



ALAM MARITIM
RESOURCES BERHAD



DRIVING RESILIENCE, SUSTAINABILITY AND GROWTH



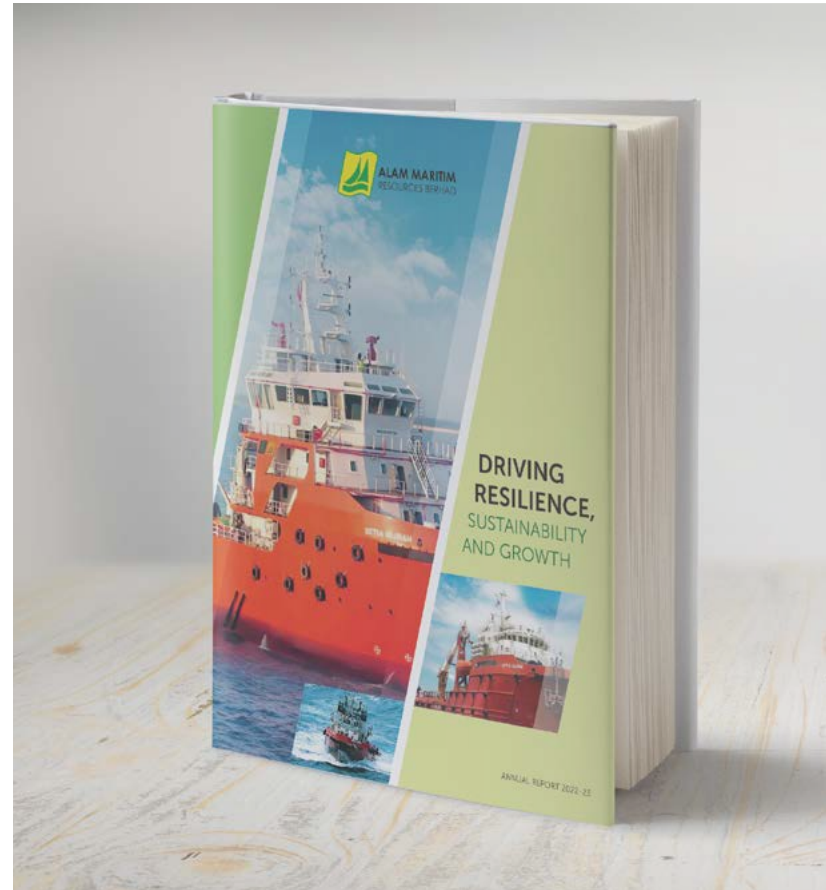
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Driving Resilience, Sustainability and Growth


The key to any organization's path to success in today's business environment lies in its ability to adapt, endure and thrive. This underscores the Alam Maritim Group's commitment to addressing current challenges while establishing a foundation which serve as the overarching framework for a more robust, sustainable and successful future growth and development.

It tells a cohesive story that illustrates AMRB's resilience and commitment to environment responsibility and pursuit of innovative growth opportunities as well as to stay relevant and to align with the evolving developments of the sustainability landscape. This will allow us to meet increasing stakeholder demand and improve our EESG rating. It showcases the Company's adaptability, dedication to sustainability and ambitious growth goals.

This narrative also encapsulates the Company's journey, emphasizing its capacity to adapt to change, commitment to sustainability and ambitious growth trajectory. It does not only applaud and appreciate past achievements but also charts a course towards a promising future characterized by sustainable and resilient success.



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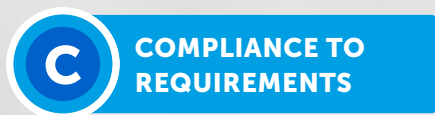
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18th ANNUAL GENERAL MEETING

(Fully Virtual Meeting)

VENUE

Broadcast Venue, Boardroom, No. 38F,
Level 3, Jalan Radin Anum, Bandar Baru
Sri Petaling, 57000 Kuala Lumpur.

DATE: Wednesday, 6 December 2023

TIME: 10.00 a.m.



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This annual report is available on the web at

<https://www.alam-maritim.com.my/AMRB2023/>

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VISION, MISSION & SHARE VALUE



VISION

To be the preferred offshore services partner in oil & gas industry



MISSION

We provide quality services to the offshore oil and gas industry with emphasis on:

- ▶ Promoting health, safety, environment and security practises
- ▶ Developing human capital capabilities
- ▶ Delivering operational excellence
- ▶ Practising good corporate governance
- ▶ Maximising stakeholders' value



SHARED VALUE

TRUST

Always delivers the promise and commitment no matter to whom it is made.

TACT

Ability to use skills and wisdom in dealing with different people and situations successfully without causing offence.

TEAMWORK

Work closely and effectively together for common purposes. Collections of strong individuals with different backgrounds but have a healthy sense of collegiality, mutual trust and respect for each other's performance.

TENACITY

Keeps a firm hold of organisational goals and persistently exerts all efforts to bring about the desired results.

TRANSPARENCY

Clear, open and frank in all undertakings.



CORPORATE PHILOSOPHY



i INTEGRITY



I act with honesty, am upright with high moral values

Integrity is about being ethically and morally correct in one's personal and professional conduct. It is to practise a high standard of behavior based on sound values in all aspects of one's job performance including interaction with colleagues, customers, vendors, suppliers and other stakeholders.

C COMPLIANCE TO REQUIREMENTS



I perform and deliver the required results with discipline

Compliance to Requirements is to produce quality work and results as per set rules, regulations and standards premised on customers' requirements. It is to ensure customer satisfaction by adhering to standard operating procedures and best practices. The goal is to meet and exceed customers' needs and to produce the best performance possible to deliver confidence and assurance to both internal and external customers.

A ACCOUNTABILITY



I take full responsibility of the results I produced

Accountability is to take full ownership of one's actions and decisions as per one's role in the organisation. To eliminate a culture of blame and embrace a culture of responsibility where and when warranted. Rather than who, to focus on why and how we can learn and continuously improve. This includes work performance, instructions and information relayed to colleagues and stakeholders.

R RIGHT RESULTS



I plan and do my job correctly to avoid mistakes and repeat work

To obtain and deliver right results is to execute one's work towards perfection; to eliminate error and to avoid repeat work by delivering the most accurate and precise job output possible right from the start. To ensure initial work produced has the highest degree of accuracy to facilitate better decision making and optimal productivity.

E ENGAGEMENT



I engage all levels and be committed in what I do

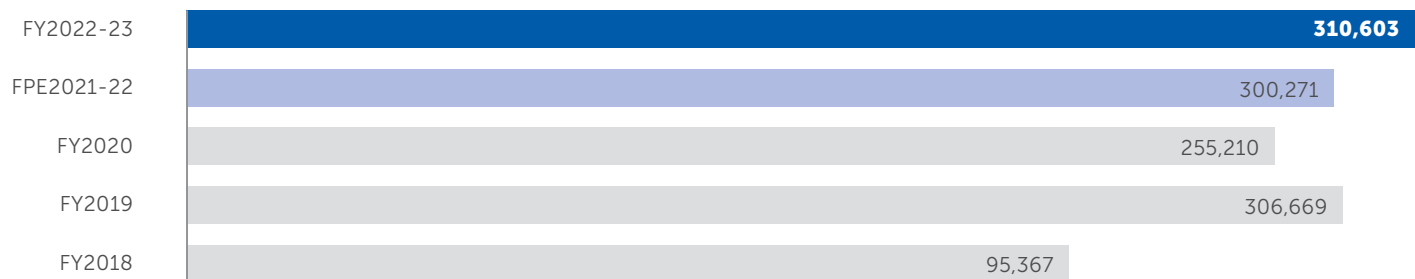
Engagement is to always seek out constructive feedback and input from others in an open manner; to constantly engage in two-way communication to exchange ideas and opinions and to seek out the views of other process owners for an inclusive and more robust work result or solution.

5-YEAR GROUP FINANCIAL HIGHLIGHTS

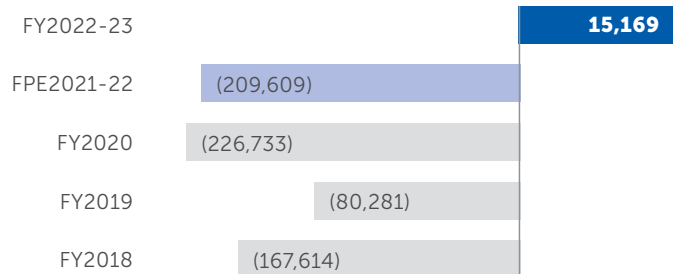
	FY2022-23 RM'000	FPE 30 JUNE 2022 RM'000	FY2020 RM'000	FY2019 RM'000	FY2018 RM'000
Revenue (RM'000)	310,603	300,271	255,210	306,669	95,367
Profit/ (Loss) after Tax (RM'000)	15,169	(209,609)	(226,733)	(80,281)	(167,614)
Net (Liabilities)/ Assets (RM'000)	(59,321)	(72,791)	127,149	327,201	398,425
Basic Earning Per Share (RM)	0.99	(0.142)	(0.183)	(0.084)	(0.185)
Net Assets Per Share (RM)	(0.04)	(0.04)	0.17	0.82	0.43



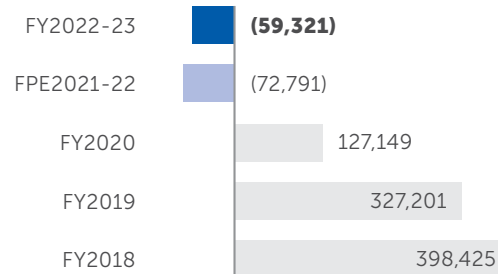
Revenue (RM'000)



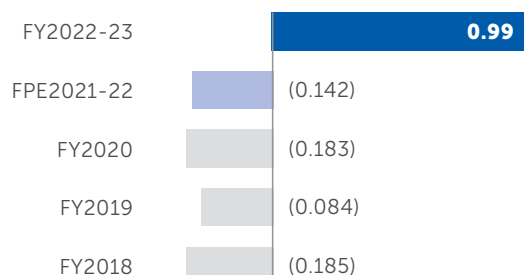
Profit/ (Loss) after Tax (RM'000)



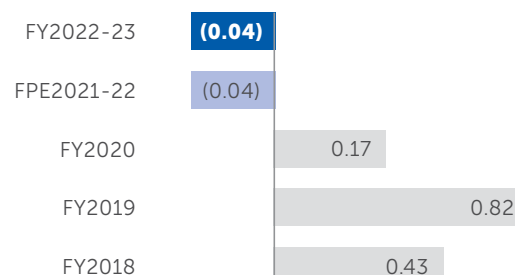
Net (Liabilities)/ Assets (RM'000)



Basic Earning Per Share (RM)



Net Assets Per Share (RM)



CHAIRMAN'S STATEMENT

DEAR VALUED
SHAREHOLDERS,

“ ”

On behalf of the Board of Directors (“Board”) and the management team (“Management”) of Alam Maritim Resources Berhad (“AMRB”) and its subsidiaries (collectively referred to as “the Group”), I hereby present our Annual Report and audited financial performance for the financial period ended 30 June 2023 (“FY2022-23”).



**FINA NORHIZAH BINTI HAJI
BAHARU ZAMAN**
Chairman

The World in FY2022-23

The year 2022 began with a sense of optimism as most countries entered the endemic phase of the COVID-19 pandemic, foregoing the lockdown and social distancing approach adopted in the previous two years. Economic recovery was well underway as business sectors reopened in full. The hopeful outlook during the early part of the year under review was underpinned by several factors, including the continued elevation of oil prices at current levels.

In spite of the hopeful outlook, the lingering impact of the pandemic, compounded by the prolonged Russia-Ukraine conflict, resulted in the global economic slowdown that led to a protracted period of sluggish growth and elevated inflation. The fragile post-pandemic economic recovery was upended, triggering a crisis that drove up food and commodity prices and exacerbated inflationary pressure worldwide. COVID-19 lockdowns in China, supply chain disruptions and the risk of stagflation also hampered economic growth and sparked recession fears.

For the oil and gas industry, however, there was the expected recovery in investment spending albeit from players that took

a cautious approach on their capital spending that resulted in improved activity levels. Overall, it was a positive forecast for the sector throughout 2023 despite PETRONAS' own warning that uncertainties in the energy market were expected to persist.

The Russia-Ukraine conflict sparked a new set of geopolitical and economic challenges for the world that continue to reverberate to this day. Oil and gas supply and demand have been impacted greatly as the war involves many parties and players that could disrupt the supply-chain flow. Notwithstanding, it is perceived that the conflict may support the need to increase further investments in the oil and gas industry going forward.

Despite the challenging economic landscape, the race by governments worldwide to continue reopening economies and lifting travel restrictions contributed to a surge in energy demand during the period. This positive development is poised to encourage investors to keep investing in business activities and growth projects.

Domestic Resilience

Having lifted the last of its COVID-19 restrictions, Malaysia faced stronger headwinds amid the pronounced market and

CHAIRMAN'S STATEMENT

economic volatility contributed mainly by the Russia-Ukraine conflict, economic sanctions by the United States and Europe on Russia and the consequent rapid increase of interest rates. However, the surge in oil prices during the initial half of 2022 allowed the Malaysian oil and gas sector to record one of its best performances in a while.

Malaysia also saw the entry of a new government that was focused on introducing new policies and strategies after a five-year period of stagnant growth due to political instability, apart from the economic impact of the pandemic and strained global geopolitical developments.

The country has since seen the return of relative political stability and clearer direction of policies and strategies – a good sign for the business community as it puts the nation back within the line of sight of foreign investors. This will allow the investors to take a longer-term view on investment and with it, take more risk in investing in the country.

Sustaining Value For Stakeholders

On 31 October 2022, AMRB announced that the Company has triggered the prescribed criteria pursuant to the Listing Requirement under Practice Note 17 ("PN17") after our independent Auditors, Baker Tilly Monteiro Heng PLT ("BT"), expressed a disclaimer of opinion in the Company's Audited Financial Statement for the financial period ended 30 June 2022.

The Company had taken steps to restructure the Company's debts in collaboration with the creditor banks, through a process facilitated via Bank Negara Malaysia's Corporate Debt Restructuring Committee ("CDRC"). Despite the Company being later discharged from the purview of CDRC in February 2023, we continued with our debt restructuring efforts with our scheme creditors. Simultaneously, the Company is in the midst of formulating a comprehensive regulation plan to address the PN17 status with the objective of returning the Company to a better financial standing.

These and other efforts to enhance our operational excellence and business focus, have been undertaken by the Company to manage the Company's recovery.

Amidst the volatile market landscape and the financial difficulties, AMRB continued to perform reasonably well, riding alongside the positive performances of the oil and gas majors operating in the country. The Group recorded total revenue of RM310 million for FY2022-23.

PETRONAS' record profitable performance also provided the impetus needed to support and push the local industry players to perform well and benefit from the positive spillover of the bullish market performance.

Throughout the financial year under review, AMRB's strategy to create meaningful and sustainable value for all our stakeholders was underpinned by three primary thrusts of operational excellence, commercial and growth delivery excellence.

The cornerstone of our operational excellence was our strong and reliable Health, Safety, Security and Environmental ("HSSE") performance. This is highly regarded by our clients as we strive to uphold the highest standards of HSSE by preserving operations' and branches' exceptional health and safety standards. The Group remains vigilant in eliminating, mitigating and managing risk and hazard identified in every element of our activities and processes to cultivate a safe work environment and protect the health and safety of our employees.

The Group's HSSE performance is generally comparable to, and in some cases is better than industrial standards as shown by the above performance statistics. We have achieved 1874 days Free from LTI Incident and 2,437,748.5 Group Manhours worked for FY2022-23. We recorded one (1) case of property/ equipment damage during the FY2022-23.

The Group remains vigilant in eliminating, mitigating and managing risk and hazard identified in every element of our activities and processes to cultivate a safe work environment and protect the health and safety of our employees.

Our commercial excellence was based on our need to be flexible and be able to react and respond to any need or business opportunities that would allow for maximisation of profitable revenue. This is best exemplified by our changing strategy as we shift our business focus from being a pure-play offshore support vessel ("OSV") provider to further entrenching our position as an integrated marine service provider.

Our growth delivery excellence was achieved through fulfilling customer satisfaction and thus helping the organisation in retaining and gaining repeat business. Not only does this strategy help the organisation to be a reliable and highly sought after strategic partner, but it also allows for expansion and diversification of business.

