying on third-party service providers. This can lead to more cost savings and higher operational efficiency in the long run.

The total estimated costs for the construction of the Proposed Teluk Kalung Facility 2 is approximately RM13.64 million, which will be funded via a combination of internally generated funds and proceeds raised from our Public Issue. The construction of the Proposed Teluk Kalung Facility 2 is expected to be completed by the first quarter of 2026 and fully operational by the third quarter of 2026. Further details on the cost and construction timeline are highlighted in **Section 4.5.1** of this Prospectus.

Upon completion of the construction of the Proposed Teluk Kalung Facility 2, we will purchase new machinery and equipment in anticipation of increasing the fabrication capacity of our existing services. Purchase of the machinery and equipment will be funded through internally generated funds. The new machinery to be purchases consists of the following:

Machinery and Equipment	Description	Number of Units	Total Estimated Cost (RM'000)
Diesel driven generator	Used as an emergency power supply for the fabrication yard	2	60
Air compressor	Used to provide a continuous source of compressed air, primarily powering air-driven hand tools	5	75
Welding machine	Used to assemble or remove metal parts using thermal energy	10	200
Hydraulic jack	Used to lift heavy loads by applying force via a hydraulic cylinder	8	180
Manual thread machine	Used to thread and cut pipe or bolt	3	100

7. BUSINESS OVERVIEW (CONT'D)

Machinery and Equipment	Description	Number of Units	Total Estimated Cost (RM'000)
Jaw adjustable girder clamp	Used to allow for safe guiding of steel lifting, pulling, or as an anchor point	20	40
Manual torque wrench	Used to tighten nuts and bolts to a predetermined torque value	15	45
Total		63	700

The required regulatory approvals for the construction of the Proposed Teluk Kalung Facility 2 is set out in **Section 4.5.1** of this Prospectus.

Moving forward, our Group plans to recruit the additional technical personnel in various engineering disciplines such as mechanical, quality assurance, electrical, instrumentation, civil and tender proposal management to cope and attend to the growing demand and orders. Notwithstanding the above, our Group plans to adopt a prudent approach in increasing our manpower and will only do so when justified by increases in orders and overall growth in our business segments. Accordingly, we are not able to ascertain the headcount and cost required for the employment of additional manpower at this juncture.

7.4.2 We intend to expand our EPCC services to the renewable energy industry

Currently, our EPCC services are mainly provided to our customers in the O&G industry. Moving forward, we intend to serve customers in the renewable energy industry, specifically for solar and hydroelectric energy.

For information purposes, since incorporation up to the LPD, we had only secured one contract to provide EPCC services for the renewable energy industry whereby we secured a purchase order from PETRONAS Carigali to provide engineering, procurement, installation, and commissioning of a solar photovoltaic ("PV") system for its Terengganu Gas Terminal in Kerteh, Terengganu. For the avoidance of doubt, this work order was undertaken as part of our current on-going Price Agreement (call out contract) with PETRONAS Carigali for the provision of onshore maintenance, construction and modification services under our EPCC services and facilities improvement / maintenance segment. Moving forward, we intend to bid for additional contracts that involves the provision of EPCC services in the renewable energy industry in view that our expertise and knowledge in providing EPCC services and solutions to our customers in the O&G industry will enable us to transfer our expertise and knowledge to the renewable energy industry.

We will be focusing on the solar and hydroelectric energy as the solar industry would require the installation and maintenance of its solar panels and systems, power cables, poles, power station and grid interconnection facilities. As for hydroelectric energy, we will be able to provide our EPCC services and solutions during the commissioning and installation of equipment such as turbines and penstocks, as well as future installation of machineries and maintenance works.

We intend to provide EPCC services and facilities improvement and maintenance services to our renewable energy customers. We plan to provide our customers with the technical and administrative aspects of the construction of their facilities, as well as improvement and maintenance services for constructed facilities. Some of the technical and administrative services provided by us are as follows:

7. BUSINESS OVERVIEW (CONT'D)

- (a) Design work on the facility;
- (b) Procure the necessary materials and machines required for the facility and construction of the facility;
- (c) Appointment of the necessary suppliers and subcontractors; and
- (d) Testing and commissioning of the facility, equipment and machines installed.

As we do not undertake construction works, we appoint subcontractors to undertake the construction or renovation works whilst we will undertake project management services and supervise the construction works to ensure that the construction works adheres to the specified specifications and regulatory compliances. Our venture into providing EPCC services and solutions to the renewable energy industry will be spearheaded by our Chief Operating Officer, Khairul Nazri Bin Kamarudin, who will be supported by our technical personnels.

7.4.3 We intend to venture into integrated HUC services within the O&G industry

We intend to expand our service offerings by venturing into the integrated HUC of crude oil and gas pipelines within the O&G industry. HUC refers to the final phase of a project where facilities, such as platforms, pipelines, and associated infrastructure, are brought together, interconnected, and made operational to prepare for the start-up of an asset for O&G production. The hook-up process consists of conducting the necessary connections and function tests for the systems of an asset. Commissioning involves carrying out systems tests to ensure all systems are in good operating condition, or to determine faults in the system to be corrected and / or potential improvements in the system to be implemented prior to the handover process. HUC services can be carried out on both greenfield (new O&G field where O&G recovery has just begun) and brownfield (existing O&G field where O&G recovery has already occurred) locations. Integrated HUC services combines onshore and offshore HUC activities, which involves onshore services of fabrication, assembly, integration and pre-commissioning of components and systems such as pipe systems, decks, minor structures, caissons, conductors, instrumentation, power cabling and inter-module tie-ins, and the offshore services focuses on transporting and installing fabricated components, hooking up systems and conducting final commissioning.

Our Group's services for HUC of gas pipelines are expected to include but are not limited to provision of project management services, onshore and offshore fabrication, erection, installation and commissioning, procurement services, supply of tools and equipment, as well as supply of materials and consumables. Project management services include provision of competent personnel to execute the works, manage coordination of the works including with other parties involved in the project, and supervise the site. Procurement services include procurement of materials and services as required by the customer, managing coordination of supply of materials and consumables, as well as subcontracting services. Onshore fabrication involves fabrication activities at our yard or subcontractors' yards and may include activities such as NDT, inspection, and storage of the required fabricated components. Meanwhile, offshore fabrication involves undertaking works at our customers' offshore sites and includes erection of the required components and systems, installing and testing to ensure they are working well, as well as commissioning once the components and systems are in order.

As our Group is involved in the installation and maintenance of oilfield equipment including gas pipelines, we possess the requisite technical knowledge and expertise in relation to the provision of integrated HUC of gas pipelines. Our venture into the integrated HUC of gas pipeline will be spearheaded by our Deputy Chairman / Executive Director, namely Dato' Sharman, who will be supported by our technical personnel. Currently, we are of the opinion that we have sufficient technical personnel to facilitate this venture. Nevertheless, in the event that we require to hire additional personnel, the cost associated with the new hires will be funded via internally generated funds. The number of additional hired will be subject to the number of new contracts secured. Furthermore, our Group have obtained the necessary Department of Occupational Safety and Health approval to carry out the integrated HUC of crude oil and gas pipelines for onshore and offshore.

7. BUSINESS OVERVIEW (CONT'D)

As at the LPD, our Group has yet to secure any contracts for HUC works. However, our Group is currently in the process of tendering for 3 HUC work projects. For avoidance of doubt, the HUC work projects that we are currently tendering for are Price Agreements (call out contracts) with no fixed contract value.

7.5 PRINCIPAL BUSINESS SEGMENTS AND MARKET

The breakdown of our revenue by business activities for the Financial Years Under Review is as follows:

Business activity	Audited					
	FYE 2021		FYE 2022		FYE 2023	
	RM'000	%	RM'000	%	RM'000	%
EPCC services and facilities improvement/ maintenance	18,240	73.42	57,788	87.13	64,927	89.51
Installation and maintenance of oilfield equipment	5,235	21.07	7,310	11.02	5,782	7.97
Supply of oilfield equipment	1,370	5.51	1,228	1.85	1,828	2.52
Total revenue	24,845	100.00	66,326	100.00	72,537	100.00

For the avoidance of doubt, as at the LPD, our Group solely operates in Malaysia. Save for one-off contract from SAHID Sendirian Berhad (Brunei Darussalam) who contributed RM0.43 million to our Group's revenue in FYE 2021 amounting to 1.73% of total revenue, our Group's revenue is solely derived from customers' operations in Malaysia throughout the Financial Years Under Review.

7.6 MAJOR CUSTOMERS

Our top 5 major customers and their respective revenue contribution for the Financial Years Under Review are as follows:

FYE 2021

No.	Customer	Services provided	Length of relationship (years) as at the LPD	Revenue	
				RM'000	%
1.	PETRONAS group	EPCC services and oilfield equipment	11	21,326	85.84
2.	Customer A	EPCC services	3	2,550	10.26
3.	SAHID Sendirian Berhad	Oilfield equipment	8	430	1.73
4.	Customer B	Oilfield equipment	3	229	0.92
5.	Customer C	Oilfield equipment	8	150	0.60
			Sub-total	24,685	99.35
			Total revenue	24,845	100.00

7. BUSINESS OVERVIEW (CONT'D)**FYE 2022**

No.	Customer	Services provided	Length of relationship (years) as at the LPD	Revenue	
				RM'000	%
1.	PETRONAS group	EPCC services and oilfield equipment	11	36,125	54.47
2.	PBH Engineering Sdn Bhd	EPCC services, installation and maintenance and oilfield equipment	2	25,068	37.80
3.	Sigma Water Engineering (M) Sdn Bhd	EPCC services	2	1,717	2.59
4.	Customer A	EPCC services	3	919	1.39
5.	Customer D	Installation and maintenance	3	614	0.93
			Sub-total	64,443	97.18
			Total revenue	66,326	100.00

FYE 2023

No.	Customer	Services provided	Length of relationship (years) as at the LPD	Revenue	
				RM'000	%
1.	PETRONAS group	EPCC services, installation and maintenance and oilfield equipment	11	33,103	45.64
2.	PBH Engineering Sdn Bhd	EPCC services	2	31,210	43.03
3.	Customer F	EPCC services	1	4,343	5.99
4.	Customer E	Installation and maintenance	2	1,542	2.12
5.	Sigma Water Engineering (M) Sdn Bhd	EPCC services	2	1,084	1.49
			Sub-total	71,282	98.27
			Total revenue	72,537	100.00

Our largest customer, namely PETRONAS group, contributed 85.84%, 54.47% and 45.64% to our Group's total revenue for the Financial Years Under Review. Hence, we are dependent on PETRONAS group as our major customer.

Furthermore, our Group has established a long term and strong business relationship with PETRONAS group since 2013. We have also entered into long term contracts and Price Agreements (call out contracts) with durations that ranges from 1 to 5 years with options for extension of up to 3 years. Notwithstanding the foregoing, the parties may agree for further extensions, where applicable.