Corporate Governance

Strong corporate governance is a critical component of an organisation's business as it safeguards the interest of stakeholders and ensures the long-term sustainability of the organisation. The Group is committed to upholding an effective system of governance, integrity and compliance guided by best practices. Our ability to not only build but maintain our credibility among stakeholders, especially our clients and vendors, will foster greater trust and give us better insights into managing both the risks and opportunities present in the business.

CHAIRMAN'S STATEMENT

The current political environment in Malaysia has brought forth numerous initiatives, regulations and legislations aimed at protecting and encouraging investors to conduct their business here. Such moves are expected to have a positive impact on domestic economic development and provide transparency which will in turn build trust, enhance market integrity and foster a level playing field for all participants. Ethical leadership, effective corporate governance, transparency and robust regulatory oversight are essential to a healthy and sustainable business environment.

Outlook and Prospects

Economists and agencies predict a stabilised global market the second half of 2023 despite the sluggish global economy, thanks to strong demand from China and developing countries and supply cuts by top exporting countries such as Saudi Arabia and Russia.

We at AMRB remain focused on driving our strategic thrusts to accelerate growth and create stakeholders' value whilst navigating the industry and economic uncertainties. We have always recognised our responsibility to create positive impacts and to deliver sustainable value that benefits our business and stakeholders.

As part of our integrated approach, our strategic decisions are fully aligned with the Group's sustainability agenda. Hence, as can be seen from our performance in the past 3 years we have, during the downturn of the industry, demonstrated resilience and strength by successfully navigating challenges, advancing strategies and ultimately delivering value to our stakeholders. We remain committed to moving in the right direction and putting the Company on stronger and firmer footing to move forward to the next level of growth.

A Note of Appreciation

On behalf of the Board, I would like to convey my utmost appreciation to our directors for remaining steadfast and astute in their leadership and decision-making abilities to navigate AMRB through the tumultuous landscape of FY2022-23.

I wish to also reiterate the Board's heartfelt gratitude to the following individuals who have in one way or another contributed their expertise, experience and leadership in support of the business and growth of AMRB:-

- i. Encik Shamsul Saad, who stepped down as Executive Director on 21 February 2023.



- ii. Encik Ahmad Fairuz Azmi, who stepped down as Chief Operating Officer on 31 January 2023.
- iii. Encik Mohd Nasir Noh, who stepped down as Chief Financial Officer on 3 January, 2023.

On behalf of the Board of AMRB, I would like to wish them the very best in all their future endeavours.

The Board and AMRB's management would like to welcome our new Independent Director Mr. Yap Shuh Jian, who was appointed on 28 February 2023. From his illustrious background, Mr. Yap has brought with him a wide range of corporate and business knowledge and expertise, that will surely be of great value to the Board.

I also wish to express my sincerest thanks to Management for consistently and diligently striving to achieve AMRB's operational and business aspirations in spite of the challenges further wrought by the pandemic and other external matters beyond the Group's control. Their persistent hard work, industriousness, fortitude and loyalty have paved the Group's path through its many operating challenges throughout the years.

The Board and I would also like to thank our loyal shareholders, customers, business partners and all relevant stakeholders who continue to remain an invaluable facet of AMRB's journey. AMRB remains confident of the upcoming financial year and its many prospects as we continue building upon our solid business foundation and stakeholder's support to create more value for all involved.

**FINA NORHIZAH BINTI HAJI
BAHARU ZAMAN**

Chairman

MANAGEMENT DISCUSSION AND ANALYSIS



Background

Alam Maritim Resources Berhad (“AMRB”) is a first-tier service provider to the Malaysian oil and gas industry. The Group commenced its business in 1998 when Alam Maritim (M) Sdn Bhd, a wholly owned subsidiary of AMRB, began its operations which consisted of supplying third-party Offshore Support Vessels (“OSVs”) either on a contract or call-out basis or spot charter to meet the needs and requirements of oil and gas players in Malaysia and around the Asian region.

Over the years, AMRB has integrated its OSV business proposition with offshore installation and construction (“OIC”) and subsea (“Subsea”) operations to provide synergistic oil and gas solutions and, thus, put itself in a position to secure a vast range of market opportunities within the industry.

The OIC and Subsea segments involve upstream-focused design and construction activities that constitute a wide range of maritime infrastructure. These activities include, but are not limited to, offshore facilities construction and installation services, such as marine construction-related services; subsea engineering services and offshore pipeline construction-related services, as well as operating remotely operated vehicles (“ROVs”). This also includes the provision of various diving services, ROVs, saturation diving systems and other related systems to support the underwater activities.

Essentially, AMRB delivers a diversified and holistic value proposition that is comprehensive, relevant, attractive and useful to oil and gas majors, beyond just relying on pure-play OSV contracts. This drives AMRB’s symbiotic business capabilities to pursue larger, more integrated tenders with the potential of having a higher turnover of revenues and better margins.

The Group constantly strives to maintain its competitive positioning when tendering for contracts by leveraging on its commendable Health, Safety, Security and Environmental (“HSSE”) track record and reliable operational capability.

Overview

In the first half of 2022 saw the world go into full economic recovery mode to overcome the lingering impact of the COVID-19 pandemic. Consequently, crude oil and product prices remained at elevated levels especially since the ongoing Russia-Ukraine conflict created immense uncertainty in energy and commodity markets. Economic recovery projections were optimistic as major economies lifted the last of their movement control and lockdown restrictions and allow for business sectors to reopen in full.

The oil and gas sector maintained a hopeful outlook as the expected recovery in investment spending and improved activity levels from oil was a cautiously optimistic sign for undemanding valuations and buying opportunities. In fact, the first quarter of 2022 saw oil prices surge worldwide as geopolitical instabilities and the Russia-Ukraine conflict upended global crude flows and as the crisis dragged on and we saw importers scrambled to find alternative sources to Russian oil following embargoes implemented by the European Union and the United States. China’s persistent zero-Covid policy also added another element of uncertainty as the lockdowns weighed on consumer demands. Downstream products generally were volatile pressured by the high costs of feedstock amid softened demand. With the high cost of operations stemming from increased costs of feedstock, energy and logistics the industry was faced with compressed margins.

MANAGEMENT DISCUSSION AND ANALYSIS

The international benchmark Brent reached USD139.13 per barrel, the highest since 2008. The widespread effects of the Russia-Ukraine conflict also triggered a spike in food and commodity prices and exacerbated inflationary pressure worldwide.

However, oil prices cooled rapidly in the second half of 2022 as central banks hiked interest rates in a bid to curb inflation, fanning recession concerns. The year concluded with Brent crude logging a 10% gain while West Texas Intermediate ("WTI") recorded a 7% increase. Demand for natural gas also increased due to Europe's gradual phasing out of reliance on Russian energy resources amid the Russia-Ukraine conflict.

The industry was also initially impacted by the slow economic recovery in China, the world's top oil importer and second-biggest consumer in 2022. Though China's pandemic restrictions were fully lifted in December 2022, a fresh wave of COVID-19 cases hampered its recovery momentum and caused its first drop in oil demand in years. The country later managed to maintain a robust demand rebound in the first half of 2023 and somewhat exceeded recovery expectations.

The ongoing nature of the Russia-Ukraine conflict has sparked new geopolitical and economic challenges that the world is still learning to navigate. In particular, oil and gas supply and demand have been impacted greatly since the war involves major international parties and players that could disrupt the supply-chain flow at any given moment.

Despite this unpredictable economic environment, the concentrated efforts of governments worldwide to continue driving economic growth have contributed to a surge in energy demand. This positive development is poised to encourage investors to keep investing in business activities and growth projects.

Though Malaysia has not been exempted from the impacts of the Russia-Ukraine conflict, the surge in oil prices during the initial half of 2022 allowed the Malaysian oil and gas sector to record one of its best performances in a while. Having experienced a five-year period of stagnant economic growth due to factors such as political instability and COVID-19, the entry of a new government focused on introducing clear new national policies and strategies bodes well for the country's economic future, placing Malaysia back in the line of sight of long-term foreign investors.

Against this backdrop it is encouraging to note that AMSB delivered a performance that reflects resilience and the ability to brace and ride the storm as we move forward. This shows our capability to sustain our position as a first-tier integrated offshore service provider.

Focus on Structural Reformation

The industry as a whole has been severely devastated by factors such as the prolonged upstream downturn since 2015, the hit of the COVID-19 pandemic between 2020-2021 and the Russia-Ukraine conflict since 2022. AMRB has not been spared; the OSV segment, being its largest core business, was the most affected by low demand and therefore lower charter rates and utilisation. This combination of factors has put our finances and even operations in the most challenging of positions.

To ensure the sustainability of the business, drastic action had to be taken both at the corporate finance level and with our business structure's fundamentals. Despite the tumultuous operating conditions, AMRB is in a unique position for transformation as it is not a pure-play OSV provider but an integrated solution specialist in the high barrier of entry segments of Subsea and OIC. In this respect, critical management decisions were made:

- 1 Financial and corporate restructuring to reduce its debt burden to manageable levels and provide for healthy cash flow and balance sheet post-restructuring.
- 2 A structural revamp of the two (2) operational segments that needed to be more resilient to downturns in challenging times, namely, the OSV and the OIC segments.
- 3 A massive fleet reduction for OSV from the then 40 units to a planned 16-vessel fleet that will be more standardised to ensure a higher level of operability and maintenance quality assurance.
- 4 Stronger business-focused operations and a higher quality fleet management and crewing workforce for high-calibre OSV asset integrity and operations.
- 5 An overall rationalisation of the total workforce.

MANAGEMENT DISCUSSION AND ANALYSIS

In summary, the Group's goal is to maintain resilience through its robust business model, which has sustained its diverse and advantageous role as an integrated service provider in the oil and gas sector. This strategy will not only set it apart from pure-play OSV providers or hook-up and commissioning players but also strengthen its overall operations and long-term business value.

Key Business Indicators

Indicators	FY2023	FPE 30 JUNE 2022	FY2020
Vessel utilisation rates	67%	61%	33%
Order book (RM'000)	220,030	363.64	150.63
Number of employees	128	154	184
Man-hours without LTI	12,108,806*	9,509,550*	6,111,547

*(From 14 May 2018 to 30 June 2023)

Group Financial Indicators

RM '000	FY2023	FPE 30 JUNE 2022	FY2020
Revenue	310,603	300,271	255,210
Operating profit/ (loss)	18,944	(188,290)	(207,270)
EBITDA	28,215	(43,109)	(44,971)
Finance costs	(7,665)	(7,558)	(5,909)
Net profit/ (loss) after taxation	15,169	(209,498)	(226,732)
Shareholders' equity	(59,321)	(72,791)	127,149
Total assets	229,064	269,696	366,456
Total liabilities	288,386	342,487	239,307
Borrowings	112,267	111,687	112,370
Debt/ equity	(1.89)	(1.53)	0.88
Earnings per share	0.99	(14.2)	(18.3)
Net asset per share	(0.04)	(0.05)	0.09
Market capitalisation as of the financial year ended	45,955	61,273	123,199

Note:

FY2022-23 consists of a period of 12 months from 1 July 2022 to 30 June 2023.

FPE 30 June 2022 consists of a period of 18 months from 1 January 2021 to 30 June 2022.

FPE2020 consists of a period of 12 months from 1 January 2020 to 31 December 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

The Group recorded a turnover of RM180.4 million for the financial period ended 31 March 2023. Revenue from the OSV segment was RM32.4 million while revenue from the OIC segment stood at RM147.9 million. The Group recorded a loss before taxation for the current financial period of RM2.9 million. The performance of the OSV segment was lower primarily due to lower vessel utilisation and the derecognition of OIC potential income.

Revenue	FY2023 (RM million)	FPE 30 JUNE 2022 (RM million)	Variance (%)
OSV (including management fees)	60,342	81,925	(26.34%)
OIC and Subsea	246,236	208,142	18.3%
Rental of equipment/ Ship catering/ Other shipping-related income	4,025	10,203	(60.55%)
Total Revenue	310,603	300,270	3.44%

Earnings

AMRB posted Earnings Before Interest Tax Depreciation and Amortisation ("EBITDA") of RM28.22 million in FY2022-23 (FPE 30 June 2022: -RM43.11 million).

We recorded a profit before taxation of RM14.85 million in FY2022-23, a 107% year-on-year variance (FPE 30 June 2022: -RM212.15 million).

Capital Structure, Assets, Liabilities & Resources

Assets	FY2022-23 (RM'000)
Non-current	47,617
Current	181,447
Total Assets	229,064
Liabilities	FY2022-23 (RM'000)
Non-current	3,380
Current	285,006
Total Liabilities	288,386

In FY2022-23, to sustain efficient cost management, we continued our debt and financial restructuring initiatives to eliminate any standing debt obligations, which also include vessel liabilities.

In October 2022, the Company was listed as Practice Note 17 status after Baker Tilly Monteiro Heng PLT ("BT"), our Independent Auditors, expressed a disclaimer of opinion in the Company's Audited Financial Statements for the financial period ended 30 June 2022. Subsequently, we proceeded with our Proposed Debt Restructuring in collaboration with creditor banks,

MANAGEMENT DISCUSSION AND ANALYSIS

facilitated by Bank Negara Malaysia's Corporate Debt Restructuring Committee (CDRC). A comprehensive plan to settle the debts owing to the creditors in an orderly manner to bring the debts of AMRB Group down to a sustainable level. We then progressed our Proposed Debt Restructuring with creditor banks under the auspices of Bank Negara Malaysia's Corporate Debt Restructuring Committee ("CDRC").

In February 2023, the Company was discharged from the purview of CDRC. However, we still continued with our efforts to pursue a restructuring of the debts of the Group with our scheme creditors.

In April 2023, the High Court of Malaya at Kuala Lumpur granted the Company an extension of time for leave to summon meetings of our creditors for the purpose of considering and approving the scheme of arrangement and compromise between the Company and the creditors within six months.

The Company had on 17 October 2023 made a fresh application to the High Court for orders to hold the Scheme Creditors' Meetings and for a restraining order in relation to Alam Maritim (M) Sdn Bhd and the Orders was granted by the High Court on 25 October 2023.

These actions represent proactive steps taken by AMRB to revitalise our business and reposition ourselves, focussing on where and how the restructured business should compete and succeed, ensuring its long-term viability and generating adequate EBITDA to fulfil our obligations. Furthermore, it's worth noting that CDRC recognises the oil and gas sector as a priority for restructuring under its mediation process, considering the challenging period faced by the industry.

	FY2022-23	FPE 30 JUNE 2022	FY2020
Gearing ratio	(1.89)	(1.53)	0.88

	FY2022-23 (RM million)	FPE 30 JUNE 2022 (RM million)	FY2020 (RM million)
Short-term borrowings	109,618	108,736	108,810
Long-term borrowings	2,649	2,951	3,560
Total borrowings	112,267	111,687	112,370

Cash & Cash Equivalents & Bank Balances

In FY2022-23, AMRB's total cash and cash equivalents came in at RM52.61 million (FPE 30 June 2022: RM42.28 million). Our cash flow was strengthened by both our existing order backlog and the successful execution of ongoing and finished Subsea projects, despite the unpredictable operating conditions.

Group Costs & Expenditure

Total FY2022-23 Group operating costs amounted to RM300.92 million (FPE 30 June 2022: RM318.13 million).

Building on trends, experiences and lessons learnt from past financial years, we retained best practices such as preserving minimum required crew numbers on laid-up vessels and maintaining minimum maintenance work on idle vessels for cost optimisation. We also kept these vessels' satellite communication equipment deactivated and reduced the number of vessels in our fleet. We carried out impairment on the value of our assets to ensure it was realistic compared to the practical value in the market.

MANAGEMENT DISCUSSION AND ANALYSIS

Other cost reductions during the year under review included usual protocols such as standardising equipment used across vessels, conducting strategic maintenance to optimise resources as well as undertaking collective purchasing of spare parts and inventory to benefit from bulk discounts where possible.

These initiatives have helped us consolidate routines, integrate diverse functionalities and foster synergistic productivity across our business segments to better streamline our operations. We will continue to monitor appropriate best practices and cost-saving measures to be applied to AMRB's business processes to further improve our overall sustainability and efficiency. In fact, these actions helped streamline our operations, integrate various functions and enhance productivity.

Payroll costs for our 154 strong workforce were affected in FY2022-23, with these costs seeing a reduction due to the temporary salary rationalisation measures in mitigating the COVID-19 pandemic's negative economic impact and oil and gas downturn, which also negatively impacted the sustainability of AMRB.