Nevertheless, we have reduced our dependency on PETRONAS group over the Financial Years Under Review as we have expanded our customer base by securing orders from other customers. Moving forward, we intend to continue to secure additional contracts from PETRONAS group as well as from our other existing customers and continue to secure contracts from new customers.

7. BUSINESS OVERVIEW (CONT'D)**7.7 MAJOR SUPPLIERS**

Our top 5 major suppliers for the purchase of materials and services for the Financial Years Under Review are as follows:

FYE 2021

No.	Supplier	Products / services sourced	Length of relationship (years) as at the LPD	Purchases/ services	
				RM'000	%
1.	Supplier A	Specialised automation system (i.e., remote solution, system hardware and software) for offshore facilities	3	2,116	15.08
2.	Kinetic Chemicals (M) Sdn Bhd	Gas and associated supply services	3	1,258	8.97
3.	Supplier B	Non-metallic piping supplier	3	566	4.03
4.	MF Welding Enterprise	Subcontractor for mechanical, civil and fabrication services	5	488	3.48
5.	Supplier C	Metal structure, piping and fitting supplier	3	426	3.04
Sub-total				4,854	34.60
Total cost of sales				14,029	100.00

FYE 2022

No.	Supplier	Products / services sourced	Length of relationship (years) as at the LPD	Purchases/ services	
				RM'000	%
1.	Supplier A	Specialised automation system (i.e., remote solution, system hardware and software) for offshore facilities	3	10,118	20.12
2.	PBH Engineering Sdn Bhd	Detailed engineering services and site verification for EPCC downstream works	2	3,311	6.58
3.	MF Welding Enterprise	Subcontractor for mechanical, civil and fabrication services	5	3,197	6.36
4.	Bestrich Star Sdn Bhd	Scaffold erection services and cold Insulation works	5	3,158	6.28

7. BUSINESS OVERVIEW (CONT'D)

No.	Supplier	Products / services sourced	Length of relationship (years) as at the LPD	Purchases/ services	
				RM'000	%
5.	Emnes Metal Sdn Bhd	Piping & Tank Fabrication & Erection services	2	3,136	6.24
Sub-total				22,920	45.58
Total cost of sales				50,296	100.00

FYE 2023

No.	Supplier	Services and products sourced	Length of relationship (years) as at the LPD	Purchases/ services	
				RM'000	%
1.	MF Welding Enterprise	Subcontractor for mechanical, civil and fabrication services	5	4,503	8.71
2.	Esstar Vision Sdn Bhd	Subcontractor for laying of piping and erection of tanks	3	4,057	7.85
3.	PETRO Sep Engineering Sdn Bhd	Fabrication of vessel, structural, piping and certification.	3	3,542	6.85
4.	Bestrich Star Sdn Bhd	Scaffold erection services and cold Insulation works	5	2,507	4.85
5.	Sanggul Emas Sdn Bhd	Supply of chemical injection pumps and associated flow instruments	10	1,311	2.54
Sub-total				15,920	30.80
Total cost of sales				51,704	100.00

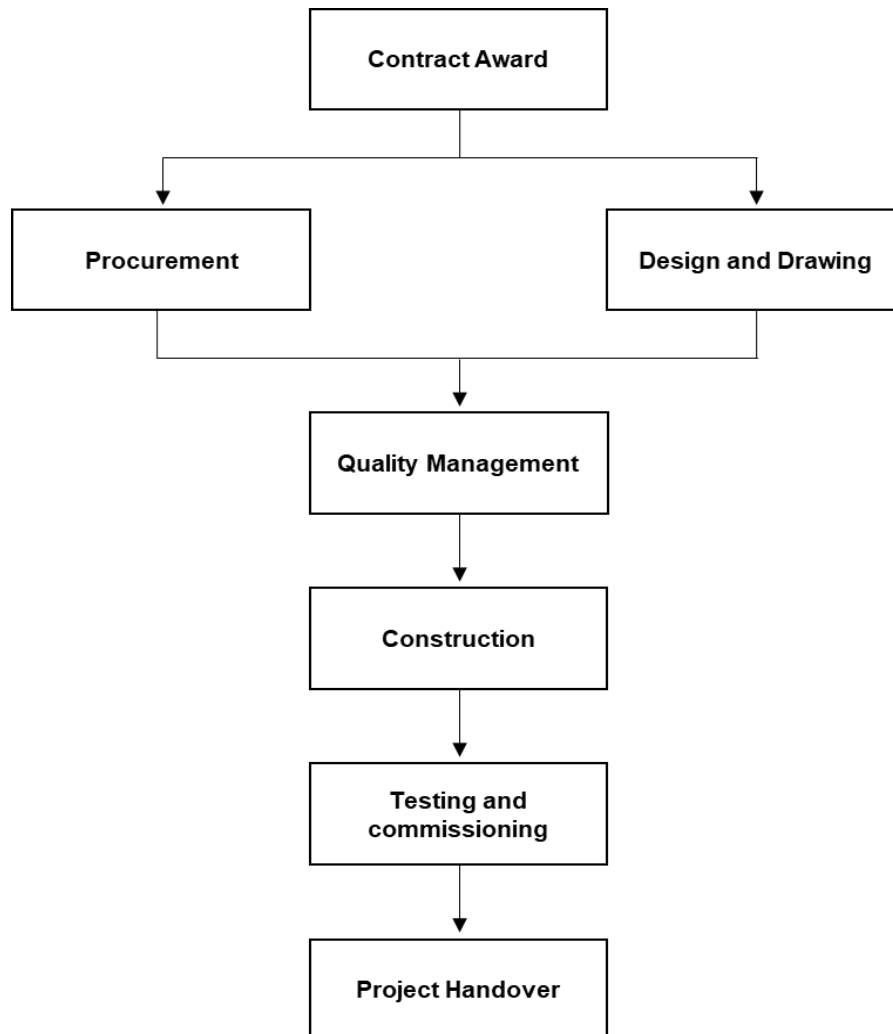
None of the abovementioned suppliers contributed more than 10% of our total cost of sales throughout all the Financial Years Under Review. We are not dependent on any of our top 5 major suppliers as we are able to source the same supplies from alternative suppliers at similar prices. The products supplied by our top 5 major suppliers are commonly available products such as flanges, piping, scaffolding and coatings that can be sourced locally or overseas, as well as fabrication works readily available in Malaysia.

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7. BUSINESS OVERVIEW (CONT'D)

7.8 OPERATIONAL PROCESSES

The typical process flows for our Group is as follows:



(a) Contract award

Our Group secures O&G projects via tenders. Once a tender has been issued, we will conduct a preliminary assessment of the project scope, complexity, project timeline, approximate value of the project and the engineering resources required. We will then form a project management team which is headed by a project director and assisted by a project manager, who are supported by engineers who are specialised in the scope of work of the specific project. During the evaluation stage of our submitted tender, we may be contacted to provide further technical clarifications with the potential customer and we may be required to submit revised tender documents or quotations if there are changes made or additional requirements in the project that needs to be complied and / or fulfilled.

If we are a shortlisted bidder, we may be contacted for a commercial negotiation to further provide a better pricing and payment terms to enhance our chances of being awarded said tender and / or contract. If our proposal is successful, we will receive a letter of award from our customer which sets out the scope of work, contract period, and other terms and conditions we are required to abide by.

Upon acceptance of an award, we will then initiate a kickoff meeting with the client.

7. BUSINESS OVERVIEW (CONT'D)

(b) Design and drawings

We will then design and engineer the oilfield equipment based on the information and requirement provided by the customer, as well as the customer's drawing ideas and inputs. Subsequently, we will develop an initial drawing based on the customer's requested design and requirements for further discussions, as well as their comments for improvements.

If we are requested to design for the customer, our construction manager and specialist consultants will assist in developing the design based on the customers' requirements and operational site. This process is repeated until the customer is satisfied with the design and drawing, and no further comments are provided by the customer. Once the design and drawing is approved, the oilfield equipment drawing will be issued for construction.

(c) Procurement

Concurrently during the design and drawing process, our Group will begin the procurement process whereby we will formalise the procurement schedule which includes, amongst others:

- (i) Prepare technical submissions;
- (ii) Prepare contract documents;
- (iii) Identify lead times;
- (iv) Programme milestone requirements;
- (v) Installation requirements;
- (vi) Personnel training or start up procedures; and
- (vii) Maintenance support requirements.

The project team will prepare the proposal documents consisting of amongst others, technical submission documents, contract documents, administrative information, financial standing, curriculum vitae, experience list, QA / QC and HSE documents for the project tender or quotation. Once the required documents have been prepared and finalised, we will submit them to the potential customer via hardcopy and / or online submissions. Subsequently, we will initiate all statutory and contract requirements such as bank guarantee, contract insurance and levy payments prior to contract activation.

Upon finalisation of the design and drawings, as well as the commercial matters, we will procure the necessary materials. We will monitor and report on the progress of the procurement and conduct the necessary testing and inspection once receiving the materials. The materials with defects will be returned to the supplier whilst the approved materials will be delivered to the respective operational site. Once the materials are delivered to the operational site, the materials will be assessed by our QA personnel and a receipt of approval will be issued.

(d) Quality management

To maintain the quality of our deliverables, as well as to comply with the relevant regulatory requirements, the materials delivered to the operational site will be assessed by our QA personnel and a receipt of approval will be issued once the quality management inspection is conducted and approved.

7. BUSINESS OVERVIEW (CONT'D)

(e) Fabrication and construction

Upon obtaining the oilfield equipment drawing, we will prepare the safety quality plans and method statements for fabrication and construction, as well as appoint subcontractors, if required. We will then prepare the operational site pre-fabrication details prior to conducting the manufacturing of pre-fabrication activities. For activities or processes in which we appoint subcontractors, we will oversee the activities and progress of the subcontractors to ensure that their services and products provided are in accordance with the prescribed requirements of the oilfield equipment, and that their deliverables are delivered within the stipulated timeline. Upon manufacturing the oilfield equipment and receiving the deliverables from the subcontractors, we will proceed with the installation of the oilfield equipment.

(f) Testing and commissioning

Upon completion of the fabrication and construction works, we will conduct testing and commissioning to ensure that all the oilfield equipment and systems are installed and operating as its intended usage. We will conduct rectification works in the event that there are any defects on the oilfield equipment or systems, as well as conduct additional works for improvements.

(g) Project handover

Upon completion of the testing and commissioning phase whereby the oilfield equipment is operating optimally as its intended usage, the oilfield equipment will be deemed ready for operational usage and our Group will handover the oilfield equipment to the customer.