OSV

The Group's OSV segment continued to contribute to AMRB sustaining substantial impacts on its operating cost and margin, primarily caused by vessel impairments and delayed turnaround times. We mitigated these impacts by diversifying our docking facilities in Peninsular and East Malaysia, as well as overseas, to increase vessel preparation rates when undertaking contracts. These actions helped lessen congestion.

Any occasional dock unavailability for owned vessels augured the need for external replacement vessels to be contracted, incurring more costs too. Management had previously decided to reduce AMRB's fleet from 40 to 16 vessels in light of the government-issued movement control order ("MCO") restrictions during the COVID-19 pandemic. The reduced vessel fleet size has helped us to optimise our OSV operations in relation to the type of vessels we operate to focus on AHTS and supply vessels.

To date, most of the laid-up vessels have now been disposed of getting close to the target of optimizing our fleet operation costs. In terms of contract developments, AMRB has secured extensions of the Integrated Logistics Control Tower ("ILCT") contract from PETRONAS at higher charter rates on average.

Vessels not on long-term charter are marketed and secured work primarily from the spot market at better charter rates than the previous three to five years.

The supply side has seen an increase in demand due to higher activities and lower availability of domestically operating vessels.

Subsea

AMRB's Subsea business segment continues to be invaluable in bolstering our synergistic approach to integrated oil and gas services. Furthermore, the performance of our OIC and Subsea segments remains the key reasons we have persevered in the current reporting year. Since we are not a pure-play OSV company, we can leverage the positive business profitability from diverse segments to help buffer the downturn of other segment(s).

Regarding our Subsea segment, we continued to work on ongoing projects previously secured. This included the provision of Subsea inspection, maintenance and repair services for PM3-CAA from Repsol Oil & Gas Malaysia Ltd ("Repsol") which has a duration of 5 years, as well as providing underwater services from the International Petroleum Corporation ("IPC") Malaysia BV which pertains to AMRB's Floating Production Storage and Offloading ("FPSO") Bertam for Underwater Inspection in Lieu of Drydocking ("UWILD").

Overall, we continue to attract new opportunities in the Subsea segment due to pent-up demand for maintenance projects.

OSV (including management fees) (RM'000)

RM60,342

OIC and Subsea (RM'000)

RM246,236

Rental of equipment/ Ship catering/ Other shipping-related income (RM'000)

RM4,025

MANAGEMENT DISCUSSION AND ANALYSIS

Staying Sustainable Through iCARE

Sustainability is always at the forefront of AMRB's mind, with the Management over the past years focused on facilitating the integration of AMRB's internal cultural transformation beyond just work processes. We understand that pushing ourselves to the next level and setting higher standards of excellence is needed to consistently revitalise and reinforce our performances across the Group. This requires work discipline and multiple tightening processes or measures to increase productivity and discard the waste to enhance efficiency levels in our projects in terms of time, budget and safety.

Amid the ongoing global economic uncertainties, we are more determined than ever to further forge shared excellence in performance, customer-centric responsibility as well as Environmental, Social and Governance ("ESG") integrity across our Group through our employees, work ethics and corporate initiatives to fortify shared values in our work culture derived from our iCARE philosophy.

Our Shared Values philosophy and iCARE work culture were established for the purpose of cultivating personal accountability, teamwork, collaboration, discipline and integrity among staff on their performance. It also applies to dealing with customers and clients, where we endeavour to embrace customer centricity, which is the focus of our iCARE work culture. On the other hand, Shared Values help us foster effective teamwork and collaboration. Impossible odds can always be surmounted through collaborative strength and encouragement from each other.

Being one of the leading integrated offshore service providers in Malaysia for the oil and gas industry, we firmly believe that our success is closely tied to our commitment to sustainable practices. Our strategy and sustainable agenda provide the foundation for this belief, but true results only emerge through dedicated execution. Throughout the years, we've demonstrated resilience, agility, and adaptability, even in the most challenging times, by consistently investing in strengthening our physical and human capabilities, safeguarding the environment, and effectively managing risks and opportunities through robust governance structures.

We need to emphasise that the sustainability agenda plays a pivotal role in promoting sustainability throughout our organization. It serves as the overarching framework, based on four key sustainable pillars: Economic, Environmental, Social, and Governance (EESG), which include specific focus areas. We periodically review our sustainability agenda to ensure its alignment with evolving developments in the sustainability landscape, which helps us meet the growing demands of stakeholders and enhance our EESG ratings.




MANAGEMENT DISCUSSION AND ANALYSIS

Lately, in late 2022, the Board has increased its oversight of EESG factors in giving our strategic thrusts on performance and enhancing technical capability and capacity as areas of increasing focus. As a result of this increased focus, the Board intended to place sustainability oversight under the purview of the Board Risk Committee and subsequently change the BRMC to Board Sustainability and Risk Committee.

AMRB realises that it needs to internalise its surrounding environment and the workforce operating in this environment to better formulate meaningful transformation and understanding of the overall direction it needs to pursue as an organisation. By internalising a sense of excellent work delivery via self-motivation, an efficient workflow can be created that ultimately cascades benefits across the company, other employees and its stakeholders. Therefore, knowing what direction to tread is the vital first step for everyone at AMRB to take to move forward as one entity.

Past years' efforts in instilling these Group values have been instrumental in promoting a persistent outlook of positivity, commitment, diligence and performance equality among staff, Management and everyone in AMRB's value chain. The proactive cultural transformation we embarked on years ago has been a solid guiding pillar for everyone at AMRB to lean on. Our employees have truly embodied the iCARE work culture and Shared Values philosophy in successfully planning and executing Group projects throughout AMRB's various business segments.

This is also reflected in everyone's desire to enhance a positive industry reputation towards the Group's performance amid any challenges. We have risen above unprecedented conflict and confusion to shape a sturdier and more cohesive organisation than we could have ever imagined. Although we are aware that there are still areas, we can improve upon to accelerate our transformation process towards operational excellence, we remain judiciously level-headed in firstly prioritising the facilitation of a conducive ecosystem that is obstacle-light to induce high performance. This ensures that AMRB will remain flexible and resilient in navigating these volatile headwinds and other trials in the future.

 *More information on our sustainability and organisational values can be found in the Sustainability Statement section of this report on page 33.*

Continued HSE Excellence

AMRB's exemplary HSE performance record continues to be a crucial factor in project execution excellence and delivery as it remains focused on achieving accuracy of cost and duration estimates in delivery, as well as efficiency in project implementation and execution. Naturally, this have to starts with our people, by making sure we prioritise their health and safety as it is key to improved reliability and performance.

Throughout the presence of the COVID-19 pandemic, our HSE strategy has been geared towards mitigating the virus' impact on the Group and ensuring workers' safety. Among the many preventive measures taken were regular briefings on 'new normal' SOPs; displaying awareness reminders at various locations in the office; conducting random checks on SOP compliance; including COVID-19 inspection criteria in our mandatory Workplace Inspection checklist; regularly updating employees on COVID-19 statistics via email, as well as sharing COVID-19-related news alerts; and encouraging all employees to get their COVID-19 vaccinations and update their vaccination status in an internal portal for us to monitor. To date, all employees have already completed their second dose of vaccination. As of 31 March 2023, zero COVID-19 cases were recorded in the Company.

Given our strong commitment to excellent HSE, we continued to be encouraged to improve trends across key HSE indicators in FY2022-23. We achieved 12,108,806.5 hours man-hours without a Loss Time Incident ("LTI") while recording notable improvements in indicators such as recordable injury frequency and severity cases like TRFC, medical treatment ("MTC") and first aid ("FAC") cases, restricted work case ("RWC"), spillage, near misses as well as property damages – all of which remain strong markers of the continuous enhancement AMRB has done for overall HSE. As with previous years, the Group recorded zero fatality. Our HSE excellence is due to the collaborative efforts of everyone at AMRB when it comes to driving compliance at levels, portraying a strong action-based safety culture.

All our employees and management personnel across business segments and operational hierarchies significantly contributed to AMRB's first-rate HSE record. We obtained key insights from the collected survey results which further fortified HSE awareness and enrichment in our staff's mindset and behaviour. We are confident that these results signal a

MANAGEMENT DISCUSSION AND ANALYSIS

generative HSSE culture becoming rooted in AMRB. Our performance as reflected in the statistics above thus far shows that we advocate a strong generative HSSE culture that instils discipline in compliance and promotes greater awareness.

Moving forward, the primary challenge to tackle would be maintaining and building on this positive momentum. A safer workplace allows an entire organisation to produce excellent performances while garnering unanimous support and appreciation from our clients. This ultimately gives us the critical competitive edge of our tenders across the industry.

Anticipated or Known Risks

The Group's key business segments – OSV and Subsea work – are generally dependent on the level of activity of Malaysia's oil and gas majors, in particular, PETRONAS. The level of E&P activities by oil and gas majors hinges on the present and expected stability of future prices of crude oil and gas.

In Malaysia, the demand for upstream works is mainly determined by PETRONAS, which holds the exclusive rights of mineral exploitation in Malaysia under the Petroleum Development Act 1974 ("PDA"). In essence, the risk of AMRB as an oil and gas service provider to achieving its corporate objectives is very much tied to PETRONAS' exploration and production plans and activities in Malaysia.

Beyond these general risks, the Group has clearly identified its operational and financial risks and maintains a risk register, especially given the pandemic's presence which has shifted the organisation's mindset into pursuing feasible operations in a post-pandemic landscape. Our commitment towards managing risks is centred on the following dimensions:

- ▶--- Asset Reliability: Maximising operational readiness to ensure timely delivery of assets to clients and to maintain desired uptime performance.
- ▶--- Optimising human capability and performance towards managing operational costs, schedule and delivery of the Group's OSVs and Subsea projects.
- ▶--- Ensuring robust controls and governance over internal systems and procedures to ensure adherence to clients' requirements.
- ▶--- Realising overall Group profitability and business sustainability by driving business segment diversification given the present challenging external environment.


- ▶--- Allocating sufficient funding to support projects financially to ensure smooth execution of project implementation. Thus, Group financial standing is an essential award criterion in securing projects, apart from being technically acceptable.

AMRB has identified Assets Utilisation, Assets Readiness and Capital Constraints as the Group's principal risks, which if not well managed and executed, can potentially impact operational resilience and overall growth and sustainability in the long term.

Based on the aforementioned risks, effective mitigation action plans have been formulated and implemented. Such plans are rigorously deliberated by the Group Risk Management Working Committee ("GRMWC") which reports to the Board Risk Management Committee ("BRMC") on a quarterly basis. Throughout FY2022-23, the following key risk mitigation actions were implemented:

- ▶--- Capital Debt Restructuring to manage long-term payables with lenders
- ▶--- Manpower rightsizing
- ▶--- Maintaining good supplier relationships to facilitate better credit terms
- ▶--- Continued cost optimisation efforts and expedited billing and recovery from clients
- ▶--- Sale of laid-up vessels
- ▶--- Undertaking of vessel repairs during dry docking
- ▶--- Integrated procurement functions to improve lead time
- ▶--- Continued aggressive initiation of business development activities

With the restructuring of our debt, we are determined to significantly reduce our financial risks and provide healthy balance sheets moving forward.

 Further details of our risk mitigation and internal controls are given at length within the Statement of Risk Management and Internal Control section of this annual report.

MANAGEMENT DISCUSSION AND ANALYSIS

Outlook and Prospects

Prospects for economic growth in general and crude oil prices, particularly for the second half of 2023 and beyond, will significantly depend on a myriad of positive and negative international factors and market forces, from the continual geopolitical conflict in Eastern Europe to the volatile global market.

According to the International Monetary Fund ("IMF"), global growth is projected to fall from an estimated 3.5% in 2022 to 3.0% in both 2023 and 2024. The rise in central bank policy rates to fight inflation is poised to continue weighing on economic activity. In addition, global headline inflation is expected to fall from 8.7% in 2022 to 6.8% in 2023 and 5.2% in 2024. Changes to these estimations will depend on factors such as the intensification of the Russia-Ukraine conflict and extreme weather-related events.

International demand for primary energy, including oil and gas, is forecast to rise by 23% through 2045, according to the Organisation of the Petroleum Exporting Countries ("OPEC"). Thus, OPEC has continued to maintain an upbeat view on oil demand growth for next year in its most recent outlook, predicting a 2.2% increase in oil demand in 2024 despite headwinds.

Furthermore, oil prices are poised to surge in 2024 following deepened production cuts by OPEC members Saudi Arabia and Russia in July 2023. This is in line with a broader OPEC+ agreement to limit supply that was first introduced in April 2023 with total output reductions of more than five million barrels per day, or about 5% of global oil output.

Meanwhile, the International Energy Agency ("IEA") forecasts that oil demand from China and developing countries will also help to keep the market tight in the second half of 2023. This is in light of the robust demand rebound following China's lifting of COVID-19 restrictions and the fact that countries outside the Organisation for Economic Cooperation and Development ("OECD") group of developed countries are anticipated to make up 90% of demand growth this year.

Malaysian Economic Outlook

Malaysia's economic prospects remain positive for the second half of 2023 despite the unpredictable global environment witnessed in the first half. Economic experts are of the view that the Malaysian government's gross domestic product ("GDP") target of 4% to 5% for 2023 is on track to being achieved with continuous support from intact economic fundamentals, improved outlook, strong households and implementation of Budget 2023 measures.

In addition, external factors impacting the economy in the first half of 2023, including the United States Federal Reserve's monetary stance and the US dollar, will likely have a favourable impact on the Malaysian economy.

The Malaysian government relies heavily on the oil and gas sector, specifically the upstream segment, for its finances. Oil and gas contribution to the Malaysian GDP stands at a whopping 20% and its multiplier impact spills over to other sectors of GDP. In 2022, the crude oil and condensate sector was estimated to contribute 4.3% to Malaysia's GDP, an increase from the 3.6% share of the GDP in the previous year. Economic experts predict a further increase in contribution to the GDP in 2023.

As reflected in the PETRONAS Activity Outlook 2023-2025, the growing focus on clean and renewable energy will play a crucial role in shaping the future of the oil and gas industry. This push towards a lower-carbon future is in line with global concerns about the effects of climate change, with PETRONAS setting a target of net zero carbon emissions by 2050 by leveraging both technologies and nature-based climate solutions.

AMRB's Business Segment Prospects

The business outlook for Alam Maritim Group is influenced by the level of capital expenditure spent by Malaysia's oil majors, which is in line with the volume of exploration and production activities. The PETRONAS Activity Outlook for 2023-2025 indicates that PETRONAS maintains its prudent view of the industry outlook and will respond with cautious optimism, particularly on new capital projects.

MANAGEMENT DISCUSSION AND ANALYSIS

Notwithstanding the above, the Group's Directors will continue to exercise due care in managing and implementing effective strategies for the Group's business and will ensure that shareholders' values are strategically enhanced from time to time.

AMRB will continue leveraging its business model of synergistic solutions to better optimise the strengths and capabilities of its various business segments. This will be done in tandem with the pursuit of an asset-light strategy, as AMRB will also keep transforming its business by continuing to dispose of ageing and surplus vessels that have little prospect in securing or servicing contracts.

AMRB's synergistic pivot also looks to massively take advantage of projected industry trends and developments. This is reflected in the PETRONAS Activity Outlook 2022-2024, which shows that offshore fabrication prospects have a steady medium-term outlook (post-2024) for the fabrication of fixed structures (especially Lightweight) and subsea facilities as PETRONAS continues monetising its oil and gas resources to generate cashflow while meeting the demands of customers.

A more modest outlook is still expected for heavier structures as cost competitiveness will drive development projects to opt for Wellhead Platform ("WHP") tie-ins to existing nearby facilities. This modest outlook also extends to floaters, as technology innovation presents favourable options for the monetisation of remote fields.

Subsea facilities are also seeing positive prospects, with the PAO auguring that demand for Subsea Umbilical, Riser and Flowline ("SURF") in 2023 could rise further as more deepwater projects are maturing, as Malaysia's deepwater projects are also having long-term arrangements for SURF as one of the options to support the project requirement.

AMRB is also well aware that the success of AMRB's business prospects is also dependent on the smooth completion and success of the Proposed Debt Restructuring activity that the Group is currently working on.

AMRB consistently strives to foster potential business partnerships and strategic alliances to enhance our ability to win even more contracts while also improving our capabilities of successfully delivering on our contractual commitments. We remain determined to make aggressive bids for new contracts to continue raising our order book value and strengthening our overall operations.