7.9 QUALITY CONTROL PROCEDURES AND CERTIFICATIONS

Our Group places strong emphasis on quality management to ensure that the quality of our deliverables comply with the relevant regulations and to maintain our reputation. As a testament of our ongoing commitment to quality, Steel Hawk Engineering has been certified compliant to ISO 9001: 2015 and ISO 45001: 2018, as follows:

Certification/standard	Certification body	Current validity period	Scope of certification
ISO 9001: 2015	Intertek Certification Limited	1 November 2021 – 19 November 2024	Engineering design, manufacture, installation and maintenance support services for the O&G and energy industries
ISO 45001: 2018	Intertek Certification Limited	9 January 2023 – 8 January 2026	Provision of office support activities (management, human resources and purchasing support services) to the site offices for fabrication, modification & maintenance service for chemical injection skids, pig trap maintenance service, and supply, installation and maintenance of fire rated doors

7. BUSINESS OVERVIEW (CONT'D)

7.10 TECHNOLOGY

Our Group adopts the following technologies for our business:

Technology	Description
Autodesk AutoCad Design	Computed aided design software that is used to design, engineer and construct 3D virtual models of O&G facilities such as platforms, rigs or terminals.
Primavera P6 Professional Project Management	Comprehensive project management software tool that is used for project planning and scheduling, resource management, cost management, risk management, and reporting and analytics.
SolidWork Simulation Professional	Computer-aided engineering software that is used simulate and analyse the behaviour of parts and assemblies under conditions such as loads, forces and vibrations.
STAAD Pro	Structural analysis and design software that is used for designing steel and concrete structures, and to analyse and ensure that the structures withstand loads and conditions such as seismic events, high winds and heavy equipment.

7.11 TYPES, SOURCES AND AVAILABILITY OF SUPPLIES

The services and supplies that we source are readily available from local and foreign subcontractors and suppliers. We generally take into subcontractors and suppliers lead time to prevent potential disruption to our business operations. All subcontractors and suppliers are evaluated in terms of pricing, production capabilities, range and technical specifications of supplies, ability to meet our quality requirements and delivery in a timely manner.

We also carry out qualification process on our subcontractors and suppliers where we require them to submit their company profiles, quotations and prototypes (if product qualification test is required) to evaluate their quality of services and products and pricing. Furthermore, we ensure that our suppliers are part of our approved vendor list. The criteria used to evaluate our suppliers include their past performance and track record, payment terms, as well as any historical legal cases. Our subcontractors and suppliers are also subject to annual performance assessment and rating. This is to ensure the quality of services and supplies used in our business operations.

We did not experience any major interruption from the sourcing of services and supplies in the Financial Years Under Review.

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7. BUSINESS OVERVIEW (CONT'D)

The details of the main supplies that we purchased for the Financial Years Under Review are as follows:

	FYE 2021		FYE 2022		FYE 2023	
	RM'000	%	RM'000	%	RM'000	%
Explosion proof materials	-	-	-	-	-	-
Pig trap quick opening closure and accessories	-	-	-	-	-	-
Solar panel with electrical accessories	-	-	-	-	-	-
Coating and blasting materials	-	-	3,158	6.28	2,506	4.85
Civil engineering hardware material	485	3.46	3,197	6.36	9,355	18.09
Electronic remote control plant systems	2,116	15.08	10,118	20.12	-	-
Gases	1,258	8.97	-	-	-	-
Non-metallic pipes and fittings	566	4.03	-	-	-	-
Metallic pipes and fittings	426	3.04	4,615	9.18	4,057	7.85
Electrical lighting system and video wall control systems	259	1.85	-	-	-	-
Sub-total	5,110	36.43	21,088	41.94	15,918	30.79
Total cost of sales	14,029	100.00	50,296	100.00	51,704	100.00

7.12 OPERATING CAPACITY AND UTILISATION

As we are solely involved in the provision of onshore and offshore support services for the O&G industry, whereby we provide EPCC services and facility improvement / maintenance, installation and maintenance of oilfield equipment and supply of oilfield equipment, the calculations of operating capacity and output are not applicable to us.

7.13 SALES AND MARKETING ACTIVITIES

The contracts secured by our Group are predominately awarded by PETRONAS. Due to the nature of PETRONAS's contract tender and award procedures, all our business development activities are through participation and securing contracts through tender activities. As such, we actively participate in tender activities which we are invited by PETRONAS and qualified for based on the SWEC in our existing licensed / registered scopes, as well as other considerations such as the availability of resources and contract duration. We also proactively identify and apply to add new SWEC to our existing licensed / registered scopes.

Our Group also undertakes direct and indirect sales and marketing activities to prospective customers other than PETRONAS. Our direct approach comprises of engaging directly with the prospective customer, as well as submission of tenders when available. The direct approach is undertaken through our key management team's professional network and relationship with prospective customers. Our indirect approach comprises of obtaining referrals from business associates, existing customers and suppliers.

7. BUSINESS OVERVIEW (CONT'D)

Our business development and tender activities are led by our Deputy Chairman/ Executive Director, Dato' Sharman, as well as supported by our tender committee which is formed when we participate in the respective tenders. Further, Dato' Sharman and our tender committee are supported by our project director and 2 project managers for the tender activities for the project planning and costing. As part of our succession planning initiative, our Group promotes and groom the lower and middle management staff to gradually assume the responsibilities undertaken by our project director and project managers.

Further, we have a corporate website at <https://www.steelhawk.com.my/> which provides immediate searchable information on our Group.

7.14 SEASONALITY AND CYCLICALITY

Our business is not materially affected by seasonal or cyclical effects as our customers generally operate throughout the year.

Nevertheless, the business of our Group is subject to PETRONAS group's expenditure cycle and yearly pre-planned maintenance programs such as preventive maintenances, periodic maintenance, turnarounds and/ or shutdown maintenances, as disclosed in **Section 7.3.3**.

7.15 MATERIAL DEPENDENCY ON COMMERCIAL CONTRACTS, AGREEMENTS AND OTHER ARRANGEMENTS

As at the LPD, our Group is not materially dependent on commercial contracts, agreements and other arrangements

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7. BUSINESS OVERVIEW (CONT'D)

7.16 MATERIAL LICENCES, PERMITS AND APPROVALS

As at the LPD, save as disclosed below, there are no other major approvals, licences and permits issued to our Group for us to carry out our business operations. All our Group's licenses are registered with the Group.

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
1.	Steel Hawk	BCPLC conditional approval	MITI	MITI.S.700-20/3/55(6)	<u>Issuance Date</u> 26 June 2023 <u>Validity Period</u> 26 June 2023 to 25 June 2024	(i) Steel Hawk is directly controlled by the Bumiputera institutions / groups / company / individual which is known as the only major owner with at least 35% of the company's voting power or aggregately the owner consists of 2 or 3 Bumiputera institutions / groups / companies / individuals known having at least 35% of the company's voting power. In addition, there is no non-Bumiputera institutions / groups / companies / individuals holding more than 10% of the company's voting power or aggregately non-Bumiputera institutions / groups / companies / individuals known as substantial shareholders having not more than 24% of the company's voting power.	To be complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						(ii) The equity holding of Bumiputera institutions / groups / companies / individuals are not affiliated either directly or indirectly with any non-Bumiputera institutions / groups / companies / individuals.	Complied
						(iii) The Bumiputera institutions / groups / companies / individuals are the rightful owner and has the ability to exercise the voting power as an equity holder and able to make decision without being affected by any other party.	Complied
						(iv) At least 51% of the members of the Board of Directors including the Chairman / Chairperson of Steel Hawk is Bumiputera.	Complied
						(v) The Managing Director and / or Chief Executive Officer is a Bumiputera.	Complied
						(vi) At least 51% of the management team / personnel, professional and the supervisory staff are Bumiputera.	Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						(v) Steel Hawk Engineering should take immediate action to adhere to the special conditions imposed as stated in the appendix of the PETRONAS license certificate and to inform PETRONAS on the progress of the action.	Complied
						(vi) Steel Hawk Engineering 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.	Complied
						(vii) This license is only valid for services and supply of products as stated in the appendix of the PETRONAS license certificate.	Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						<p>(viii) Steel Hawk Engineering shall allow PETRONAS representatives for inspection visit / site / company audit and review / copy of documents and interviewing employees and related parties.</p> <p>(ix) The license must be shown to PETRONAS' officers when it is required for inspection.</p> <p>(x) Steel Hawk Engineering can be penalised if in PETRONAS' opinion, it has conducted one or more of the following:</p> <ul style="list-style-type: none"> (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; 	<p>Complied</p> <p>Complied</p> <p>Noted</p>

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						<ul style="list-style-type: none"> (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 licence. 	

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						<p>(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 a licence or do not comply with any condition of the license is committing a crime and can be fined not exceeding RM50,000.00 or imprisonment for a period not more than 2 years or both and in respect of each continuous crime, it is subject to further fine of RM1,000.00 for every one day or any part of one day which this offence continues after the first conviction is recorded.</p> <p>(xii) The approval is not an agreement / guarantee that Steel Hawk Engineering will be called to participate in a tender or quotation of PETRONAS or its subsidiaries.</p>	<p>Noted</p> <p>Noted</p>

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						(xiii) Steel Hawk Engineering either by itself, through its employees, directors, agents or its employees: (a) Not allowed to use the logo of the Petronas' oil drop or the word "PETRONAS" or use any mark, logo or words or wearing typeface, font, which resembles the appearance or colour trademarks owned or used by Petronas or its subsidiaries (" the Petronas trademarks ") in any form whether in printing materials, websites or hand board; and	Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						<p>(b) Not allowed to perform any act or in any way either directly or indirectly admits that it is a partner or have any connection / relationship with PETRONAS and / or its subsidiaries, unless and except Steel Hawk Engineering is allowed to use reference Steel Hawk Engineering is licensed by PETRONAS, under Act 3 Petroleum Act 1974.</p> <p>(xiv) The 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 out in PETRONAS License and Registration General Guidelines are not fulfilled.</p>	Noted

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
3.	Steel Hawk Engineering	<p>Certificate of Registration pursuant to Part VI of the Construction Industry Development Board Malaysia Act 1994("CIDB Act") in respect of:</p> <p>Grade G7:</p> <p>(i) Category B (Building Construction), registration specialisation B04 and B27;</p> <p>(ii) Category CE (Civil Engineering), registration specialisation CE15, CE21 and CE 39; and</p> <p>(iii) Category ME (Mechanical and Electrical), registration specialisation M12, M15 and M20.</p> <p>This certificate allows Steel Hawk Engineering to carry out the following work scope:</p>	CIDB	0120140603-SL 157185	<p><u>Issuance Date</u> 10 February 2022</p> <p><u>Validity Period</u> 10 February 2022 to 21 May 2024</p>	<p>(i) The certificate is non-transferable.</p> <p>(ii) CIDB reserves the right to review the registration grade of Steel Hawk Engineering from time to time.</p> <p>(iii) Steel Hawk Engineering shall comply with the provisions of the CIDB Act, the rules and regulations made thereunder and any terms, conditions or restrictions imposed by CIDB from time to time.</p> <p>(iv) Steel Hawk Engineering shall not undertake to carry out any construction project exceeding the value of construction works stated for the grade it is registered under and any construction projects beyond its registered category.</p> <p>(v) Steel Hawk Engineering shall submit information regarding any construction works or contracts within 14 days of the award or before the commencement of work, whichever is earlier.</p>	<p>Complied</p> <p>Noted</p> <p>Complied</p> <p>Complied</p> <p>Complied</p>

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
		B04: general building construction works				(vi) Steel Hawk Engineering shall submit any information required by CIDB from time to time.	Complied
		B27: water supply and sewerage system maintenance services				(vii) Steel Hawk Engineering shall display the registration certificate issued by CIDB or a copy duly certified as true copy by CIDB at the place of business.	Complied
		CE15: offshore works					
		CE21: general civil engineering works				(viii) Steel Hawk Engineering must display its registration number on the signboard at each of its construction site.	Complied
		CE39: water supply system maintenance					
		M12: special plant				(ix) Steel Hawk Engineering must apply for renewal of registration at any time within 60 days before the expiry date specified in this certificate.	To be complied
		M15: miscellaneous mechanical system					
		M20: general mechanical maintenance				(x) Steel Hawk Engineering must comply with all the requirements and principles stated in CIDB contractor code of ethics handbook.	Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						(xi) Steel Hawk Engineering must employ skilled construction workers and a site supervisor who is accredited and certified by CIDB. (xii) All workers at the construction site must have a valid construction personnel card. (xiii) The registration of the company shall be cancelled or suspended if:	Complied
						(a) Steel Hawk Engineering fails to comply with the requirement of any other written law. (b) Steel Hawk Engineering has been declared a bankrupt. (c) A winding up petition connected with Steel Hawk Engineering has been made. (d) Steel Hawk Engineering contravenes or fails to comply with any provision of the CIDB Act.	Complied
							Noted

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						<p>(e) Steel Hawk Engineering has obtained the certificate by making or causing to be made any false or fraudulent declaration, certification or representation either in writing or otherwise.</p> <p>(f) Steel Hawk Engineering abandons any construction work undertaken without any good reason.</p> <p>(g) Steel Hawk Engineering is found guilty by the court or any other investigative body established under any written law for negligence in any construction work performed.</p> <p>(h) Steel Hawk Engineering contravenes any of the terms and conditions of the contractor's responsibilities and obligations as specified in item (ii) above.</p>	

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
4.	Steel Hawk Engineering	<p>Certificate of Government Procurement Works (<i>Sijil Perolehan Kerja Kerajaan</i>) in respect of:</p> <p>Grade G7:</p> <p>(i) Category B (Building Construction);</p> <p>(ii) Category CE (Civil Engineering); and</p> <p>(iii) Category ME (Mechanical and Electrical).</p>	CIDB	0120140603-SL 157185	<p><u>Issuance Date</u> 17 February 2022</p> <p><u>Validity Period</u> 17 February 2022 to 21 May 2024</p>	<p>(i) The certificate is issued based on the information provided by Steel Hawk Engineering.</p> <p>(ii) The certificate may not be used as a certification to start or undertake any construction work. The certificate may only be used to participate in work procurement for the Government or Government agencies.</p> <p>(iii) The certificate will automatically be terminated if the Certificate of Registration issued by CIDB has expired or has been cancelled, withdrawn, suspended pursuant to Regulation 15 of the Registration of Contractors (Construction Industry) Regulations 1995.</p> <p>(iv) The certificate must be submitted together with the Certificate of Registration issued by CIDB to participate in work tender for the Government or Government agencies.</p>	<p>Complied</p> <p>Complied</p> <p>Noted</p> <p>Complied</p>

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						(v) The certificate must be renewed together with the Certificate of Registration issued by CIDB.	Complied
						(vi) Steel Hawk Engineering shall not lend, lease, transfer, permit or cause the certificate to be used by someone who has not been named to use the certificate for the procurement of Government work purposes.	Complied
						(vii) Steel Hawk Engineering shall not participate in any tender or carry out any construction work after the certificate expires unless it is renewed.	Complied
						(viii) Only officers of Steel Hawk Engineering who are named in the certificate are authorised to sign Steel Hawk Engineering's contract documents and to obtain the offer documents and to attend site visits for polling, quoting and tender work. Steel Hawk Engineering may not authorise other officers for the above purposes.	Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						<p>(ix) Steel Hawk Engineering must ensure that all terms and conditions to obtain the certificate are complied with at all times throughout the validity period of the certificate.</p> <p>(x) Steel Hawk Engineering must inform CIDB of any changes of information within 30 days of such changes.</p> <p>(xi) Steel Hawk Engineering must comply with all the instructions and principles issued by the Government via treasury instructions and circulars issued by CIDB from time to time.</p> <p>(xii) Steel Hawk Engineering will be subject to the disciplinary action as set out in Regulation 15 of the Registration of Contractors (Construction Industry) Regulations 1995 for failure to comply with any of the responsibilities and obligations above.</p>	<p>Complied</p> <p>Noted</p> <p>Complied</p> <p>Noted</p>

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						(xiii) CIDB has the right to take disciplinary action and impose any appropriate punishment on the registered contractor.	Noted
						(xiv) The company / holder of the certificate, who has been blacklisted or suspended, revoked or where this certificate has been withdrawn through disciplinary proceedings shall not participate in any tender or involve in the Government procurement work within the prescribed period.	Noted
						(xv) The company / holder of the certificate whose certificate has been revoked or withdrawn will be removed from the register of CIDB. Such company who wishes to obtain the certificate is required to comply with the terms of issuance of a new application. Blacklisted key management personnel are prohibited from obtaining the certificate for a period of 3 years.	Noted

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						(xvi) The company / holder of the certificate who has been blacklisted / suspended through disciplinary proceedings will not be removed from the CIDB checklist. Such company will only be allowed to participate in tender or Government procurement work after the expiry of the blacklist or suspension period.	Noted
5.	Steel Hawk Engineering	Certificate of Bumiputera Status	<i>Pusat Khidmat Kontraktor ("PKK")</i> , Ministry of Entrepreneur Development and Cooperatives	0120140603-SL157185	<u>Issuance Date</u> 17 June 2022 <u>Validity Period</u> 17 June 2022 to 21 May 2024	(i) The Certificate of Bumiputera Status will be issued by PKK after Steel Hawk Engineering successfully renewed the Certificate of Government Procurement Works and the Certificate of Registration at the CIDB. (ii) The Bumiputera status is issued based on the information provided by Steel Hawk Engineering.	To be complied Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						<p>(iii) Steel Hawk Engineering must submit changes of information to PKK immediately after the change of information in CIDB has been made subject to the method and medium used by PKK from time to time.</p> <p>(iv) Steel Hawk Engineering is advised to complete the documents in relation to the renewal / new application / appeal within the period specified in the letter of inquiry sent to Steel Hawk Engineering.</p> <p>(v) Steel Hawk Engineering shall ensure at all times to meet the requirements for the recognition of Bumiputera status as follows:</p> <p>(a) at least 51.00% of the shares in Steel Hawk Engineering is owned by Bumiputera.</p>	<p>Noted</p> <p>Complied</p>

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						<p>(b) the ownership of the shares held by Bumiputera individual owners must be more than non-Bumiputera owners.</p> <p>(c) at least 51.00% of the members of the Board of Directors of Steel Hawk Engineering are Bumiputera.</p> <p>(d) the chief executive officer, managing director or general manager and any other key positions within Steel Hawk Engineering must be held by a Bumiputera.</p> <p>(e) at least 51.00% of Steel Hawk Engineering's employees must be Bumiputera.</p> <p>(f) the financial management position in Steel Hawk Engineering shall be held by a Bumiputera.</p>	<p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Complied</p>

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						(g) the organisational chart and the function of Steel Hawk Engineering shall demonstrate the position held by Bumiputera.	Complied
						(h) to ensure the participation by the Bumiputera is an active partnership and has an active role in corporate transactions of Steel Hawk Engineering as described in items (a) to (g) above.	Complied
						(vi) PKK has the right to revoke, terminate or suspend the Certificate of Bumiputera Status held by Steel Hawk Engineering if:	Noted
						(a) The information provided is not true or false.	
						(b) Steel Hawk Engineering refuses and fails to provide information when requested.	

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						<p>(c) Steel Hawk Engineering is obliged to comply with the conditions of the approval that has been given within the specified period such as attending courses organised by PKK or premise visit session.</p> <p>(d) Steel Hawk Engineering violates any of the general / absolute conditions issued by PKK and subject to the decision of the Director of PKK from time to time.</p>	
6.	Steel Hawk Engineering	<p>Certificate of Registration of company for:</p> <p>(i) Code 060102: Chemical, chemicals and laboratory equipment/ chemistry/ industrial chemistry;</p> <p>(ii) Code 080101: Civil engineering, construction and public facility equipment/ public facilities</p>	Ministry of Finance (“ MOF ”)	K10113642593 710771	<p><u>Issuance Date</u> 4 December 2023</p> <p><u>Validity Period</u> 4 December 2023 to 13 February 2027</p>	<p>(i) Approval is given based on the information provided by Steel Hawk Engineering.</p> <p>(ii) Any changes to the information submitted to the MOF shall be updated on the online system through www.eperolehan.gov.my within 21 days from the date of occurrence of such changes and failure to do so may result in action taken as specified in item (vii) below.</p>	<p>Complied</p> <p>Noted</p>

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
		<p>(iii) Code 090102: Building materials and road safety equipment/building materials/ pipes and fittings;</p> <p>(iv) Code 130101: Engineering equipment and production machinery/ workshop machines and equipment</p> <p>(v) Code 130102: Engineering equipment and production machines/ special machines and equipment</p> <p>(vi) Code 130202: Engineering equipment and production machinery/ electrical power and generator equipment/ spare parts and batteries/special machinery and equipment</p>				<p>(iii) Steel Hawk Engineering shall ensure that the field as registered in the certificate of registration is not overlapped with the approved field given to any of the companies as follows:</p> <p>(a) having the same shareholder or board of directors / director, management and employee; or</p> <p>(b) operating in the same premises.</p> <p>(iv) The MOF has the right to conduct visit or audit examination at any time without prior notice. Non-compliance of the conditions of registration, the field code and/ or the registration of the company may be suspended/ revoked and disciplinary action including blacklisting may be taken against the shareholder and board of directors/ director without any notice if it is found that the information given is not true.</p>	<p>Complied</p> <p>Noted</p>

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
		<p>(vii) Code 130401: Engineering equipment and production machinery/ oil industry equipment and upstream industrial equipment</p> <p>(viii) Code 130402: Engineering equipment and production machines/oil industry equipment/ downstream industrial equipment</p> <p>(ix) Code 220502: Services, maintenance, repair services for engineering and communication/ containers/tanks</p> <p>(x) Code 220505: Service, maintenance, repair services for engineering repairs and communication, mechanisation system (conveyor, lift etc)</p>				<p>(v) Registration of Steel Hawk Engineering will be suspended / revoked if:</p> <p>(a) the company / its shareholder / partner / director / any managing member has committed crime and is found guilty by the court in Malaysia or outside of Malaysia or is liable for civil liability.</p> <p>(b) the company withdraws the offer before the tender is considered or reject after the offer is made.</p> <p>(c) the company failed to fulfill its contractual obligations signed with the Government.</p> <p>(d) the company was found to amend the certificate of registration for fraudulent or other purposes.</p>	Noted