MANAGEMENT DISCUSSION AND ANALYSIS

Strategic Positioning

Our restructuring plan will continue to focus on assessing and recommending which part of the business should be maintained, grown, divested, enact interventions where required and also drive the transition moving forward while remaining cognisant of the necessary strategic trade-off between long-term sustainability and accelerating high-value returns to the Group. In particular, we continued our debt and financial restructuring initiatives to eliminate any standing debt obligation and hope to achieve a positive turnaround in financial performance in all business segments in the coming years.

We also continue to explore the reshaping of our portfolio mix to focus on those with faster returns and less volatility, as well as sharing of risk, profit and liabilities and being an asset-light organisation. This means we need to pursue more meaningful collaborations with external parties. We target working with partners who are able to solve common business challenges and improve performance and efficiency using jointly developed solutions while sharing risks and costs.

To accelerate the execution of these initiatives, we have also continued to retool our human resources capability pool in order to better harness our existing internal strength, capabilities, resources and brand name. We are dedicated to ensuring that our workforce is well-positioned to keep delivering on our strategies and commitments with pace and focused execution. This requires a continuous reassessment and enhancement of our talent strategies as well as a redefinition of our workforce ecosystem.

We also recognise the need to accelerate organisational agility in shifting the work culture and mindset. At the core of these initiatives is our desire to build and sustain trusting teams that are committed towards focused execution across the Group to progress further. This is critical if we intend to deliver on our strategies and commitments, grounded upon principles of merit and performance in all our endeavours, to earn the respect and trust of our clients. This is complemented by the strict observance of Quality, Health, Safety, Security and the Environment ("QHSE"), asset integrity, continuous operations and uninterrupted service as well as our strict adherence high commitment to perform based on the principles of EESG.

In achieving these strategic objectives, we ultimately seek the support of all our stakeholders, including our customers, clients, creditors and subcontractors, to continue supporting us as we emerge from strategic restructuring, collaborations and diversification into a more vibrant oil and gas market with much stronger management and operational position. The robust fundamental infrastructure of our business model remains strong and will continue to serve as the framework for our future growth.

Dividends

The Group's ability to pay dividends is subject to its profit performance for the financial year as well as the need to preserve capital to fund business development and to ensure its financial and operational sustainability in the long term. Management has not declared any dividend for FY2022-23.

DATUK AZMI AHMAD

Group Managing Director/ Group Chief Executive Officer

CORPORATE INFORMATION

Board of Directors

- ▶ Fina Norhizah binti Haji Baharu Zaman
Chairman/ Independent Non-Executive Director
- ▶ Datuk Azmi bin Ahmad
Group Managing Director/ Group Chief Executive Officer/ Non-Independent Executive Director
- ▶ Ahmad Hassanudin bin Ahmad Kamaluddin
Non-Independent Executive Director
- ▶ Ahmad Ruhaizad bin Hashim
Independent Non-Executive Director
- ▶ Shamsul Bin Saad
Deputy Chief Executive Director/ Executive Director
(Resigned w.e.f 21 February 2023)
- ▶ Yap Shuh Jian
Independent Non-Executive Director
(Appointed on 28 February 2023)

Board Audit Committee

- ▶ Ahmad Ruhaizad bin Hashim
(Chairman)
- ▶ Fina Norhizah binti Haji Baharu Zaman
- ▶ Yap Shuh Jian
(Appointed on 28 February 2023)

Board Risk Management Committee

- ▶ Ahmad Ruhaizad bin Hashim
(Chairman)
- ▶ Fina Norhizah binti Haji Baharu Zaman
- ▶ Yap Shuh Jian
- ▶ Datuk Azmi bin Ahmad
- ▶ Ahmad Hassanudin bin Ahmad Kamaluddin

Board Nomination & Remuneration Committee

- ▶ Fina Norhizah binti Haji Baharu Zaman
(Chairman)
- ▶ Ahmad Ruhaizad bin Hashim
- ▶ Yap Shuh Jian

Company Secretary

- ▶ Nur Aznita binti Taip, ACIS
(MAICSA 7067607)

Registered Office and Correspondence Address

Alam Maritim Resources Berhad

(Head Office)
No. 38F, Level 3, Jalan Radin Anum, Bandar Baru Sri Petaling,
57000 Kuala Lumpur, MALAYSIA
Tel : +603-9058 2244
Fax : +603-9059 6845
Email : info@alam-maritim.com.my

Share Registrar

Tricor Investor & Issuing House Services Sdn Bhd (11324-H)

Unit 32-01, Level 32, Tower A, Vertical Business Suite,
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, MALAYSIA
Tel : + 603-2783 9299
Fax : + 603-2783 9222

Auditors

Messrs Baker Tilly Monteiro Heng PLT (AF0117)

Baker Tilly Tower, Level 10, Tower 1,
Avenue 5, Bangsar South City,
59200 Kuala Lumpur, MALAYSIA
Tel : +603-2297 1000
Fax : + 603-2282 9980

Legal Advisor

Zul Rafique & Partners

D3-3-8 Solaris Dutamas, No. 1 Jalan Dutamas 1
50480 Kuala Lumpur, MALAYSIA
Tel : +603-6209 8228
Fax : + 603-6209 8221

Principal Bankers

Malayan Banking Berhad

Stock Exchange Listing

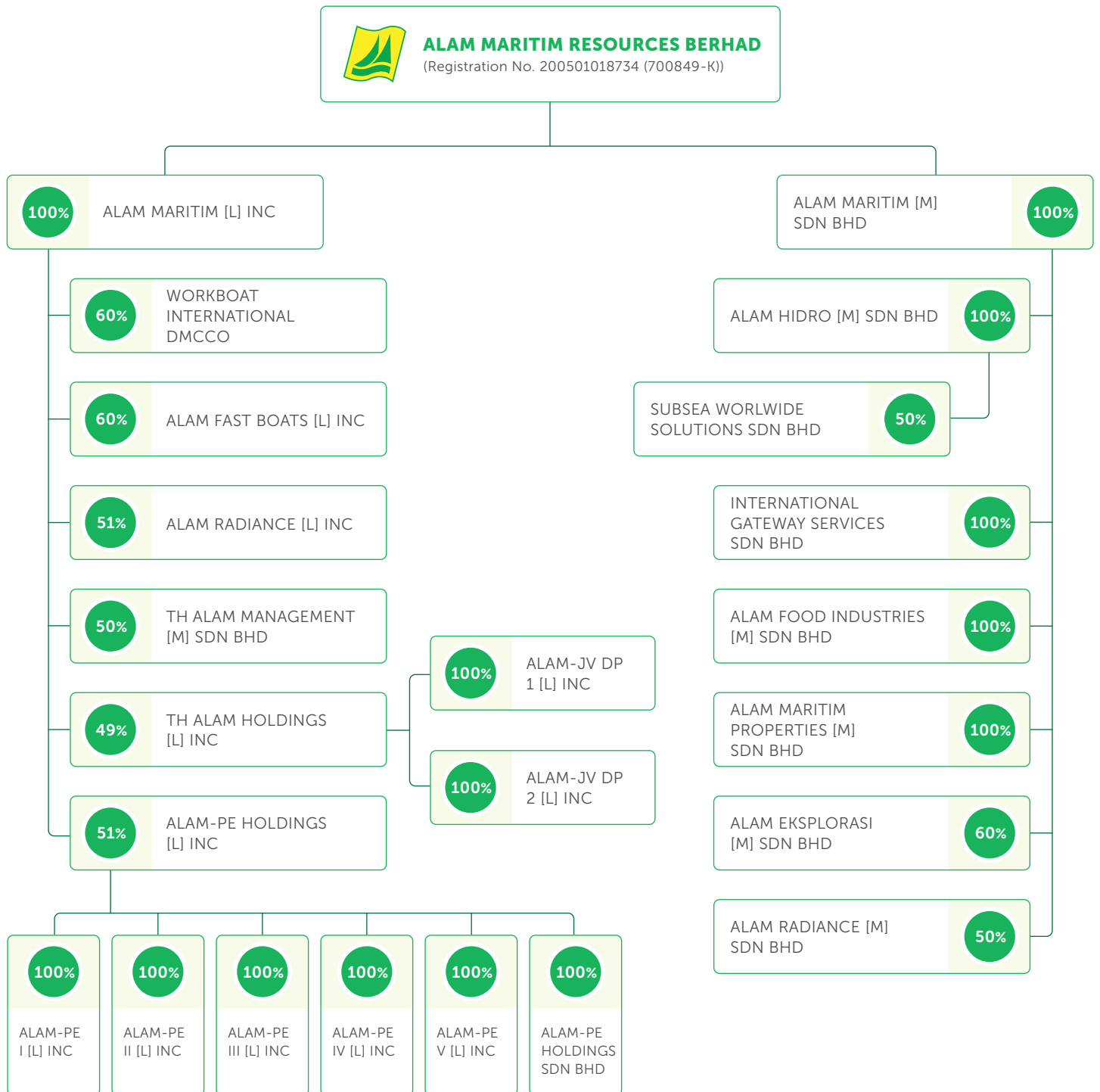
Listed on Main Market of Bursa Malaysia Securities Berhad
(635998-W)
Sector : Trading/ Services
Stock Name : ALAM Stock
Stock Code : 5115

Website

www.alam-maritim.com.my

CORPORATE STRUCTURE

As at 30 September 2023



CORPORATE POLICY

Integrated Management System Policy

ALAM MARITIM GROUP shall strive to continually deliver quality services and products that meet the stakeholders' requirements.

We shall consistently monitor and review our performance to improve our business operating culture and work processes in accordance with Quality, Health, Safety & Environment Management System ("QHSEMS") to become a preferred offshore services partner in the Oil & Gas Industry.

In order to realise this, we shall provide optimum resources to adopt the Integrated Management System approach while not neglecting addressing any potential adverse impact on human health, safety and environment in all aspects of our activities and promoting continuous improvement as ALAM way of life. We shall ensure that this policy is communicated and inculcated throughout the organisation and to the stakeholders.

It is the responsibility of everyone in **ALAM MARITIM GROUP** to apply QHSEMS in all work processes.



DRUG AND ALCOHOL POLICY

ALAM MARITIM GROUP strictly restrict the consumption or being under the influence of intoxicating drugs and alcohol which would impair the performance of work and a serious threat to the Health, Safety, Security and Environment at our business operations.

ALAM MARITIM GROUP wishes to ensure that each employee is personally responsible not only to himself but also to others and the Company in eliminating the usage of drug and alcohol across our whole business location. To ensure full compliance to our Policy on elimination of alcohol and drug abuse, the following measures are being implemented:

- ▶--- Prior to employment with **ALAM MARITIM GROUP**, prospective employees are to undergo pre-employment medical screening on drugs and alcohol;
- ▶--- Continuously promote working environment with zero tolerance on abuse of drugs and alcohol;
- ▶--- Total prohibition of possession, distribution or sales of drugs or alcohol at every **ALAM MARITIM GROUP** work location;
- ▶--- Random test on drugs and alcohol in situation where suspected drugs or alcohol abuse has occurred;
- ▶--- Conducting comprehensive investigation after occurrence of an incident or accident, whereby the possibility of alcohol or drugs might have been a contributing factor;
- ▶--- Unannounced periodic or random testing on employees to be conducted as deemed necessary by the Company;
- ▶--- Conduct lawful searches for alcohol and drug at any work area or location; and
- ▶--- Employees found to be in possession or under the influence of drugs and alcohol are subjected to disciplinary action that includes immediate termination of employment with the Company.



STOP WORK POLICY

ALAM MARITIM GROUP believes that no work to be performed by us in the execution of our daily business operation is so urgent that we cannot take time to do it safely.

CORPORATE POLICY

In the aspiration of the prevention of injury to our people and damages to our property as well as the environment, the following **STOP WORK POLICY** shall prevail within the **ALAM MARITIM GROUP** under the following circumstances:

- 1 When work activities are imposing an Immediate Danger To Life and Health (IDLH) to our personnel during adverse weather conditions or during hazardous or critical work operations;
- 2 When action by an Individual or a Team is in noncompliance with the set standards and procedures for performing the job tasks;
- 3 When works to be performed is not in accordance with the agreed Job Method Statement and the approved Job Hazards/ Safety Analysis (JHA/ JSA) thus imposing unnecessary risks to the tasks performer.

Departmental, Line, Base Managers, Vessels Masters and Line Supervisors are accountable and responsible in ensuring that the **STOP WORK POLICY** is exercised accordingly under the above circumstances to ensure the ultimate goal of An Injury Free Work Place can be achieved across **ALAM MARITIM GROUP** work locations.

ALAM MARITIM GROUP is totally committed to endeavour attaining an incident free and safe working environment and achieve continual excellence towards the protection of Health, Safety, Security and Environment.



ANTI-BRIBERY & ANTI-CORUPPTION POLICY

ALAM MARITIM GROUP is committed to promote honesty and opposition to Fraud, and does not permit bribery and corruption to be tolerated or perpetuated, to the highest ethical and moral standards, openness, and accountability.

In essence, the Policy is designed to ensure the following:

- ▶--- Protect ALAM's funds and other assets;
- ▶--- Maintain the highest standard of ethics, professional conduct and fiduciary responsibility;
- ▶--- Maintain the integrity of ALAM as a Public Interest Entity ("PIE");
- ▶--- Secure all businesses of ALAM;
- ▶--- Protect the reputation of ALAM and its employees at all times;
- ▶--- Maintain the highest level of services to the community, and individuals;
- ▶--- Communicate ALAM's commitment to best practice.

The policy is to be applied to any bribery and/ or corruption, as well as suspected bribery and/ or corruption, involving any member of the Board of Directors, the Chief Executive Officer, Management or employee and our Stakeholders (including our contractors, suppliers, clients joints venture partners, consultants, vendors, agents, authorities and other relevant interested parties).

All employees at all levels are expected to share in this commitment and to lead by example in ensuring adherence to all appropriate regulations, procedures, practices, and codes of conduct.

The Board of Directors ("BOD") of **ALAM MARITIM GROUP** expects individuals and organizations with whom it comes in contact, to act with honesty and no intent to commit bribery and corruption against it.

PROFILE OF DIRECTORS



FINA NORHIZAH BINTI HAJI BAHARU ZAMAN

Chairman and Independent Non-Executive Director



Date Appointed to the Board

22 October 2010

Number of Board Meetings attended

17/17



Relevant Expertise

Fina Norhizah binti Haji Baharu Zaman, was appointed to the Board of Alam Maritim Resources Berhad on 22 October 2010 and was later appointed as Chairman on 21 August 2014. She has attended seventeen (17) of the seventeen (17) board meetings held in the financial year 2023.

She also serves as a member of the Board Risk Management Committee, the Board Audit Committee and is currently the Chairman of the Board Nomination and Remuneration Committee.

Fina holds a Bachelor of Law degree from the University of Malaya and a Masters in Law (specialising in maritime and shipping) from the London School of Economics, University of London.

She had served the Malaysian Attorney General's Chambers as Senior Federal Counsel and Legal Advisor to the Ministry of Transport Malaysia. In 1984, she served as a lecturer at the International Islamic University, Malaysia in Kulliyah of Law. Fina was admitted as an Advocate and Solicitor of the High Court of Malaya in 1986. Her entry into the oil and gas industry was with PETRONAS, where she had held several senior positions until her retirement as Head/ Senior General Manager of the Legal and Corporate Secretarial Affairs Division and the Company Secretary.

Fina is also a director of BIB Insurance Brokers Sdn Bhd. She does not have any family relationship with any other director and/ or major shareholder of the Company and has no conflict of interest with the Company. She has not been convicted of any offence within the past five (5) years.

PROFILE OF DIRECTORS



DATUK AZMI BIN AHMAD

Group Managing Director/ Group Chief Executive Officer, Non-Independent Executive Director



Date Appointed to the Board

2 May 2006

Number of Board Meetings attended

17/17



Relevant Expertise

Datuk Azmi bin Ahmad was appointed as Group Managing Director/ Group Chief Executive Officer of Alam Maritim Resources Berhad on 2 May 2006. He is also the Chairman of the Employees' Share Option Scheme Committee as well as a member of the Board Risk Management Committee. He has attended seventeen (17) of the seventeen (17) board meetings held in the financial year 2023.

Datuk Azmi holds an MBA from the University of Wales, Cardiff, UK as well as a Bachelor of Arts (Hons) in Accounting and Finance from the University of South Bank, UK. Prior to joining the corporate sector, Datuk Azmi had served as a Leftenan Udara with the Royal Malaysian Airforce before joining Bank Bumiputera Berhad as the Corporate Banking Division Manager. He later moved into the maritime industry with Nepline Berhad, a shipping company providing tanker services, serving as General Manager, Finance Administration and Human Resources Division before co-founding Alam Maritim (M) Sdn Bhd.

Datuk Azmi does not have any family relationship with any Director and/ or major shareholder of the Company and has no conflict of interest with the Company, save as disclosed in the Analysis of Shareholdings section of this Annual Report. He has not been convicted of any offence within the past five (5) years.

PROFILE OF DIRECTORS



AHMAD HASSANUDIN BIN AHMAD KAMALUDDIN

Non-Independent Executive Director



Date Appointed to the Board

6 December 2006

Number of Board Meetings attended

17/17



Relevant Expertise

Ahmad Hassanudin bin Ahmad Kamaluddin, was appointed as a Director of Alam Maritim Resources Berhad on 6 December 2006. He presently serves as a Non-Independent Executive Director of the Company and as a member of the Board Risk Management Committee and Employees' Share Option Scheme (ESOS) Committee. He has attended seventeen (17) of the seventeen (17) board meetings held in the financial year 2023.

Ahmad holds a Bachelor of Economics (Analytical) from the University of Malaya and has to-date attended a number of business and management courses, some of which were at the renown Harvard Business School, Oxford School of Petroleum Studies and Fletcher School of Law and Diplomacy, Tufts University, USA.

His career in the oil and gas industry spans four decades, primarily with the national oil company, PETRONAS, where he served in both the downstream and upstream business segments in various senior management positions such as the Head of Business Development under Corporate Planning, Head of Property in LNG Sdn Bhd, Deputy General Manager of the International Marketing Division in PETRONAS, Managing Director of PETRONAS Trading Corporation Sdn Bhd ("PETCO"), a wholly owned subsidiary of PETRONAS, Senior General Manager of the Malaysian Crude Oil Division in PETRONAS and CEO of Vinyl Chloride (Malaysia) Sdn Bhd.

He was also appointed to the Board of various PETRONAS subsidiaries and held an honorary position as Vice President of the International Fertiliser Association of East Asia as well as CEO of ASEAN Bintulu Fertiliser Sdn Bhd, a joint venture company between Malaysia, Thailand, Philippines and Singapore. Following his retirement, he joined Alam Maritim (M) Sdn Bhd in 2004.

He does not have any family relationship with any other director and/ or major shareholder of the Company and has no conflict of interest with the Company. He has not been convicted of any offence within the past five (5) years.

PROFILE OF DIRECTORS



AHMAD RUHAIZAD BIN HASHIM

Independent Non-Executive Director



Date Appointed to the Board

16 November 2020

Number of Board Meetings attended

17/17



Relevant Expertise

Ahmad Ruhaizad bin Hashim was appointed to the Board of Alam Maritim Resources Berhad as an Independent Non-Executive Director on 16 November 2020. He is currently the Chairman of the Board Risk Management Committee and the Board Audit Committee, and a member of Board Nomination and Remuneration Committee. He has attended seventeen (17) of the seventeen (17) board meeting held in the financial year 2023.

He holds a Bachelor of Economics and Accounting from the University of Leeds, England. He is a member of the Malaysian Institute of Certified Public Accountants (MICPA) as well as a member of the Malaysian Institute of Accountants (MIA).

He began his career in 1991 when he joined Arthur Andersen as an auditor. He served Arthur Andersen for more than five (5) years until 1996 when he left to join KUB Malaysia Berhad. He then re-joined Arthur Andersen in 1999 to head its Kuala Terengganu branch operation. In 2002, he joined Putrajaya Holdings Sdn. Bhd. where his last position was Senior Manager Corporate Planning. After six (6) years with the property development company, he then joined MNRB Holdings Berhad ("MNRB") on 2 January 2008. He has served as Senior Vice President & Group Chief Strategy Officer of MNRB. In addition to his role, he was also the President and Chief Executive Officer of MNRB Retakaful Berhad ("MRT"), a wholly owned subsidiary of MNRB for three (3) years from 2015 to 2017.

He does not have any family relationship with any other director and/ or major shareholder of the Company and has no conflict of interest with the Company. He has not been convicted of any offence within the past five (5) years.

PROFILE OF DIRECTORS



YAP SHUH JIAN

Independent Non-Executive Director



Date Appointed to the Board

28 February 2023

Number of Board Meetings attended

4/4



Relevant Expertise

Mr Yap Shuh Jian was appointed as Independent Non-Executive Director on 28 February 2023. He has the experience in couple of Corporate Restructuring of private group of companies, YKC Group of Companies and YLC Group of Companies, manufacturing of Building Materials, marketing of building materials, Real estate investment in his early day. He then ventured into property development and construction via Eliteland Development Group of Companies, He had successfully completed varies development projects in Perak, Kuala Lumpur and Selangor.

Mr Yap Shuh Jian holds Diploma in Business Studies from the Business Educational Council and Diploma in Banking from Chartered Institute of Banker.

In recent years, he was involved in the construction of mega mixed development project as Structural contractor of EkoCheras and few parcels of highway construction in DUKE 2 part of SDL and TRL, including Manjalara Interchange, Segambut Toll Plaza etc. and Setiawangsa-Pantai Expressway (SPE) Section 1, part of Section 3 and Section 4. His other involvement including Robotic and UV-C LED Disinfectant System as well as Electrical Vehicle industries as a solution provider of the recent pandemic of Covid-19 and the race of EV industries.

He was also Chief Executive Officer of NWP Holdings Bhd. a company listed in the Main Board of Bursa Malaysia) between November 2021 and June 2022.

He does not have any family relationship with any other director and/ or major shareholder of the Company and has no conflict of interest with the Company. He has not been convicted of any offense within the past five (5) years.

SENIOR MANAGEMENT TEAM PROFILES



SITI SARAH BINTI ABDULLAH

*Head, Group Finance Division Group
Financial Controller*



Siti Sarah Binti Abdullah has approximately 15 years of experience in the areas of auditing, financial accounting, and corporate finance. She has wide exposures in various due diligence exercises during acquisitions, listing exercise on Main Board, Bursa Malaysia prior to listing.

Siti Sarah holds a Bachelor of Accountancy (Hons.) from Mara University of Technology. She is a member of the Malaysian Institute of Certified Public Accountants (MICPA) since 2015 as well as a member of the Malaysian Institute of Accountants (membership number: 31650).

Prior to joining the Group, she began her career in 2007 when she joined PricewaterhouseCoopers ("PWC") as an auditor. She served PWC for more than four (4) years until 2011 when she left to join RHB Bank Berhad. She served in different financial related position within banking and insurance.

She has no directorship in other public companies and listed issuers. She does not have any family relationship with any other director and/ or major shareholder of the Company. She does not have any conflict of interest with the Company and has no convictions for any offenses within the past five (5) years.



NUR AZNITA BINTI TAIP

*Group Company Secretary & General
Manager Group Corporate Services*



Nur Aznita Binti Taip has been appointed as General Manager of Group Corporate Services in January 2017 and Company Secretary with effect from 8 March 2017.

She graduated with a law degree from Universiti Kebangsaan Malaysia and subsequently, was admitted as an Advocate and Solicitor of the High Court of Malaya. She also holds an MBA majoring in Corporate Governance from Putra Business School, Universiti Putra Malaysia. She started her career with Public Bank Berhad and later served a legal firm prior to first joining AMRB in 2008 as Group Legal Manager. She then moved to PETRONAS as a Contract Specialist in a key upstream project developed by PETRONAS Carigali and Shell. She is also a member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA 7067607) and had served Menteri Besar Selangor Inc. as Group Chief Company Secretary. She has wide exposure to various legal aspects and jurisdiction, project management, risk management, compliance and corporate governance matters for more than 25 years.

She is responsible for managing corporate secretarial, legal, insurance, licensing and corporate affairs for the Group. She is qualified to act as a secretary under Section 241 of the Companies Act 2016 (SSM PC NO: 202008003466).

She has no directorship in other public companies and listed issuers. She does not have any family relationship with any other director and/ or major shareholder of the Company. She does not have any conflict of interest with the Company and has no convictions for any offenses within the past five (5) years.

SENIOR MANAGEMENT TEAM PROFILES



ALVIN CH'NG YI MING
Head, Global Subsea Business



Alvin Ch'ng Yi Ming has been appointed Head of Global Subsea Business with effect from 1 October 2018. He is responsible for the overall performance of the subsea division of Alam Maritim which include ensuring the fulfillment of contract requirement from various contracts in a safe and efficient manner. He is in charge of planning, developing and directing the subsea division's fiscal and operation function and performance.

He graduated with a Bachelor of Engineering (Civil) with first-class honors. He has been working offshore as a subsea inspection engineer and project superintendent before holding senior positions in office. He held various managerial positions in an internationally recognized underwater services company prior to joining Alam. He brings with him more than 15 years of experience in the subsea industry to the organization with work experience in various Southeast Asia countries. He also held a CSWIP 3.4u and a Life Support Technician certification, and was certified as an OGP Client Representative which is internationally recognized for subsea business.

He has no directorships in other public companies and listed issuers. He does not have any family relationship with any other director and/ or major shareholder of the Company. He does not have any conflict of interest with the Company and has no convictions for any offenses within the past five (5) years.



MASLINA BINTI ABDULLAH
Head, Group Commercial & Contract



Maslina Binti Abdullah has been appointed as Group Commercial & Contract Head effective 1st November 2021. She is responsible for the Group's overall OSV operations and has with her over 30 years of experience in the area of tendering/ marketing, chartering and management of the OSV fleet.

Prior to joining Alam Group, Maslina had served in different OSV-related positions within her previous Company group, managing the Admin, Manning, Procurement, Operation and Tender/ Marketing divisions.

She has no directorships in other public companies and listed issuers. She does not have any family relationship with any other director and/ or major shareholder of the Company. She does not have any conflict of interest with the Company and has no convictions for any offenses within the past five (5) years.

SENIOR MANAGEMENT TEAM PROFILES



SITI HAJAR BINTI ABDUL RANI

Head, Group Health, Security, Safety and Environment ("HSSE")



Siti Hajar Binti Abdul Rani has been appointed as Head of Group's Health, Safety, Security and Environment (HSSE) on 1 September 2017. She is responsible for AMRB Group's Health, Safety, Security and Environment Management System performance, the development of the Integrated Security and Safety Management System (ISSMS) and the implementation of various HSSE programs to support business operation excellence.

She has been with the company since the year 2005 and has more than 13 years of broad-based HSSE experience in the OSV, Subsea and OIC industries. She has played an important role to lead the Company's effort towards the achievement of Corporate HSE objectives. She holds an MBA specializing in Strategic Management from the Universiti Teknologi Malaysia (UTM) and a Bachelor's Degree in Maritime Management from the Universiti Malaysia Terengganu (UMT). She is also a certified IRCA OSHA 18001 Lead Auditor and Safety and Health Officer Competency (SHO).

She has no directorship in other public companies and listed issuers. She does not have any family relationship with any other director and/ or major shareholder of the Company. She does not have any conflict of interest with the Company and has no convictions for any offenses within the past five (5) years.



MUHAMMAD ZAWIR BIN SJFII

General Manager International Gateway Services Sdn. Bhd.



Muhammad Zawir Sjfii commenced his initial career with the Group as an accountant in the year 2010. He holds various positions throughout his tenure with the Group and on 25 September 2018, he has been appointed as General Manager of International Gateway Services Sdn. Bhd. ("IGS").

He is responsible for managing IGS in order to support the Group's fleet engaging in transportation, ship forwarding and agent, ship chandelling, managing yard, warehouse facilities and other related activities in Kemaman and Labuan. Besides, he was also involved in managing and monitoring third-party agents appointed by the Group throughout Malaysia. For 2019 and beyond, he had been assigned to re-engineer IGS and strengthen it further to cater not only for the increased Group's logistics and provisions needs, but also to cater for regional market demands.

He has been with the Company since the year 2010 and has more than seven (7) years of shipping agency experience in the oil and gas industries. He holds a Bachelor of Accounting from Mara University of Technology (UiTM).

He has no directorship in other public companies and listed issuers. He does not have any family relationship with any other director and/ or major shareholder of the Company. He does not have any conflict of interest with the Company and has no convictions for any offenses within the past five (5) years.

SENIOR MANAGEMENT TEAM PROFILES



**SUZILIANA ANISMA BINTI
MOHD AZMI**

Head, Human Resource Department



Suziliana Anisma Binti Mohd Azmi has been with the Group since 2013. She has more than 10 years of experience in Human Resource. She was graduated with Bachelor Degree in Maritime Management from University Malaysia Terengganu (UMT). She start her career in oil and gas industry with Malaysia International Shipping Corporation Berhad and served Alam Hidro (M) Sdn Bhd as Assistant Manager Crewing cum Human Resource and Administration, prior joining Alam Maritim (M) Sdn Bhd in March 2018. She was appointed as Head, Human Resources and Administration with effect from March 2021 she responsible for managing overall Human Resources and talent related initiatives of the group.

She has no directorships in other public companies and listed issuers. She does not have any family relationship with any other director and/ or major shareholder of the Company. She does not have any conflict of interest with the Company and has no convictions for any offenses within the past five (5) years.



CAPT. PRAGASEN A/L T KUNJAMBOO

Head, Operation Offshore Support Vessel (OSV) Division .



Capt. Pragasen has been appointed as Senior Operation Manager effective 1 September 2022. He is responsible for the OSV operations and has with him close to 40 years of seagoing and shore experience, including commanding foreign going cargo vessels, and managing the cargo and offshore support vessels from shore.

Prior to joining Alam Group, Capt. Pragasen had served in his previous company as an Operation and Technical Manager of vessels. Additionally, he had converted two of the company's cargo vessels to Naval Auxiliary Vessels to provide naval escort services and protection to Malaysian vessels to safely transit Somalian and Gulf of Aden waters to prevent attack from Somalian pirates. He holds Master's Foreign-Going Cert of Competency.

He has no directorships in other public companies and listed issuers. He does not have any family relationship with any other director and/ or major shareholder of the Company. He does not have any conflict of interest with the Company and has no convictions for any offenses within the past five (5) years.

SUSTAINABILITY STATEMENT

ABOUT THIS REPORT

Alam Maritim Resources Berhad (“AMRB” or “the Group”) maintained its resilience and versatile nature as it encounters various challenges and opportunities during FY2022-23 by leveraging on the Group’s innate knowledge, experience and courage, as well as leaning on the built-in and collaborative support system we have put in place.

While Malaysia’s transition into the endemic phase of the COVID-19 pandemic in the previous reporting year has seen the reopening of all economic sectors and businesses, ongoing macroeconomic events in the current reporting year such as the Russia-Ukraine conflict, inflation woes and supply chain disruptions continue to have significant impact on the oil and gas industry.

For instance, Russia oil exports have decreased the EU embargo on refined oil products which came into force in 2023. Export revenues also plunged another \$2.7 bn to \$11.6 bn in March 2023 down 42% on a year-ago. However, pent-up Chinese demand is also set to dominate the oil and gas price recovery. Given this unpredictable operating environment, the Group continued to face these unforeseen circumstances to the best of its ability to overcome these situations.

AMRB remains up for the challenge due to our ability to cope with changing circumstances. Our versatile business model as an integrated business provider has displayed AMRB’s ability to identify major issues that affect the Group and create specific plans whilst taking appropriate actions according to the situation presented. In addition, the goal to reach net-zero carbon emissions remains a larger objective for many nations, with more government policies supporting this initiative, which is something AMRB remains keen on contributing towards and which may require us to transform the way we conduct our operation and business.

Our strong performance remains evident through AMRB’s ability to meet its contractual obligations despite the difficult operating environment, given our robust foundation built via the establishment of our sustainability agenda. Our

sustainability agenda is based on our Vision and Mission and they are also closely connected to our Shared Values and iCARE Cultural Beliefs in terms of carrying out our contractual obligations.

The principles of Shared Values that shaped the Group’s character through cohesion, loyalty, integrity and professionalism, as well as our iCARE Cultural Beliefs which guide how we operate in the organisation. These principles and beliefs help us materialise our strategies that are driven by our Corporate Vision which represents the aspirations and goals of our organisation. Having a shared purpose within the Group provides a strong sense of direction whilst displaying our aspirations for the future. Our Corporate Agenda is built on our Corporate Vision along with our Mission Statement, business strategic direction and our cultural values. The Agenda governs our collective thoughts, actions and behaviours and provides the fundamental guidance to our business conduct which aids in the delivery and sustainability of our commitments.