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
		<p>(xi) Code 220506: Service, maintenance, repair services for engineering repairs and communication/ repairing buft fuel tank</p> <p>(xii) Code 220507: Service, maintenance, repair services for engineering repairs and communication /pump/water pipe and components</p> <p>(xiii) Code 221010: Services, cleaning and maintenance services / sewage ponds/treatment systems/pipelines/drains</p> <p>(xiv) Code 221011: Services, cleaning and maintenance services / oil spill cleaning</p>				<p>(e) the company allows the certificate of registration to be misused by other individual / company.</p> <p>(f) the company has a price-fixing conspiracy with other companies when the company has entered into government tender or subcontract without prior consent from the government agencies involved.</p> <p>(vi) Steel Hawk Engineering shall submit the application of renewal 3 months before the date of expiry.</p> <p>(vii) The virtual certificate of registration shall belong to the Government. The Government has the right to withdraw / suspend / revoke the registration if disciplinary action is taken against Steel Hawk Engineering pursuant to 1PP/PK8 (<i>Pekeliling Perbendaharaan/ Perolehan Kerajaan 8</i>).</p>	<p>Noted</p> <p>Noted</p>

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
		01: mechanical maintenance 01: hydraulic bolt tensioning services (iv) SO2: Offshore facilities construction 01: offshore construction 02: maintenance & repairs of offshore facilities				(a) company address; (b) contact numbers; (c) equity ownership; (d) scope or type of business activities; (e) directorship; (f) management staff; (g) licences (PETRONAS, MOF etc.); and (h) letters of appointment by principals with validity date.	
		(v) SO2: Offshore facilities construction 01: offshore construction 03: hook-up & commissioning of offshore facilities (vi) SO2: Offshore facilities construction 02: onshore fabrication 01: major fabrication 02: onshore facilities (vii) SO2: Offshore facilities construction 02: onshore fabrication 02: minor onshore fabrication				(iii) Steel Hawk Engineering shall submit Audited Accounts on annual basis (between 3 to 6 months after the respective year end closing). (iv) Steel Hawk Engineering shall promptly provide all information requested by MISC Berhad within specified period. (v) Steel Hawk Engineering is under an obligation to ensure that the work category that has been registered for and specified in the letter of registration shall not be approved for a similar SWEC, for another company, of the same shareholder / Board of Director.	Complied Complied Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
		03: minor onshore fabrication – mechanical (viii) SP1: Pipeline & associated services 04: pipeline maintenance 02: pig trap maintenance				(vi) MISC Berhad reserves the right to revoke / suspend / blacklist the registration of Steel Hawk Engineering as MISC Group Registered vendor without any prior notice if it is found that Steel Hawk Engineering does not comply to any of the following statements: (a) The information provided by Steel Hawk Engineering is incorrect / untrue / false; (b) Steel Hawk Engineering is in breach of any contracts with MISC Group; (c) any other incidences / actions or inactions which affect the operations or causes detrimental impact on MISC Group of Companies.	Noted

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						<p>(vii) Steel Hawk Engineering shall adhere to MISC Berhad's policy on Health, Safety and Environment (HSE) at all times.</p>	Complied
						<p>(viii) Steel Hawk Engineering shall uphold highest possible standard of business ethics in dealing with MISC Berhad's staff or representatives. MISC Berhad has adopted zero tolerance policy against all forms of bribery and corruption.</p> <p>The MISC Code of Conduct and Business Ethics (CoBE) and MISC Anti-bribery and Corruption Policy (ABC) will be applicable to MISC Berhad's vendors, contractors, sub-contractors, consultants, agents, representatives and others performing work and services for or on behalf of MISC Group of companies. In this regard, MISC Berhad expects that such persons will comply with the CoBE and ABC in the relevant parts when performing such work and services.</p>	Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						(iii) Pursuant to Section 34 and Section 36 of the Factories and Machinery Act 1967, a written consent must be obtained when a premise is to be used as a factory and installation of machinery. Failure to do so, the person shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding one thousand ringgit or to imprisonment for a term not exceeding 2 years or to both.	Complied
10.	Steel Hawk Engineering	Vendor Registration Certificate for the scope of services: (i) SO2: offshore & onshore facilities construction & installation (ii) SM4: mechanical engineering & maintenance (iii) S12: integrated maintenance services (iv) SC2: civil, structural, scaffolding & building maintenance (v) SP1: pipeline & associated services	Petroleum Sarawak Berhad	P230329	<u>Issuance date</u> 27 June 2023 <u>Validity period</u> 26 June 2023 to 25 June 2026	Application for renewal of Vendor Registration shall be made at least 30 days before the expiry date of the certificate.	Noted

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
11.	Steel Hawk Engineering	<p>Registration Certificate for Competent Firm (Petroleum Contractor).</p> <p>Scope of code: KPD 01 (Land-based Petroleum Contractor (Pipeline)) and KPL 01 (Marine Petroleum Contractor (Pipeline))</p>	DOSH	JKKP/2023/26/139	<p><u>Issuance date</u> 3 July 2023</p> <p><u>Validity period</u> 3 July 2023 to 2 July 2026</p>	<p>(i) Steel Hawk Engineering shall use the MySKUD system submodule for updating information in the event of any changes in information, such as the exchange or addition of technical personnel, branches or supporting documents.</p> <p>(ii) Steel Hawk Engineering is required to inform DOSH (Design Verification, Recognition, and Certification Section) in writing regarding the first project that will be undertaken.</p> <p>(iii) Before the commencement of installation works, Steel Hawk Engineering must obtain Permission to Install (PTI) from DOSH.</p> <p>(iv) After obtaining the PTI, the installation work must be carried out by Steel Hawk Engineering exclusively.</p>	<p>Noted</p> <p>Complied</p> <p>Complied</p> <p>Complied</p>

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						(v) All welding works must be performed by welders approved by DOSH or the inspection authority recognised by DOSH in accordance with the approved Welding Procedure Specification. All welding works shall be carried out under the strict supervision of Steel Hawk Engineering's quality control officer.	Complied
						(vi) Steel Hawk Engineering is required to ensure that all records of Welding Procedure Specification (WPS), Welder Qualification Test / Welder Performance Qualification (WQT / WPQ) and the Welder Records (Form BP1) are kept securely for inspection. All these records must be submitted to DOSH when applying for renewal of company registration.	Complied
						(vii) Steel Hawk Engineering should provide adequate training to the employees on occupational safety and health to ensure that employees can work in a safe and healthy environment.	Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						(viii) Steel Hawk Engineering must ensure that the petroleum equipment, such as valves, regulator and so on, that are installed have been verified.	Complied
						(ix) Steel Hawk Engineering shall comply with DOSH's regulations that are enforced from time to time.	Complied
						(x) Steel Hawk Engineering must apply for renewal of registration with DOSH at least 3 months before the expiration date.	Noted
						(xi) Steel Hawk Engineering is required to refer to the latest requirements stipulated in the Guidelines for Registration of Competent Firm (Petroleum Contractor) which can be downloaded from MySKUD for the purpose of the renewal application.	Noted
						(xii) Monitoring audits will be conducted on Steel Hawk Engineering's premises throughout the approval period to assess compliance with the established requirements.	Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						<p>(xiii) If Steel Hawk Engineering agrees to comply with the abovementioned conditions, Steel Hawk Engineering shall notify DOSH in writing within 14 days from 3 July 2023.</p> <p>(xiv) It should be noted that the approval can be revoked at any time if the abovementioned conditions and other DOSH's requirements are not met.</p>	<p>Complied</p> <p>Noted</p>
12.	Steel Hawk Engineering	<p>Registration Certificate as a Supplier / Contractor under the category of:</p> <p>(i) A02: general – civil & structural</p> <p>(ii) A05: general – vessel cleaning</p> <p>(iii) A15: steel construction / fabricator</p> <p>(iv) B50: other mechanical equipment</p> <p>(v) C27: gas facilities maintenance</p>	Gas Malaysia Distribution Sdn Bhd	VDR2023-00032	<p><u>Issuance date</u> 9 August 2023</p> <p><u>Validity period</u> 9 August 2023 to 9 August 2028</p>	<p>Gas Malaysia Distribution Sdn Bhd has the right to revoke Steel Hawk Engineering's registration at any time in view of the following conditions:</p> <p>(i) Failure to provide the information within specific time.</p> <p>(ii) Giving false information to validate Steel Hawk Engineering's registration.</p> <p>(iii) Non fulfilment of conditions as set out in the Vendor Declaration Form.</p>	Noted

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
13.	Steel Hawk Engineering	Certificate of Registration of Bumiputera Company	MOF	BP1011364259 3729631	<u>Issuance Date</u> 4 December 2023 <u>Validity Period</u> 29 January 2024 to 13 February 2027	(i) The company should always strive to maintain and enhance its position so that: (a) The majority Bumiputera position shall always constitute more than 51.00% in equity ownership, membership on the Board of Directors, the position of Chief Executive, Managing Director or General Manager, other key positions, employees of the company at the management level as well as employees. (b) The majority of Bumiputera plays an important role in the company's transactions, the oversight of the company's travel, financial management of the company, decision-making processes and representation of the company in meetings and other official matters of the kind.	