AMRB continues to forge ahead by taking appropriate actions to overcome prevailing challenging circumstances pressing us and remain focus on objectives of improving cash flow optimisation, increasing both work and cost efficiency through Group-wide integrated processes and enhancing measures and precautions on further safety precautions within our projects. These objectives remain pivotal to the Group for long-term business objectives to be achieved. The approach AMRB has adopted effectively deals with any concerns or risks the Group may have in the short to medium term whilst also keeping in mind the future as strategies towards long-term value creation are always being considered and pursued.

“ ”

AMRB remains up for the challenge due to our ability to cope with changing circumstances. Our adaptive business model as an integrated business provider has displayed AMRB’s ability to identify major issues that affect the Group and create specific plans whilst taking appropriate actions according to the situation presented.



SUSTAINABILITY STATEMENT

Sustainability Agenda and Material Matters

AMRB recognises the importance of addressing identified key material matters that affect our sustainability agenda and will continue to address the concerns and issues in collaboration with our stakeholders. It will propose and formulate the right policies that can help improve our overall sustainability, whilst at the same time keeping abreast with international and domestic standards in terms of our value and supply chain, which will greatly benefit the Group in the long term and which we have always strived to achieve.

Our sustainability goals and practices will be consistently reported so that all stakeholders and business segments involved will understand what we are trying to achieve in terms of sustainability and be aware if any significant changes are made involving sustainability or material matters for the Group.

A vital or key consideration that addresses matters that are most material to our business operation is our ability to address Quality, Health, Safety, Security and Environment ("QHSE") sustainability over time. QHSE is one of our identified material matters which will give a good reflection on the way we manage our overall development to achieve sustainability and handle material matters.

AMRB has also remained focused on integrating sustainable practices into aspects that deal with the environment, which is reflected by our long term target of achieving net zero carbon emission, our broader economy thrusts of operational excellence, commercial excellence and growth delivery and social issues that are reflected through our efforts in managing employee well-being and pursuing social responsibility initiatives through various corporate CSRs throughout FY2022-23. These four sustainable pillars of Economic, Environment, Social and, of equal, if not more, importance, Governance ("EESG"), will be our focussed areas as we mapped out our sustainability agenda. Through this integration, AMRB has experienced significant benefits that involve our ability to:

- ▶-- Enhance our Risk Management Framework and its implementations.
- ▶-- Promoting innovation and technology with strategic alliances.
- ▶-- Attract new and potential customers to increase order book value.

Reporting Period:

1 July 2022 to 30 June 2023 ("FY2022-23")

Reporting Cycle:

Annual

- ▶-- Maintain our license to operate with clients through our strong track records and capabilities.
- ▶-- Respond to responsible investment and better capital security.
- ▶-- Improve our productivity and optimising our operational cost.
- ▶-- Maintaining clients and customers loyalty.

Reporting Scope and Boundary

The Sustainability Statement (SS) covers the reporting period of 1st July 2022 to June 2023 (FY2022-23).

The contents of our SS encompasses AMRB'S Malaysian operations that are wholly owned by the Group which consist of:

1 Alam Maritim Resources Berhad

2 Alam Maritim (M) Sdn Bhd

3 International Gateway Services Sdn Bhd

4 Alam Food Industries (M) Sdn Bhd

5 Alam Maritim Properties (M) Sdn Bhd

SUSTAINABILITY STATEMENT

Reporting Framework Referenced:

The Sustainability Statement 2022-23 was prepared according to the following frameworks

Bursa Securities' Main
Market Listing Requirement
Practice

Bursa Malaysia
Corporate Governance
Guide (3rd Edition)

Bursa Malaysia
Sustainability Reporting
Guide (2nd Edition)

United Nations
Sustainability Development
Goals ("UNSDGs")

Our FY2022-23 reporting scope consists of onshore and offshore projects, initiatives, activities, information and changes by AMRB under its materiality matters whilst also expand upon sustainability targets. Information, activities and performance data outside the reporting scope are not disclosed in this Statement.

AMRB'S sustainability reporting boundaries are governed by the prioritisation of its identified materiality topics and whilst no external assurances can be made currently, considerations regarding scope and boundaries for future reports will be made.

The information presented in this sustainability statement addresses matters that are most material to our business and stakeholders currently prevailing. We identify, prioritise and validate our material matters.

Membership in Associations

AMRB continues to advocate for positive and sustainable industry practices. The Group thus has memberships in related industry associations that help us to better become aware of, learn and implement sustainability best practices across the Group's organisation and value chain. AMRB is currently a member of the following professional bodies and industry associations:

1

Malaysia OSV Owners' Association

Limitations

AMRB understands that data-gathering challenges remain for some indicators. Therefore, we are continually working towards applying more robust data tracking and gathering mechanisms to improve our reporting in the future.

Forward-Looking Statements

The Sustainability Statement FY2022-23 contains forward-looking statements that include future plans, targets and prospects that are reasonably formulated based on appropriate assumptions regarding performance, current operating conditions and available data to the Group. These factors may alter due to unforeseen circumstances beyond AMRB's control. Hence, readers are advised to not place undue reliance on forward-looking statements in this report as our business is always subject to risks and uncertainties, and actual results may differ.

Report Availability and Feedback

The AMRB Corporate Sustainability Statement ("the Statement") for FY2022-23 was prepared by the Senior Management Team of the Group. The Statement was reported to the Board Risk Management Committee ("BRMC") and Board of Directors ("the Board") for review and approval. Feedback and inquiries relating to this report, including any unethical and unlawful behaviour by an employee or any of the subsidiaries, may be channelled in confidence to:

Encik Ahmad Hassanudin bin Ahmad Kamaluddin

(Group Risk & QHSSE Director)

+603 - 9058 2244

+603 - 9059 6845

info@alam-maritim.com.my

Letters may be directed to:

Attention: QHSSE Director
Alam Maritim Resources Berhad,
No. 38F, Level 3, Jalan Radin Anum, Bandar Baru Sri Petaling,
57000 Kuala Lumpur, Wilayah Persekutuan, Malaysia

SUSTAINABILITY STATEMENT

FY2022-23 HIGHLIGHTS AND ACHIEVEMENTS



Employs low-sulphur Marine Gas Oil (“MGO”) containing 0.1% or less sulphur content



8.27% decrease in overall CO₂ emissions



2% decrease in electricity consumption



RM149,528 spent on employee training



79% proportion of spending on local procurement



RM22,860 total spent on community investment activities



100% of Board members and have undergone anti-corruption trainings and briefings.

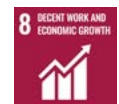


Zero confirmed incidents of corruption



30% woman in top management

12 UNSDGs ADOPTED



SUSTAINABILITY STATEMENT

SUSTAINABILITY STRATEGY, FRAMEWORK & MATERIALITY MATTERS

AMRB recognises the roles that Economic, Environmental Social and Governance (“EESG”) factors play in achieving sustainability and the Group remains focused on these factors whilst comprehensively assessing the risks involved with implementation. AMRB’s Vision and Mission can be seen below:



The Group’s Vision and Mission supports our sustainability strategy which consists of three major elements:

- 1 Sustainability Goals, Benefits and Policy**
- 2 Materiality Matters**
- 3 United Nations Sustainability Development Goals (“UNSDGs”)**

These fundamental elements provide the foundational groundwork for which our framework was constructed on and will remain pivotal throughout our sustainability journey. Our sustainability strategy is implemented through our sustainability initiatives that aim to involve our stakeholders as much as possible. These initiatives are:



Sustainability Goals, Benefits and Policy

Establishing clear and distinct targets is important for AMRB in enhancing its overall sustainability. Not only does it provide clear objectives for the Group, it also enables our progress to be more easily assessed which allows for more accurate and effective changes to be made for improvement.

SUSTAINABILITY STATEMENT

Our sustainability goals are the following:

Sustainability Goals

- 1 Sustain strong resilience and business agility towards maximising returns and upholding stakeholders' interests.
- 2 Achieve best performance in QHSSE as part of the organisation's long-term culture and reputation.
- 3 Retain and enhance our competitive edge, focusing on technology, innovation and customer needs.
- 4 Impart caring values with community and environment within the organisation through Company Social Responsibility ("CSR") activities.
- 5 Enhance corporate governance via maintaining strong framework and implementations, focusing on internal control, risk management and stringent quality controls.
- 6 Commit to delivering on adopted UNSDGs that allow the significantly contribute to global prosperity and sustainability by addressing universal challenges.

The benefits of achieving sustainability for AMRB can be seen below:

Sustainability Benefits

- 1 **Corporate Governance**
 - a) Enhancing Risk Management
 - b) Maintaining QHSSE License to Operate
 - c) Promoting Good Corporate Governance & Integrity
 - d) Enhancing Innovation for Business Continuity
 - e) Securing Capital
 - f) Enhancing Customer Relationship Management
- 2 **Organisation Culture Development**
 - a) Improving Shared Values and Work Culture
 - b) Improving Productivity
- 3 **Quality & Health, Safety, Security and Environment**
 - a) Enhancing the QHSSE Culture
- 4 **Corporate Social Responsibility**
 - a) Enhancing Brand Value and Reputation

MATERIALITY MATTERS

Prioritising the right material matters with a strategic mindset carries a vital importance in determining the agenda and direction of the Group's sustainability journey.

Gather employee and stakeholder feedback



Identify material matters that have the potential to significantly impact AMRB's ability to remain sustainable



Validate finalised material matters with approval from the Group's leadership

The following material matters either directly or indirectly influence our business practices, strategy, activities and application. Each material matter carries the same level of importance and all the matters mentioned can be seen as being interrelated and co-dependent in terms of the impact they have on sustainability.

SUSTAINABILITY STATEMENT

Materiality Matters



United Nations Sustainability Development Goals

AMRB remains committed to its 12 adopted United Nations Sustainable Development Goals in order to contribute towards the global betterment of the economy, environment, society and government. Contributions and achievements in these goals deal with topics such as poverty, inequality and environmental degradation.

The Group continuously integrates adopted UNSDGs into its materiality matters which includes our QHSSE framework and CSR activities, as well as among our stakeholders, supply chain and the wider community.

Moving forward, the Group hopes to disclose relevant sustainability targets and KPIs specifically categorised in terms of its UNSDG adoption when relevant information becomes available, while at the same time highlight how the adoption of UNSDG goals benefits our overall value creation and business model. This will clearly display AMRB's strategy towards achieving sustainability to relevant stakeholders.

STAKEHOLDER ENGAGEMENT

At AMRB, we strongly believe that having a robust, meaningful and consistent relationship with our stakeholders is imperative for the success of our business. Understanding our stakeholders' evolving needs and expectations is crucial when it comes to sustainability development. Our key stakeholders have been identified based on their ability to impact AMRB's business activities as well as their interests in our organisation.

Establishing a strong communication channel through various platforms is vital for the Group as it allows for better collaboration with our stakeholders as well as align our targets and vision. The Group usually engages with stakeholders through mediums such as meetings, external media publications, social events and publication of reports from sources such as social media sites and platforms.

The utilisation of online platforms such as virtual teleconferencing and more frequent website updates have also become common place, and the recent COVID-19 pandemic had also accelerated AMRB's investment into resources that improve our ability to rely on online platforms as an effective mode of communication.

AMRB's identified key stakeholders include our clients, employees, shareholders, investors, the Government and regulatory bodies, the community, partner and suppliers. We have continued to adhere to the established list of identified principal stakeholders of AMRB and engagement strategy to ensure consistency and streamlining of our stakeholder engagement efforts. Our stakeholder engagement table remains unchanged from FY2021-22.

SUSTAINABILITY STATEMENT

Stakeholder Group	Engagement Approach	Frequency	Outcomes and Values
Customers	Tender/ Bidding Briefings Client evaluation Assessments Project contract administrator meetings Tactical Events and Road Shows Client Supervision and engagement Enquiry Correspondence	As and When Quarterly Periodic Periodic Per contract As and When	1. Project Requirements 2. Compliance 3. Service Delivery 4. Solutions Consultation and Support
Employees	Engagement events Employee satisfaction surveys Work Performance and Development Review Management-Employee Town Hall/ Employee Meetings Training/ Workshops/ Team Building Corporate Updates via Intranet Staff Inquiry, Grievance & Whistleblowing	Periodic Annually Annually Periodic Periodic As and When As and When	1. Health, Safety, Security, and Environment 2. Operational Performance Update and Reviews 3. Sustainability Updates and Reviews 4. Business Direction and Initiatives 5. Human Resource Affairs and Personal Development
Shareholders, Investors and Analysts	Annual Report Annual General Meeting Financial reports and investor briefings Investor roadshows and events Media releases Shareholder updates and Bursa announcements Company website updates	Annually Annually Quarterly Periodic Periodic Periodic As and When	1. Wealth and Value creation 2. Financial Performance and Growth 3. Future prospects 4. Good Corporate Governance 5. Sustainability of Operations

SUSTAINABILITY STATEMENT

Stakeholder Group	Engagement Approach	Frequency	Outcomes and Values
Government and Regulators	Meetings and visits	Periodic	<ol style="list-style-type: none"> 1. Regulatory Approvals and Legal Compliance 2. Good Governance and Responsible Corporate Management 3. Taxes and Levies 4. Solutions Consultation and Support
	Reports	Periodic	
	Participation in government and regulatory events	As and When	
	Facilitating Regulatory Audit and Other Statutory	Periodic	
	Support Industry/ Government Initiatives	Periodic	
	Certification and Licenses	Periodic	
	Tactical Events and Road Shows	Periodic	
	Client Supervision and engagement	Per contract	
Enquiry Correspondence	As and When		
Community, Media and General Public	Corporate social responsibility activities	Periodic	<ol style="list-style-type: none"> 1. Corporate Social Responsibility 2. Good Governance and Responsible Corporate Management 3. Environmentally Responsible
	Social media	As and When	
	Meeting with the press	As and When	
Contractors and Suppliers	Partnership Agreement	As and When	<ol style="list-style-type: none"> 1. Policy, Requirement & Compliance Updates and Review 2. Evaluation Assessment issues 3. Sustainability issues 4. Operational Progress 5. New Business Opportunities 6. Supply and Pricing
	Engagement and Meetings	Periodic	
	Site Visit	Periodic	
	Tender/ Bidding Briefings	As and When	
	Procurement, Policy and Regulations Updates	As and When	
	Contractor/ Supplier Evaluation Assessment	Annually	

SUSTAINABILITY STATEMENT

SUSTAINABILITY GOVERNANCE

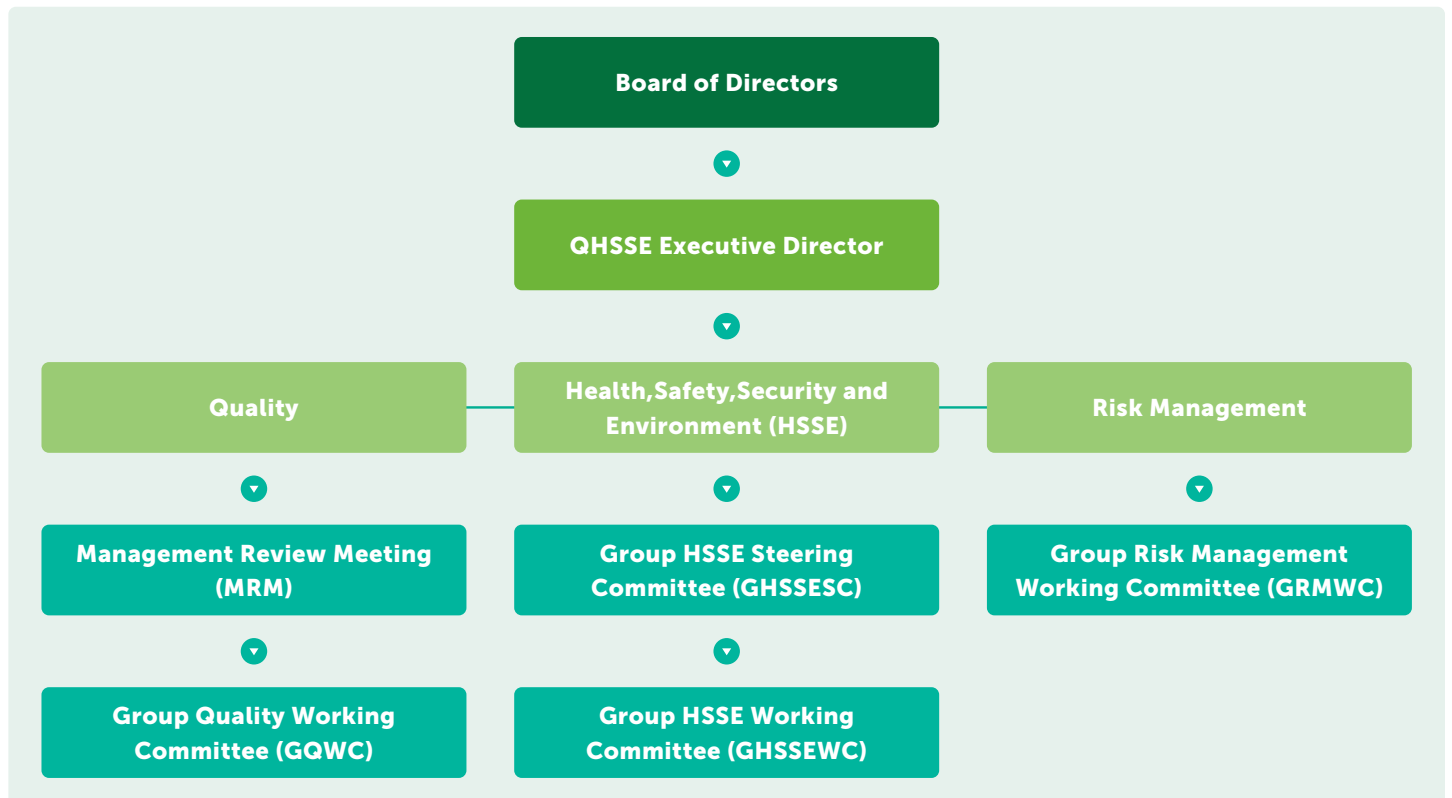
AMRB's sustainability governance structure plays a crucial role in ensuring the whole organisation can be managed and directed towards becoming an EESG-driven company. Our sustainability governance structure is heavily influenced by AMRB's QHSSE structure. All our operations adhere to the Group QHSSE Management System which focusses on both human and systems' capabilities in driving QHSSE excellence. The QHSSE Management System covers 100% of our business activities. We also encourage our Joint Ventures and key business partners, suppliers and contractors to uphold our QHSSE Management System.

Risk Management is also a key supporting function of this structure, with activities that cover corporate and financial affairs, human resources and more. We have embedded effective risk management processes across the entire value creation in all our line of business. We identify, assess, treat and monitor all risks that could potentially impact our business, including inherent risks, as early as possible.

Improved focus has also been placed on stakeholders' benefit through our governance structure since maintaining a strong relationship with stakeholders remains a top priority for the Group. The Group's sustainability governance structure has well-established roles and responsibilities that oversee and drive the Group's sustainability agenda, outline relevant Sustainability Strategy goals as well as review the Group's sustainability performance for future enhancements.

The targets that have been set for our structure can be seen through our Vision and Mission along with our iCARE cultural beliefs. Other targets that we aim to achieve within our structure involve gender diversity where we ensure that at least 30% of our Board or Top Management are female and issues relating to anti-corruption especially through the implementation of our ABAC policy or whistleblowing mechanisms.

Sustainability Governance Structure and Roles



SUSTAINABILITY STATEMENT

Sustainability at AMRB is governed by our QHSSE Executive Director who directs the Group’s overall Sustainability Strategy and is responsible for EESG related risks, opportunities, goals and measures.

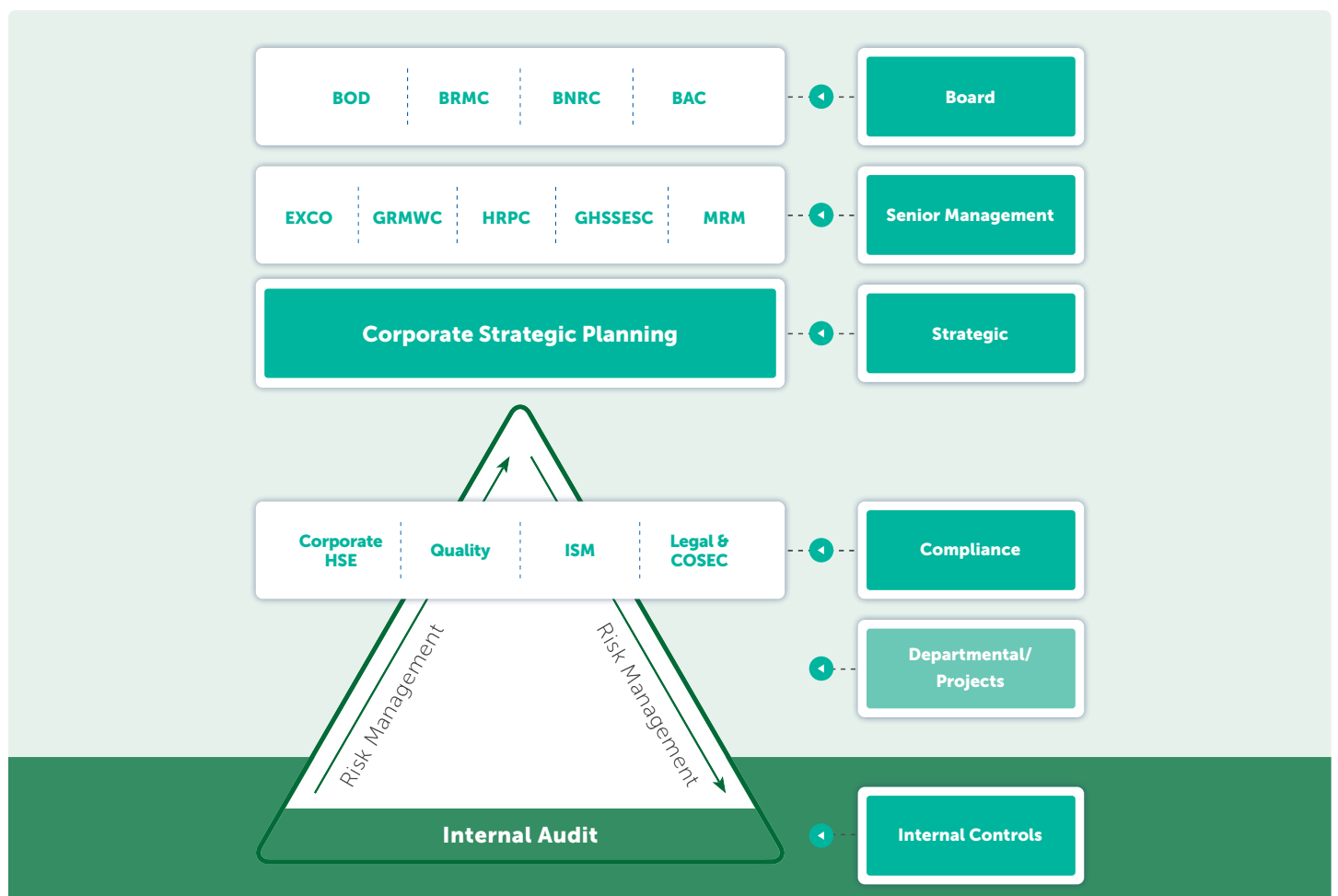
The Group’s Board is responsible for having oversight in matters pertaining to business and risk strategy, organisational structure, financial viability along with regulatory compliance across the value chain and EESG implementation. By doing so, sustainable practices are able to be implemented and integrated into our practices more efficiently with our stakeholders wishes also being addressed.

Supporting a cross-functional approach, our structure encompasses the Group Risk Management Working Committee (“GRMWC”), the Executive Committee (“EXCO”) and HSSE Steering Committee with Management Review Meetings (“MRM”) to review and discuss performance of the various Departments. Our Sustainability Governance is part of the larger Corporate Governance and Risk Management Framework (“CGRMF”) that was approved by the Board. The CGRMF defines the Group’s roles, responsibilities, overall structure and functional accountability.

Moreover, the Board Risk Management Committee (“BRMC”), Board Audit Committee (“BAC”) and Board Nominations and Remuneration Committee (“BNRC”) are also part of the CGRMF.

Our approach to governance aims to empower our leaders as we give them an increased sense of responsibility and accountability which encourages them to improve their ability to take leadership roles and improve their decision-making ability. It promotes further growth for people who have leadership qualities in AMRB whilst facilitating a team-driven approach amongst our employees. We are entrusting our leaders to guide the Group moving forward and believe they will ensure successful delivery of strategies and realization of the Group’s Vision and Mission.

Managing the overall corporate structure can indeed present certain challenges when it comes to sustainability development and material matters for AMRB. The governance structure we have established is set up in a way to deal with any difficulties faced in an efficient and timely manner which is why we remain confident in moving forward as a company.



SUSTAINABILITY STATEMENT

Committee level	Main Responsibilities
1. Board of Directors	<ul style="list-style-type: none"> • Chaired by the Chairman of the Board • Provide oversight responsibilities to the sustainability agenda and strategies • Reviews information provided by the QHSSE Director for evaluation of strategies and initiatives • Approves policy changes, reviews the Board Charter • Approves Unaudited Quarterly Financial Results and Annual Audited Financial Statements • Approves the Annual budget and business plan
2. Board Risk Management Committee ("BRMC")	<ul style="list-style-type: none"> • Chaired by an Independent/ Non-Executive Director • Approves the Annual Group Risks Profile and Risk Management of the Group • Approves the quarterly status updates of key risks and mitigation actions as recommended by the GRMWC
3. Board Audit Committee	<ul style="list-style-type: none"> • Chaired by an Independent Non-Executive Director • Approves the appointment and resignation of external Auditors • Approves Annual Audit Plan, budget and resources of Internal Audit Department • Reviews the Audit progress and follow up of all internal controls matters
4. Board Nomination and Remuneration Committee ("BNRC")	<ul style="list-style-type: none"> • Chaired by an Independent Non-Executive Director • Review manpower planning, remuneration and related policy matters
5. Executive Committee ("EXCO")	<ul style="list-style-type: none"> • Chaired by GMD/ CEO/ Deputy CEO (Alternate) • Review Annual Budget, budget performance and financial matters • Review Monthly Performance Status, Issues & Proposed Solutions • Review Project Cost & Status, Issues and Proposed Solutions
6. Group Risk Management Working Committee ("GRMWC")	<ul style="list-style-type: none"> • Chaired by QHSSE Director • Attended by CEO, COO and Heads of Department/ Divisions and Business Units before quarterly BRMC meetings • Recommends Annual Group Risks Profile of AMRB Group of Companies for BRMC's approval • Deliberates quarterly status updates of key risks and mitigations by respective Heads of Department (process owners) • Supports to define and establish the Sustainability Policy, goals and expectations • Supports to review and conduct the Sustainability Policy, goals and strategies • Addresses the economic, environmental and social (EES) risks, creates risk profile and provides mitigation recommendation for business and operational activities regarding sustainability • Escalates critical concerns to QHSSE Director, as Chairman of Sustainability Governance • Provides latest Sustainability data, actions and campaigns for the Management Committee to review performance

SUSTAINABILITY STATEMENT

Committee level	Main Responsibilities
7. Management Review Meeting ("MRM")	<ul style="list-style-type: none"> • Chaired by QHSSE Director and meets once a year as part of ISO requirements • Comprises top Management, Heads of Department and Division • Opportunities for improvement measured through internal/ external audit finding • Continuous improvement on IMS system and other compliance
8. Group Quality Working Committee ("QWC")	<ul style="list-style-type: none"> • Chaired by QHSSE Director and meets every quarter • Comprises top Management, Heads of Department and Division • Reviews and monitors IMS implementation throughout the Group • Supports to review and conduct the Sustainability Policy, goals and strategies • Produce the annual Corporate Sustainability Statement for review and endorsement • Implement and act as "Change Agents" to deliver and communicate on Sustainability Policy, goals and strategies • Escalates critical concerns to QHSSE Director, as Chairman of Sustainability Governance
9. Group HSSE Steering Committee ("GHSSESC")	<ul style="list-style-type: none"> • Chaired by GMD/ CEO • Provide oversight responsibilities to the sustainability agenda and strategies • Reviews information provided by the QHSSE Director for evaluation of strategies and initiatives • Approves policy changes, reviews the Board Charter • Approves Unaudited Quarterly Financial Results and Annual Audited Financial Statements
10. Group HSSE Working Committee ("GHSSEWC")	<ul style="list-style-type: none"> • Chaired by the QHSSE Director • Approves the Annual Group Risks Profile and Risk Management of the Group • Approves the quarterly status updates of key risks and mitigation actions as recommended by the GRMWC
11. Human Resource Planning Committee	<ul style="list-style-type: none"> • Chaired by the QHSSE Director • Approves the appointment and resignation of external Auditors • Approves Annual Audit Plan, budget and resources of Internal Audit Department • Reviews the Audit progress and follow up of all internal controls matters
12. Debtors Ageing Sub Committee & Credit Review Sub Working Committee	<ul style="list-style-type: none"> • Chaired by GMD/ CEO • Review repayment ageing of debtors • Assess credit risk of a new trade debtors

SUSTAINABILITY STATEMENT

Board Independence and Skills

The Group distinctly separates the positions of the Chairman and the CEO, which promotes accountability and facilitates the coherent division of responsibilities. The full details of our Directors and their positions, skills, experience and more can be found in the Directors' Profile section of the Annual Report.

The Board undergoes a well-established and transparent process that handles appointment and dismissal of members. These are usually done in our Annual General Meetings ("AGM") or our Extraordinary General Meetings ("EGM") with involvement of an independent 3rd party within the process. To ensure our Board consists of members who possess the necessary skills required of their position, an annual assessment of their effectiveness and performance also takes place.

Furthermore, our remuneration packages are also transparently disclosed to through our audited accounts and CG statements which include long-term incentives and EESG-linked remuneration performance indicators. It is also important to note that shareholders have the right to vote on remuneration and are allowed to vote on the confirmation of future remunerations for Directors.

Board Leadership Diversity

Despite being in an industry that is predominantly occupied by men due to the intense physical labour and hazards involved, AMRB has sought out gender diversity throughout the organisation from members of the Board to management and even the general workforce. Our non-discriminatory and inclusive talent management approach can be seen through our Board and Top Management where we have maintained a 30% female inclusion within these positions. Furthermore, since 2010, AMRB's Chairperson of the Board has been a woman, making the Group of the select few, public listed companies in Malaysia who have a woman Chairperson of the Board.

Aside from gender diversification, the Group has focused on diversifying the Board members in terms of their academic qualifications, backgrounds, skills and experiences, and other leadership positions within the organisation. By doing so, it allows for unique opinions and ideas to be brought forward in the decision-making process. The composition of AMRB's directors consists of personnel with vast experience in the industry whilst also having younger members who have a better understanding of new technology and emerging trends within the industry. Board Diversity will continue to remain an integral part of AMRB moving forward and we hope to cascade these beliefs throughout the organisation.

Board Gender Breakdown (%)	FY2020	FPE 30 JUNE 2022	FY2022-23
Female (%)	16.67%	16.67%	16.67%
Male (%)	83.33%	83.33%	83.33%

Board Age Breakdown (%)	FY2020	FPE 30 JUNE 2022	FY2022-23
30 years old and below (%)	0%	0%	0%
31-50 years old (%)	0%	0%	0%
51-64 years old (%)	66.67%	66.67%	66.67%
65 years old and above (%)	33.33%	33.33%	33.33%

SUSTAINABILITY STATEMENT

Risk Management Assessment

AMRB's risk-related matters is overseen by GRMWC, which reports to the BRMC which has ultimate Board oversight over risk at the Group.

AMRB's Risk Department oversees Enterprise Wide Risk ("EWR") and emulates the core functions of the GRMWC. GRMWC, is a recognised influential decision maker in the organisation, thus entrusted to contribute to the general direction and operations of the Group. The GRMWC tries its best to align policies based on Group strategies and uses risk management as a means to achieve this. In fact, at the management level purview of sustainability matters has been embedded into the sustainability matter of GRMWC which report directly to BRMC and the Board.

There are several functions that the GMRWC perform that aid AMRB in our risk management processes. The Committee helps develop and improve risk management policies within the Group by closely aligning these policies with AMRB'S strategy and our ability to take on risks. We are aware that it is important for management teams to be knowledgeable on the Company's risk profile and are fully engaged in risk management within their day to day running of the organisation. Establishing an environment where risk management is fluently integrated is an essential part of the strategy culture and business operations here at AMRB.