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						<p>(ii) In the event of any changes in the conditions stated in the certificate, the MOF should be notified immediately so that the amendments can be made in the Registration Record. The updated information must be submitted online through the Profile Update Module at www.eperolehan.gov.my within 21 days from the date the changes take effect. Failure to provide the information may raise doubts at the MOF regarding the authenticity of Steel Hawk Engineering's Bumiputera status.</p>	Noted
						<p>(iii) If the MOF discovers that Steel Hawk Engineering has breached the conditions specified in the certificate, or has transferred the management of the company and the obtained contract to other parties, the recognition as a Bumiputera company will be revoked and the status will be removed from the ePerolehan system.</p>	Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						<p>(iv) Steel Hawk Engineering undertakes that the supporting documents / letters / pictures and any other materials submitted are authentic and accurate.</p> <p>(v) The Government has the right to conduct investigations and physical visits upon the issuance of the conditional approval of the Bumiputera Status Certificate.</p> <p>(vi) The Government has the right to initiate action against Steel Hawk Engineering if found to be in breach of terms and conditions of compliance including fraud / falsification of information after the investigation and visitation by Contractor and Entrepreneur Development Division (BPKU) is completed. Among the actions that can be taken by the Government are set out below:</p> <p>(a) Immediate withdrawal or cancellation of an approved Bumiputera Status Certificate;</p>	<p>Complied</p> <p>Noted</p> <p>Noted</p>

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						<p>(b) The Government reserves the right to terminate the current contract in force as a result of the ownership of the Bumiputera Status Certificate. The Government shall not be liable to bear any costs and losses incurred by Steel Hawk Engineering as a result of the termination of the contract in accordance with the terms and conditions of the contract signed by the Government with Steel Hawk Engineering;</p> <p>(c) Steel Hawk Engineering, its owners and the Board of Directors will be blacklisted from participating in any Government procurement / project for 3 to 5 years, subject to the decision of the Disciplinary Action Committee of MOF; and</p>	

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						<p>(d) The provisions of compliance with the laws in force include the Contracts Act 1950 (Act 136), Penal Code and so on, where applicable.</p> <p>(vii) The MOF reserves the right to impose disciplinary action on Steel Hawk Engineering and cancel the information related to Steel Hawk Engineering's registration if:</p> <p>(a) Steel Hawk Engineering's Bumiputera status is stripped or revoked in the ePerolehan system.</p> <p>(b) The registration of company is suspended or cancelled in the ePerolehan system.</p> <p>(c) Other breaches of the conditions that allow the MOF to determine that the Bumiputera status is withdrawn and revoked in the ePerolehan system.</p>	Noted

7. BUSINESS OVERVIEW (CONT'D)

No.	Company	Description of certificate / licence / permit	Approving authority	Certificate No. / Registration No. / Licence No. / Permit No. / Reference No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						(viii) The Certificate of Registration of the Bumiputera Company, whether issued manually or virtually, and all information in the ePerolehan system are final.	Complied
						(ix) Steel Hawk Engineering shall ensure that the registration with the MOF is valid throughout the contract period.	Complied
						(x) Any act or attempt at bribery to offer or give, solicit or receive any bribe to and from any person in connection with government procurement is a criminal offence under the Malaysian Anti-Corruption Commission Act 2009 (Act 694).	Noted

7. BUSINESS OVERVIEW (CONT'D)

Note:

- (1) As at the LPD, Steel Hawk Engineering has 168 SWEC registered under our PETRONAS license but we currently rely on 16 SWECs in the performance of our ongoing contracts. The categories of products and services authorised by these 16 SWECs are set out in the table below:

No.	SWEC	Description of service	Minimum Bumiputera Requirement (%)	Status of compliance	Ongoing contracts (type of services)
(i)	15161500S	Onshore Pipeline	30	Complied	Onshore facilities maintenance, construction and modification services
(ii)	27101300S	Topside Piping & Structural	51	Complied	Onshore facilities maintenance, construction and modification services
(iii)	15161400S	Onshore Facilities	30	Complied	Onshore facilities maintenance, construction and modification services
(iv)	27111000S	Minor Onshore Fabrication	51	Complied	Onshore facilities maintenance, construction and modification services
(v)	18181000S	Fixed Fire Protection Systems	51	Complied	Oilfield equipment – fire rated doors
(vi)	18191400P	Other Safety/Firefighting Equipment	51	Complied	Oilfield equipment – fire rated doors
(vii)	18151000P	A60/AO Windows	51	Complied	Oilfield equipment – fire rated doors
(viii)	11121000P	Hardware	51	Complied	Oilfield equipment – fire rated doors
(ix)	18171100P	Oil/Chemical Spill Response Equipment & Accessories	51	Complied	Oilfield equipment – oil spill recovery equipment
(x)	18161100S	Spill Control Support & Clean-up Services	51	Complied	Oilfield equipment – oil spill recovery equipment

7. BUSINESS OVERVIEW (CONT'D)


No.	SWEC	Description of service	Minimum Bumiputera Requirement (%)	Status of compliance	Ongoing contracts (type of services)
(xi)	24171600P	Lifting & Rigging Equipment & Accessories	30	Complied	Oilfield equipment – oil spill recovery equipment
(xii)	27131000S	Offshore Pipeline Inspection & Repair	51	Complied	Oilfield equipment – pig trap system
(xiii)	16261800P	Pigging Accessories	51	Complied	Oilfield equipment – pig trap system
(xiv)	27131200S	Pig Trap Maintenance	51	Complied	Oilfield equipment – pig trap system
(xv)	27101200S	Maintenance & Repairs of Offshore Facilities	30	Complied	Oilfield equipment – pig trap system
(xvi)	30103113S	Drilling mud cooler equipment	51	Complied	Oilfield equipment – mud cooler system

7. BUSINESS OVERVIEW (CONT'D)

7.17 TRADEMARKS

As at the LPD, save as disclosed below, our Group had not registered any and names, patents, trademarks or other intellectual properties.

(i) Trademarks

Trademark	Registered owner / Applicant	Trademark no. / Application no.	Issuing authority	Class	Description	Status / Application date / Registration date / Validity period
	Steel Hawk	TM2021005354 TM2021005355 TM2021005356	Intellectual Property Corporation of Malaysia	35, 36, 42	Class 35 – Brand management; business management; inventory management; business management of companies; supply chain management services; import-export agency services in the field of energy; assistance and consultancy services in the field of business management of companies in the energy sector; advertising services to promote public awareness on energy issues; procurement of contracts for others; advertising; business administration; online advertising; online advertising on a computer network; marketing; on-line marketing; commercial administration of the licensing of the goods and services of others; assisting others in preparing and filing applications for obtaining a business license; database management.	<p>Status Registered</p> <p>Registration date 26 February 2021</p> <p>Validity period 26 February 2021 to 26 February 2031</p>

7. BUSINESS OVERVIEW (CONT'D)

Trademark	Registered owner / Applicant	Trademark no. / Application no.	Issuing authority	Class	Description	Status / Application date / Registration date / Validity period
					<p>Class 36 – Holding securities, funds and other assets in escrow; capital investment; financial investment; portfolio management and investment services; property investment; securities trading; commodity trading; stock trading; asset management; investment management; financial evaluation of development costs relating to the oil, gas and mining industries; intellectual property venture capital fund management services; financial management; financial management and planning; financial management of development capital; financial management of investment capital; financial management of shares in other companies.</p> <p>Class 42 – Engineering; engineering design; engineering drawing; engineering consultancy; engineering feasibility studies; construction project management services construction drafting, design and planning; oil, gas and mining exploration services; analysis and testing services in the field of oil exploitation; oil prospecting; product development consultancy for inventors in the field</p>	

7. BUSINESS OVERVIEW (CONT'D)

Trademark	Registered owner / Applicant	Trademark no. / Application no.	Issuing authority	Class	Description	Status / Application date / Registration date / Validity period
					of chemical engineering; engineering services relating to gas transport and supply systems; technical design and planning of pipelines for gas, water and waste water; plant engineering; leasing of laboratory instruments; software engineering; research in the field of engineering; engineering services in the field of energy technology; quality control; quality checking and testing.	
STEEL HAWK	Steel Hawk Engineering	TM2020027954	Intellectual Property Corporation of Malaysia	6, 35, 37	Class 6 – Fabricated metal components for building foundations construction materials prefabricated metal bridges; prefabricated metal platforms; branching pipes of metal including those from alloy steel and titanium; couplings and joints of metal for pipes; metal pipes and fittings therefor; metal pipes and tubes; metal pipes for liquid and gas transfer; metal valves for controlling the flow of gases in pipelines; pipework of metal, including those made from alloy steel and titanium; containers of metal for chemicals, compressed gases and liquids; scaffolding of metal; scaffolding towers, not of metal; offshore	<p>Status Registered</p> <p>Registration date 23 November 2020</p> <p>Validity period 23 November 2020 to 23 November 2030</p>

7. BUSINESS OVERVIEW (CONT'D)

Trademark	Registered owner / Applicant	Trademark no. / Application no.	Issuing authority	Class	Description	Status / Application date / Registration date / Validity period
					<p>drilling platforms of metal; slabs of metal, including those made from alloy steel and titanium; stainless steel pipes; fuel oil hoses of metal; prefabricated metal buildings; steel frames for building; metallic connections for metal pipes, tubes and casings in the oil and gas industry; metal cylinders for compressed gas or liquids, sold empty.</p> <p>Class 35 – Procurement of contracts for others; outsourcing services in the nature of arranging procurement of goods for others; import-export agency services in the field of energy; assistance and consultancy services in the field of business management of companies in the energy sector; business administration; advertising; assistance and consultancy relating to business management and organisation; procurement of contracts for the purchase and sale of goods and services; office functions; business consultancy; online advertising on a computer network.</p>	

7. BUSINESS OVERVIEW (CONT'D)

Trademark	Registered owner / Applicant	Trademark no. / Application no.	Issuing authority	Class	Description	Status / Application date / Registration date / Validity period
					Class 37 – Building and construction services; construction of decks; construction of piers; construction of pipelines; construction and maintenance services relating to civil engineering; construction engineering services construction consultancy; construction engineering services construction supervision; marine engineering construction services; construction of oil pipelines; construction of structures for the production of crude oil; construction of structures for the storage of crude oil; construction of structures for the transportation of crude oil; installation of apparatus for the production of oil; pumping crude oil; rental of oil well drilling tools; installation of oil well casings, tubing and drill pipes; installation, maintenance and repair of compressors, air pumps, vacuum pumps, air blowers, air filters, alternators, pressure regulators and oil separators; laying, repair, maintenance, replacement and refurbishment of oil pipelines; construction of structures for the production of natural gas; construction of structures for the	


7. BUSINESS OVERVIEW (CONT'D)

Trademark	Registered owner / Applicant	Trademark no. / Application no.	Issuing authority	Class	Description	Status / Application date / Registration date / Validity period
					storage of natural gas; construction of structures for the transportation of natural gas; installation of gas and water pipelines; installation of gas supply and distribution apparatus; installation, maintenance and repair of gas, electricity and water supply apparatus; laying, repair, maintenance, replacement and refurbishment of gas pipelines; oil and gas drilling; repair of biogas plants and machines; repair or maintenance of gasoline station equipment and providing information relating thereto; offshore drilling services; installation of work and building platforms; rental of scaffolding, platforms, molds and machinery for use in construction; repair and maintenance of building scaffolds, working and building platforms; rental of construction and building equipment; rental of construction machines and apparatus; construction, maintenance and repair of transportable and prefabricated buildings.	

7. BUSINESS OVERVIEW (CONT'D)

Trademark	Registered owner / Applicant	Trademark no. / Application no.	Issuing authority	Class	Description	Status / Application date / Registration date / Validity period
					Class 42 – Engineering; engineering design; engineering drawing; engineering consultancy; engineering feasibility studies; construction project management services construction drafting, design and planning; oil, gas and mining exploration services; analysis and testing services in the field of oil exploitation; oil prospecting; product development consultancy for inventors in the field of chemical engineering; engineering services relating to gas transport and supply systems; technical design and planning of pipelines for gas, water and waste water; plant engineering; software engineering; research in the field of engineering; engineering services in the field of energy technology; quality control; quality checking and testing.	

7. BUSINESS OVERVIEW (CONT'D)

Trademark	Registered owner / Applicant	Trademark no. / Application no.	Issuing authority	Class	Description	Status / Application date / Registration date / Validity period
	Steel Hawk Engineering	TM2020027947	Intellectual Property Corporation of Malaysia	6, 35, 37	Class 6 – Fabricated metal components for building foundations construction materials; prefabricated metal bridges; prefabricated metal buildings; prefabricated metal platforms; branching pipes of metal including those from alloy steel and titanium; couplings and joints of metal for pipes; metal pipes and fittings therefor; metal pipes and tubes; metal pipes for liquid and gas transfer; metal valves for controlling the flow of gases in pipelines; pipework of metal, including those made from alloy steel and titanium; containers of metal for chemicals, compressed gases and liquids; metal cylinders for compressed gas or liquids, sold empty; scaffolding of metal; scaffolding towers, not of metal; offshore drilling platforms of metal; slabs of metal, including those made from alloy steel and titanium; stainless steel pipes; steel frames for building; metallic connections for metal pipes, tubes and casings in the oil and gas industry; fuel oil hoses of metal.	<p>Status Registered</p> <p>Registration date 23 November 2020</p> <p>Validity period 23 November 2020 to 23 November 2030</p>

7. BUSINESS OVERVIEW (CONT'D)

Trademark	Registered owner / Applicant	Trademark no. / Application no.	Issuing authority	Class	Description	Status / Application date / Registration date / Validity period
					<p>Class 35 – Procurement of contracts for others; outsourcing services in the nature of arranging procurement of goods for others; import-export agency services in the field of energy; assistance and consultancy services in the field of business management of companies in the energy sector; business administration; advertising; assistance and consultancy relating to business management and organisation; procurement of contracts for the purchase and sale of goods and services; office functions; business consultancy; online advertising on a computer network.</p> <p>Class 37 – Building and construction services; construction of decks; construction of piers; construction and maintenance services relating to civil engineering; construction of pipelines; construction engineering services construction consultancy; construction engineering services construction supervision; marine engineering construction services; construction of oil pipelines; construction of structures for the production of crude oil; construction</p>	


7. BUSINESS OVERVIEW (CONT'D)

Trademark	Registered owner / Applicant	Trademark no. / Application no.	Issuing authority	Class	Description	Status / Application date / Registration date / Validity period
					of structures for the storage of crude oil; construction of structures for the transportation of crude oil; installation of apparatus for the production of oil; pumping crude oil; rental of oil well drilling tools; installation of oil well casings, tubing and drill pipes; installation, maintenance and repair of compressors, air pumps, vacuum pumps, air blowers, air filters, alternators, pressure regulators and oil separators; laying, repair, maintenance, replacement and refurbishment of oil pipelines; construction of structures for the production of natural gas; construction of structures for the storage of natural gas; construction of structures for the transportation of natural gas; installation of gas and water pipelines; installation of gas supply and distribution apparatus; installation, maintenance and repair of gas, electricity and water supply apparatus; laying, repair, maintenance, replacement and refurbishment of gas pipelines; oil and gas drilling; repair of biogas plants and machines; repair or maintenance of gasoline station equipment and providing	

7. BUSINESS OVERVIEW (CONT'D)

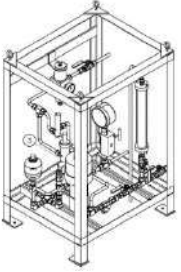
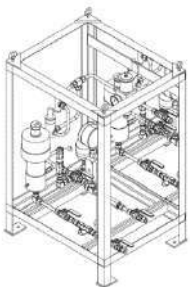
Trademark	Registered owner / Applicant	Trademark no. / Application no.	Issuing authority	Class	Description	Status / Application date / Registration date / Validity period
					<p>information relating thereto; offshore drilling services; installation of work and building platforms; rental of scaffolding, platforms, molds and machinery for use in construction; repair and maintenance of building scaffolds, working and building platforms; rental of construction and building equipment; rental of construction machines and apparatus; construction, maintenance and repair of transportable and prefabricated buildings.</p> <p>Class 42 – Engineering; engineering design; engineering drawing; engineering consultancy; engineering feasibility studies; oil, gas and mining exploration services; analysis and testing services in the field of oil exploitation; oil prospecting; product development consultancy for inventors in the field of chemical engineering; engineering services relating to gas transport and supply systems; technical design and planning of pipelines for gas, water and waste water; plant engineering; software engineering; research in the field of engineering; engineering services in the field of</p>	

7. BUSINESS OVERVIEW (CONT'D)

Trademark	Registered owner / Applicant	Trademark no. / Application no.	Issuing authority	Class	Description	Status / Application date / Registration date / Validity period
					energy technology; construction project management services construction drafting, design and planning; quality control; quality checking and testing.	
	Steel Hawk Defence	TM2023015245	Intellectual Property Corporation of Malaysia	42	Engineering; engineering consultancy; engineering design; engineering drawing; engineering feasibility studies; design of engineering products; development of engineering products; engineering research; engineering services in the field of building technology; technical project planning in the field of engineering; software engineering; quality control testing services; installation, maintenance and updating of software; technical consultancy relating to the application and use of computer software; quality control and authentication services; quality testing of products; research, development, analysis and consultancy services in the field of engineering.	<p>Status Registered</p> <p>Registration date 30 May 2023</p> <p>Validity period 30 May 2023 to 30 May 2033</p>

7. BUSINESS OVERVIEW (CONT'D)

(ii) Industrial design

Industrial design	Registered owner / Applicant	Industrial Design no. / Application no.	Issuing authority	Class / Classification	Description	Status / Application date / Registration date / Validity period
	Steel Hawk Engineering	21-E0051-0101	Intellectual Property Corporation of Malaysia	23-01	Fluid distribution equipment: adapters for pipe joints, apparatus for supply of gas, coiled pipes, connecting devices for gas bottles, drainpipes, extensible connections for flexible piping, flexible pipes, fluid distribution equipment, hydraulic output regulators, joints for pipes, packing rings for tubes and pipes, joint or packing	<p>Status Registered</p> <p>Registration date 27 January 2021</p> <p>Validity period 27 January 2021 to 27 January 2026</p>
	Steel Hawk Engineering	21-E0052-0101	Intellectual Property Corporation of Malaysia	23-01	rings for tubes and pipes, joint rings for tubes and pipes, pipe and plate packed joints, pipes of concrete or cement, pressure reducers for gas, rigid piping, safety valves for cisterns, safety devices for drain gratings, siphons for decanting fluids, slurry tanks, suction roses, tanks for gaseous or liquid substances, taps, faucets, valves, pressure reducers for gas, pressure reducers (pipe fittings, and safety valves for cistern.	<p>Status Registered</p> <p>Registration date 27 January 2021</p> <p>Validity period 27 January 2021 to 27 January 2026</p>

The trademarks and patents above are pending registration. The trademarks are for branding purposes whilst the patents are to commercialise Steel Hawk's proprietary inventions which have yet to be commercialised. Hence, Steel Hawk's business and profitability is not materially dependent on the abovementioned intellectual property rights and there is no material impact on Steel Hawk's business.

7. BUSINESS OVERVIEW (CONT'D)

7.18 MATERIAL PROPERTY, PLANT AND EQUIPMENT

7.18.1 Properties owned by our Group

The details of the material properties owned by our Group as at the LPD are as follows:

No.	Registered owner / Beneficial owner	Title details / Property address	Description / Existing use	Category of land use / Express condition of land use / Tenure of property	Restriction in interest / Material encumbrances	Land area* / Gross built-up area* (sq.ft.)	Date of issuance of CF / CCC	Net book value as at 31 December 2023 RM'000
1.	Steel Hawk Engineering	<p><u>Title Details</u> Geran 46495/M2/2/63 and Geran 46495/M2/2/64, Lot 42441, Pekan Cempaka, District of Petaling, State of Selangor</p> <p><u>Property Address</u> No. 23-2 & No. 25-2, Block H, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan</p>	<p><u>Description</u> Two (2) individual unit of office suites both located on the first floor of a five-storey building</p> <p><u>Existing Use</u> Headquarter office</p>	<p><u>Category of Land Use</u> Building</p> <p><u>Express Condition of Land Use</u> Commercial building</p> <p><u>Tenure of Property</u> Freehold</p>	<p><u>Restriction in Interest</u> Nil</p> <p><u>Material Encumbrances</u> Charged to Public Islamic Bank Berhad on 20 January 2022</p>	<p><u>Land Area</u> 1,475/unit</p> <p><u>Gross Built-up Area</u> 1,475/unit</p>	10 December 1998	1,239

7. BUSINESS OVERVIEW (CONT'D)

No.	Registered owner / Beneficial owner	Title details / Property address	Description / Existing use	Category of land use / Express condition of land use / Tenure of property	Restriction in interest / Material encumbrances	Land area* / Gross built-up area* (sq.ft.)	Date of issuance of CF / CCC	Net book value as at 31 December 2023 RM'000
2.	Steel Hawk Engineering	<p><u>Title Details</u> Pajakan Negeri 4084, Lot No. 3695, Mukim Teluk Kalung, District of Kemaman, State of Terengganu</p> <p><u>Property Address</u> Lot 3695, Jalan MIEL TK 3, Kawasan Perindustrian MIEL, 24000 Chukai, Terengganu (“Existing Teluk Kalung Facility 1”)</p>	<p><u>Description</u> A semi-detached double storey office annexed with a single storey warehouse</p> <p><u>Existing use</u> Office, warehouse and yard facility</p>	<p><u>Category of Land Use</u> Industrial</p> <p><u>Express Condition of Land Use</u> (a) The land shall be used for medium industry and constructing buildings related thereto only (b) Within 2 years from the date of possession, the land shall be used for medium industry and constructing buildings related thereto only in accordance with the plan approved by the local authority</p> <p><u>Tenure of Property</u> Leasehold 60 years expiring on 22 August 2057 (remaining tenure of approximately 33 years as at the LPD)</p>	<p><u>Restriction in Interest</u> (i) This land shall not be transferred, charged or leased unless consent from the state authority is obtained (ii) Restriction in interest (i) above is not subject to the first owner</p> <p><u>Material Encumbrances</u> Charged to AmBank Islamic Berhad on 23 August 2023</p>	<p><u>Land Area</u> 23,508</p> <p><u>Gross Built-up Area</u> 7,609</p>	19 September 2018	2,462

7. BUSINESS OVERVIEW (CONT'D)

Note:

* Conversion of original measurement for properties in square meter to square foot at 1 square meter = 10.7639 square feet.

7.18.2 Properties leased / rented by our Group from third parties

(a) Property leased by our Group from third party

The details of the property leased by our Group from third party as at the LPD is as follows:

No.	Landlord / Lessor	Lessee	Master title details	Description / Existing use	Land area* / Gross built-up area (sq. ft.)	Lease tenure	Consideration for the lease	Date of issuance of CF / CCC
1.	PMINT	Steel Hawk Engineering ⁽¹⁾	Pajakan Negeri 9684, Lot 60004, Mukim Teluk Kalung, District of Kemaman, State of Terengganu ⁽¹⁾	<u>Description</u> N/A ⁽²⁾ <u>Existing use</u> Vacant ⁽²⁾	<u>Land area</u> 429,803# <u>Gross built-up area</u> N/A ⁽²⁾	Lease from 1 October 2023 to 30 September 2053 with an option to renew for a further 30 years	RM1,528,351 ⁽¹⁾	N/A ⁽²⁾

Notes:

* Conversion of original measurement for land in square meter to square foot at 1 square meter = 10.7639 square feet.

Represents the land area of the master title.

(1) Pursuant to the Lease Agreement, Steel Hawk Engineering shall pay to PMINT a total lease payment of RM1,528,351.31, of which RM305,670.26 deposit payment (i.e. 20% of the total lease payment) has been paid by the Group on 11 October 2023, and the balance lease payment of RM1,222,681.05 (i.e. 80% of the total lease payment) shall be paid by Steel Hawk Engineering by way of 3 equal instalments of RM407,560.35 in half-yearly intervals (i.e. on or before 30 April 2024, 31 October 2024 and 30 April 2025), respectively.

7. BUSINESS OVERVIEW (CONT'D)

- (2) The Group intends to construct Proposed Teluk Kalung Facility 2 to which the Proposed Teluk Kalung Facility 2 is intended to be used as office, warehouse and yard facility. Please refer to **Section 7.4.1** of this Prospectus for further details on the Proposed Teluk Kalung Facility 2.

(b) Property rented by our Group from third party

A summary of the property rented by Steel Hawk Engineering from third party as at the LPD is as follows:

No.	Landlord	Tenant	Property Address	Description / Existing Use	Land area* / Gross built-up area* (sq. ft)	Tenure of the tenancy	Rental per annum	Date of issuance of CF / CCC
1.	Sinarland Indah Sdn Bhd	Steel Hawk Engineering	Survey Lot 1269 of Parent Lot 980, Block 1, Miri Concession Land District, Jalan Lutong-Kuala Baram, 98000 Miri, Sarawak	<p>Description</p> <p>Double storey semi-detached industrial building</p> <p>Existing use</p> <p>Office and warehouse</p>	<p>Land area</p> <p>5,651</p> <p>Gross built-up area</p> <p>4,962</p>	15 October 2023 to 14 October 2026	RM42,000 (based on a monthly rental of RM3,500)	20 October 2017

Note:

- * Conversion of original measurement for properties in square meter to square foot at 1 square meter = 10.7639 square feet.

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7. BUSINESS OVERVIEW (CONT'D)

7.19 EMPLOYEES

As at the LPD, we have a total workforce of 68 permanent employees. All our employees are Malaysians and we do not have any contractual employees. The following depicts the number of employees in our Group by categories:

Department	No. of employees	
	As at 31 December 2023	As at the LPD
Management	5	5
Technical	47	48
Procurement	4	4
Finance	4	4
Administration and Human Resources	6	7
Total workforce	66	68

None of our employees are members of any union, nor have there been any major industrial disputes in the past.

7.20 DESIGN AND DEVELOPMENT ("D&D")

Our Group undertakes D&D activities on skid designs to increase efficiency and cost optimisation for our EPCC services for chemical injection skids activities. Our D&D activities are spearheaded by our Chief Operations Officer, Khairul Nazri Bin Kamarudin, who has more than 10 years of experience in the O&G industry. The benefits of our patented skid designs are as follows:

- (i) the patented skid design allows our Group to achieve cost sand delivery optimisation as the skids take up less space, and require less fabrication as we replaced piping spools with high-pressure tubings.
- (ii) the patented skid design is designed for the skids to be mobile, enabling the skids to be utilised at different locations of the production facilities;
- (iii) the patented skid design is designed for the skids to be removable and not a permanent structure, enabling us to uninstall and retrieve the skid from our customers once the contract terms are completed. This in turn provides our Group with cost saving measures as the skids will be services to ensure operational readiness prior to being reused for the next customer; and
- (iv) the patented skid design is designed to be module, allowing us to customise the initial design to best fit our customers' production facility and space constraints.

Please refer to **Section 7.17 (ii)** of this Prospectus for further details on our patented skid designs.

7.21 ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES

Our Group has developed a sustainability policy which outlines our commitment to do our part in ensuring a sustainable future. In our sustainability policy, we have highlighted the environmental, social, and governance ("ESG") related strategies. The focus of our ESG practices is as follows:

7. BUSINESS OVERVIEW (CONT'D)

7.21.1 Environmental

We aim to maintain a clean environment by reducing any adverse environmental impacts arising from our Group's operations. To do so, we will comply with relevant statutory and regulatory requirements related to our business activities, incorporate environmental and climate change impacts and concerns into our decision-making and actions, and improve the efficiency of our operations to minimise emissions.

In managing environmental matters, we currently focus on:

- Disposing the scheduled waste generated during our offshore operations via a waste disposal contractor licenced by the Department of Environment Malaysia to collect, transport, and dispose of scheduled waste;
- Formalising a recording system to track waste generated in our Group's operations;
- Decreasing greenhouse gas emissions by providing our employees in Miri and Kerteh with bicycles and encouraging them to use the bicycles instead of driving vehicles when moving around within our facilities; and
- Decreasing consumption of water by installing water-efficient taps with built-in flow restrictors that reduce water flow and decrease wastage in our washrooms.

7.21.2 Social

We aim to provide our employees with a safe and healthy workplace and encourage them to develop and grow in our network. We also aim to support the local community in the areas where our Group operates. To do so, we comply with Malaysian labour laws, promote inclusivity in the workplace, provide equal opportunities for training, and provide financial assistance to underprivileged students.

In managing social matters, we currently focus on:

- Ensuring the health and safety of our workforce through the establishment of a health, safety, and environment policy, developing an emergency preparedness and response procedure, and providing our workforce with operational health and safety training;
- Prioritising the acquisition of goods and services from local suppliers;
- Promoting inclusivity and diversity in the workforce by providing equal opportunities for all regardless of age, gender, and ethnicity;
- Providing employee benefits such as medical benefits, travel allowances, personal assistance scheme, and training opportunities to develop additional skills on top of statutory contributions to the employee provident fund.

7.21.3 Governance

We aim to uphold good corporate governance through emphasis on transparency and accountability, fostering a culture of ethical business conduct throughout our operations, and ensuring that we comply with the laws and regulations relevant to our operations.

In managing governance matters, we currently focus on:

- Ensuring regulatory compliance by communicating with relevant authorities and keeping abreast with any updates to regulatory requirements;
- Maintaining a compliance obligation register to keep track of our compliance with regulatory requirements;

7. BUSINESS OVERVIEW (CONT'D)

- Upholding the charter for our Board of Directors based on the MCGG that outlines the standards of behaviour expected of our Board of Directors;
- Upholding a code of behaviour and ethics with guidelines on how our employees are expected to behave; and
- Upholding our anti-bribery and corruption policy which is in line with the Malaysian Anti-Corruption Commission's Corporate Integrity System.

7.22 INTERRUPTIONS TO OUR BUSINESS

The COVID-19 virus outbreak was declared a pandemic by the World Health Organisation ("WHO") on 11 March 2020. The COVID-19 pandemic had negatively impacted Malaysia and hence, the Government implemented several measures to contain the spread of COVID-19 in the country. The Government implemented the first phase of the MCO on 18 March 2020 which was implemented until 3 May 2020. This caused the closure of all businesses, with the exception for businesses which were classified as "essential services" during that period, as well as companies which had obtained approval from the MITI to resume operations under specified guidelines.

As our business activities were categorised under essential services, we were allowed to continue our business operations during these periods, subject to the SOPS implemented by the Government. Adhering to the SOPs implemented, our office operations operated at 60% workforce whilst the remaining 40% of our workforce worked from home on a rotational basis. As for our employees stationed at our customers' sites, or are regularly deployed to our customers' sites, they operated at full capacity whilst adhering to the stringent SOPs. Hence, we were not adversely impacted by the various MCOs implemented by the Government.

7.22.1 Impact on sales, delivery and receipt of supplies

We had experienced minor disruptions in our supply chain due to disruptions to the global supply chain, whereby the delivery of parts and components to our intended customers' production facility was delayed. This was due to the delay in shipments of our supplies from overseas, specifically USA and India. However, we managed to address these delays by sourcing from alternative suppliers and no penalties were imposed by our customers as our services were delivered within the designated timeframe. COVID-19 had also led to an increase in logistics rates. Nevertheless, our financial performance was minimally affected as we managed to pass the increase in cost of some of our customers, and majority of our parts and components are locally sourced as set out below:

Raw Material Suppliers	FYE 2021		FYE 2022		FYE 2023	
	RM'000	%	RM'000	%	RM'000	%
Local suppliers	6,642	90.09	37,448	95.93	33,192	95.27
Foreign suppliers	731	9.91	1,590	4.07	1,648	4.73
Total	7,373	100.00	39,038	100.00	34,840	100.00

Delivery of our parts and components for the installation, fabrication, construction and commissioning of our oilfield equipment were minimally affected as our business operations were categorised under essential services and we were allowed to deliver the parts and components.

7. BUSINESS OVERVIEW (CONT'D)**7.22.2 Impact on our business cash flows, liquidity, financial position and financial performance**

We did not experience any major impact on our financial performance due to the COVID-19 pandemic. Nevertheless, moving forward, we do not envisage any further impact on our financial performance due to the COVID-19 pandemic as Malaysia had officially entered into the endemic phase of COVID-19 effective 1 April 2022, allowing all industries and businesses to operate with relaxed standard operating procedures. Our revenue for the Financial Years under Review is as depicted below:

	FYE 2021	FYE 2022	FYE 2023
Revenue (RM'000)	24,845	66,326	72,537
Year-on-year change (%)	25.07	166.96	9.36

7.22.3 Steps taken to address the impact of COVID-19

During the COVID-19 pandemic, we had issued and implemented certain internal standard safety protocol to reduce and mitigate potential disruption in our Group's operations as well as to minimise workplace infection risks. The WHO declared an end to the pandemic as it had been on a downward trend due to the increasing population immunity facilitated by vaccination along with a reduction in strain on healthcare systems. The Malaysian Government then further relaxed the nation's COVID-19 SOPs such as lifting mask requirements and reduced the quarantine period. As such, we have also ceased implementing various COVID-19 SOPs. Nevertheless, some of the internal guidelines issued and are still currently implemented by our Group are as follows:

- (i) Frequent sanitising and washing of hands prior to entering workplaces;
- (ii) Frequent sanitising and washing of hands prior to entering workplaces;
- (iii) Sanitising all common areas of our workplaces 3 times a week; and
- (iv) Any infected employee will be quarantined, and we will close our workplaces for disinfection and for all employees to undergo health screening test.