Furthermore, the GMRWC are also crucial when it comes to identifying internal (e.g. operations and staffing) and external (e.g. legal, compliance, governance and etc.) factors that govern which strategy or area AMRB should establish.

By having the GMRWC in place, it allows for thorough risk assessment and identification of risk management gaps to take place and this especially important when it comes to matters relating to EESG. In risks relating to EESG, the framework we use to uphold risk management standards is the ISO 31000 which includes EESG risks within its framework. Our Board is also involved by overseeing not only risk management in general but do focus on risks relating to EESG. AMRB also has protocols in place in case there is an EESG related emergency which is handled by the QHSSE Department.

From the above risk management approach, it can be seen that AMRB proactively identifies, analyses and manages risks that materially impact our value creation abilities, including sustainability-related risks and opportunities. EESG factors are fundamental to business resilience and stakeholder trust. Therefore, we adopt a holistic view in managing interrelation between our strategy, EESG risks and sustainability. We strive to be a risk-resilient organisation in achieving business objectives. Our effective risk management has always been a pillar of good governance and integral to ensure business continuity. In fact, it is worth noting that the risk management framework that we have put in place and the risk appetite evaluations and specific deliberations on high impact business matters that we conduct have given us the latitude to pursue our growth agenda in a prudent and sustainable manner.

SUSTAINABILITY STATEMENT

Preserving Our License To Operate (QHSE)

Upholding a strong QHSE culture centred around ownership, mindfulness and courage to intervene promotes the correct attitude towards employee contribution in order to achieve an objective. Our ability to operate is reliant on our license that we have obtained which is why preserving our license along with ensuring environmental regulations are upheld by our staff and contractors remains crucial for business operations.

For AMRB to be in the position we are in today, it required a high level of QHSE implementation to be accomplished and can be seen as a significant factor in our progress within a highly competitive industry. The Group strongly adheres to regulatory standards and certifications in order to ensure a clean and reputable QHSE track record that has no issues and defects, timely service delivery, optimum resource management as well as zero operational errors.

The following are the standards that AMRB have achieved:



Certification & Standards	Awarded To	Validity
IMS STANDARDS OF ISO 9001:2015 (QUALITY MANAGEMENT)	ALAM MARITIM GROUP: i) Alam Maritim Resources Berhad ii) Alam Maritim (M) Sdn Bhd iii) Alam Hidro (M) Sdn Bhd	1 March 2024
ISO 14001:2015 (ENVIRONMENTAL MANAGEMENT)	ALAM MARITIM GROUP: i) Alam Maritim Resources Berhad ii) Alam Maritim (M) Sdn Bhd iii) International Gateway Services Sdn Bhd iv) Alam Hidro (M) Sdn Bhd	1 March 2024
ISO 45001:2018 (OCCUPATIONAL HEALTH AND SAFETY)	ALAM MARITIM GROUP: i) Alam Maritim Resources Berhad ii) Alam Maritim (M) Sdn Bhd iii) Alam Hidro (M) Sdn Bhd	1 March 2024

SUSTAINABILITY STATEMENT

AMRB also adheres to certain standards that improve future quality compliance and accreditation to international standards. The below standards are enforced by the QHSSE Department across all subsidiaries alongside the Group's Integrated Management System ("IMS"):

- ▶ International Safety Management ("ISM") Code and Maritime Pollution ("MARPOL") on our maritime operations
- ▶ Health, Safety and Environment Management System ("HSEMS") within our business operations

Our Corporate Security Policy which focusses on universal Group security procedures is also enforced within AMRB as an attempt to improve long-term business sustainability. After the COVID-19 outbreak, a heavier emphasis has been placed on Risk Management and QHSSE areas to sustain the Group's safe and healthy record.

AMRB's focus on quality control, regulatory compliance and QHSSE management has earned the Group much deserved respect and acknowledgement within the industry. In FY2022-23 we have achieved the following awards:



No.	Date	Details of Achievement/ Contribution	Client
1.	July 2023	Certificate of Achievement awarded to MV Setia Rentas for achieving Zero Incident Award during 2022/2023 Hibiscus Oil & Gas Malaysia Limited ("HML") Monsoon Safety Campaign	Hibiscus Petroleum
2.	July 2023	Certificate of Achievement awarded to MV Setia Gigh for achieving Zero Incident Award during 2022/2023 Hibiscus Oil & Gas Malaysia Limited ("HML") Monsoon Safety Campaign	Hibiscus Petroleum
3.	July 2023	HSE Excellence Appreciation Award presented to TH Alam Management (M) Sdn Bhd – MV Setia Jihad & Taha Assafa for HSE Excellence and Outstanding Efforts in achieving incident-free operation during D35 & J4 Work Over Project 2023	Roc Oil

SUSTAINABILITY STATEMENT

Upholding Anti-Bribery and Anti-Corruption Standards

AMRB takes the issue of corruption extremely seriously especially with its ability to negatively impact sustainability development, society's wellbeing and inevitably, economic growth. Corruption also undermines the duties of good faith, diligence and integrity that must be observed at all times at the Group.

Therefore, one of the primary components of EESG is to eliminate corruption by implementing good practices, governance mechanisms and policies to build a sustainable and transparent business, community and society.

In the previous financial year, AMRB had introduced our Anti-Bribery and Anti-Corruption ("ABAC") policy in accordance to Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act").

The MACC Act, and ABAC policy, states that commercial companies are held accountable if discovered to be involved in bribery and other corruption actions within the organisation. Liability can extend to any member of the Board, the Chief Executive Director, Management or employee as well as relevant stakeholders tied to Group's management and operations. This is to ensure that:

- ▶ AMRB's funds and other assets are protected
- ▶ The highest standards of ethics, professional conduct and fiduciary responsibility are maintained
- ▶ Integrity of AMRB as a Public Interest Entity is maintained
- ▶ All of AMRB's businesses are secured
- ▶ The reputation of AMRB and its employee are protected at all times
- ▶ The highest level of services to the community and individuals is maintained
- ▶ AMRB's commitment to best practices is communicated

The Group's ABAC policy consists of procedures, compliance factors, monitoring protocols and reporting frameworks for the Group regarding anti-corruption. The policy can aid in improving organisational transparency which is in line with building a sustainable foundation for economic growth to be achieved. The ABAC policy has been applied at various organisational levels of the company in relation to both internal and external stakeholders.

AMRB's Board has oversight when it comes to anti-corruption policies along with the development and implementation of them. This is done through established Group committees and departments such as the BAC, BRMC, GRMWC, Human Resources & Administration Department ("HRAD") as well as Internal Audit & Risk Management ("IARM"). Our anti-corruption is verified through internal audits.

We strive to spread anti-corruption practices among all levels within the Group in order to create an environment that is strictly against any form of corruption via training and ABAC policy acknowledgement. AMRB also provides briefings to newly hired staff on our ABAC policy. The Group also has an Employee Handbook ("Handbook") which details our ABAC policy particulars and other ethical conduct protocol including Codes of Conduct & Discipline.

To maintain operational integrity throughout the organisation, AMRB plans to have its operations assessed for corruption-related risks in the future.

AMRB's internal audit function as well as reports made by a whistleblower, if any, are tools that the organisation uses to track and assess its anti-corruption performance.

If any corruption-related offence is discovered at the Group, there are two entities within the Group that will address it:

- 1 **Alam Disciplinary Board ("ADB")** – for accused individuals from the employee level up to the managerial level.
- 2 **Board Panel** – for accused individuals from the Management (Senior Manager & above) level up to any of the Group's Directors.

AMRB reported zero incidents of corruption in FY2022-23.

The full and approved ABAC policy framework can be viewed at AMRB's Investor Relations webpage at <https://www.alam-maritim.com.my/investor/policies/>.

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No Gift Policy

In its ABAC policy, the Group has implemented the No Gift Policy. Subject only to a certain narrow list of exceptions, all parties related to AMRB are prohibited to directly/ indirectly receiving or providing gifts with external parties.

In cases where AMRB received gifts which do not fall within the general exceptions, receiver is expected to immediately record the gift in the Gift Register maintained by HRAD for GMD/ CEO's decision on the reasonable action to do with the gift.

A Political Stance

AMRB maintains an apolitical stance and adheres to a general policy of not providing any monetary or in-kind contributions to political parties, officials, or candidates. In the current reporting year, AMRB has not made any political donations or contributions.

However, there are instances where the Group may participate in government-organised charitable or nation-building events. Additionally, the Group may occasionally support community development initiatives involving political parties or politicians. It is important to note that any political contribution made by the organisation must be in accordance with the law and should not be made with the expectation of receiving preferential treatment in return. For more detailed information, please refer to the ABAC Policy available at:

 <https://www.alam-maritim.com.my/investor/policies/>.

Whistleblowing Mechanism

AMRB's whistleblowing mechanism provides an appropriate platform for our employees and other stakeholders of the Group to report any potential or suspected incidents of fraud, misappropriation of monies, concealment of facts or information with the intention to mislead, abuse of power, embezzlement, violation of laws and regulations including taking or giving kickbacks, bribes and favours, endangerment to health and safety, violation of Group policies, abuse of privileges, criminal offences and blackmailing, amongst others.

Here is how one may submit a whistleblowing report:

- a) Any concern in respect of Key Management/ Senior Management should be reported to the following authority using the Group's Whistleblowing Form:

ALAM MARITIM RESOURCES BERHAD,
No. 38F Level 3, Jalan Radin Anum,
Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Malaysia.

Attention: Chairman of Board Audit Committee and copied to the Group Managing Director of AMRB

- b) Any concern in respect of other general Staff should be reported to the following authority using the Group's Whistleblowing Form:

ALAM MARITIM RESOURCES BERHAD,
No. 38F Level 3, Jalan Radin Anum,
Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Malaysia.

Attention: Group Managing Director of AMRB and copied to the Head, Group Human Resource of AMRB

Reports made will go to the HR and Administration Department and fairly investigated by our Board, HOD's and EXCO members, if the report is made good faith. Zero whistleblowing were reported in FY2022-23.

The full Whistleblowing Policy and Procedure as well as Whistleblowing Form can be viewed at AMRB's Investor Relations webpage at:

 <https://www.alam-maritim.com.my/investor/policies/>.

Code of Conduct and Business Ethics

AMRB'S Code of Conduct ensures ethical and professional conduct throughout the Group is maintained, with certain standards set for all employees to adhere to. Our employees are expected to behave in an appropriate manner when dealing with other employees, clients and vendors.

SUSTAINABILITY STATEMENT

The Code's guiding principles are:

- a** Strive towards a high standard of professionalism;
- b** Give his or her undivided loyalty and devotion to the Group at all times and on all occasions;
- c** Have a strong 'esprit de corps';
- d** Serve with honesty, integrity, goodwill and courtesy;
- e** Display a high sense of cooperativeness and proactiveness in carrying out his or her duties; and
- f** Generate new ways or approaches in the course of his work.

Our compliance with the Code of Conduct is reviewed at least every 3 years whilst the effectiveness of the Code is periodically reviewed when necessary.

Maintaining Positive Corporate Governance

Maintaining the high standard AMRB has set when it comes to corporate governance and best practices will continue to be a key objective for the Group in hopes that sustainability will be holistically integrated into our business. This will improve transparency with our stakeholders and will allow us to better safeguard their interests. The Board and Senior Management therefore adhere to the Malaysian Code on Corporate Governance 2021 ("MCCG 2021").

The Group is also a Shariah-Compliant organisation, as well as complies with various Malaysian laws and regulations in the sectors of Energy and Infrastructure, Equipment & Services and the (upstream) Oil and Gas Equipment and Services Industry, Marine as well as other related regulatory compliances.

For more information on matters pertaining to the Corporate Governance Framework, Related Party Transaction Policies & Procedures, Board Charter, Remuneration Committee and Policy, Whistle Blowing Policy and Nomination Policy are reported in the Corporate Governance Overview Statement of the Annual Report.

Ethical and Professional Conduct

AMRB prudently upholds ethical and professional integrity amongst all its staff in matters relating to business and operations. This has consistently been achieved via the establishment of strict ethical conduct guidelines, procedures and best practices pertaining to professional conduct, code of ethics, work ethics, anti-corruption, anti-bribery, fair competition, gift giving and acceptance, business amenities and affiliations with government personnel, distribution and usage of proprietary and confidential information, conflicts of interest as well as copyright infringements within or outside the Group parameters.

Any acts of commercial bribery, kickbacks as well as any other unsanctioned or clandestine payments, gifts, transfers and dealings will not be tolerated and will undergo the necessary disciplinary actions including:

- ▶--- Verbal warnings;
- ▶--- Supervisory inquiries;
- ▶--- Employment dismissal; or
- ▶--- Legal proceedings.

Internal and external stakeholders are strongly encouraged to report any incidents of ethical breach as well as any other criminal and corrupt practices to the our established grievance and whistleblowing mechanisms in order to take action against these breaches.

Capital Acquisition and Restructuring

In order to remain sustainable, capital acquisition is a vital initiative that AMRB has to focus on in order to remain at operationally viable.

A majority of our CAPEX and OPEX are dedicated towards the operation and maintenance of our fleet whilst second-hand ship sales do indeed occupy most of the ship investments made by the Group. When looking at the demand cycle for vessel services, the market can be quite volatile and unpredictable at times which means that cost risk can also be volatile through the consistent expensive expenditure involved with the repairs, maintenance and specialised ship crews on

SUSTAINABILITY STATEMENT

these vessels. The Group does see the consistent trend for an increased demand of larger vessels that have bigger cargo load capacities that will continue for the foreseeable future despite the volatility of the market.

This is AMRB's general process of securing capital for project execution:



The Group continues to be proactive in repositioning the organisation and restructuring its business portfolios including its work environment, work culture, manpower rationalisation as well as its financial arrangement to focus on where and how the Group's business should be competitive and viable. This is also done alongside ensuring that sufficient EBITDA is generated to meet its obligations. In relation to this, the Group is currently undergoing a debt restructuring exercise to address its challenging financial position. In this vein, the Group appointed BDO Capital Sdn Bhd as its financial advisor to assist in a proposed scheme of arrangement with its creditors. More information on these restructuring initiatives, fund raising exercises and other related developments can be read in the Management Discussion and Analysis section of the Annual Report.

Customer Relationship and Satisfaction

There are a variety of methods that AMRB uses to facilitate customer engagement which include customer/ client feedback, customer/ client inspection and site visits, both scheduled and unscheduled, project contractor management meetings as well as audits and assurances regulatory or compliance-based evaluation and assessment exercises and enquiry correspondences.

We hope to further improve our ability to provide satisfactory engagement and responses to our customers and we aim to expand upon our ability to handle large amounts of feedback from both clients and customers in a reasonable timeframe. AMRB also looks to further improve the client and feedback mechanisms we have in place to allow for efficient communication to take place between both parties and place the Group in a better position to deal with any concerns that may be brought up.

Additionally, there is need to update and further advise our clients and customers on any relevant information they would like to know of within the organisation. This is why AMRB releases information such as key updates regarding the progress of certain projects, repairs and maintenance records, corrective measures initiated and QHSSE performance on operational activities and project requirements.

Moving forward, AMRB looks to expand upon all forms of customer engagement to adequately meet the changing needs and demands they possess.

Customers/ clients are welcomed to deliver their feedback and inquiries at +603 9058 2244.

Supply Chain and Procurement Governance

AMRB's supply chain is made up of our contractors and suppliers and we strive to achieve good governance and business practices throughout all levels of our supply chain and remove form of corruption. The contractors and suppliers we have chosen to work with have displayed to us a certain level of integrity and reliability that is agreeable with AMRB's standards.

To further reinforce our stance when it comes to anti-corruption within the supply chain, AMRB has established its ABAC Policy and Acknowledgement Pledge that is required to be signed off by all suppliers and contractors. This ensures that suppliers and contractors are aware of the policies that AMRB abides to whilst also displaying our zero-tolerance approach to corruption.

Due diligence has also been, and will continue to be, conducted on new business partners in line with addressing corruption.

AMRB also upholds good procurement practices and has a Procurement Policy established. This Policy outlines a centralised procurement system which manages and consolidates all procurement transactions and evaluation assessments in a single system. An example of this can be seen in AMRB's favourability towards local suppliers over foreign ones in order to support the Malaysian economy and spread our sustainability governance and business practices towards these contractors and suppliers.

SUSTAINABILITY STATEMENT

Number of Suppliers

	Local	Foreigner	Total Number of Suppliers
FY2020	302	63	365
FPE 30 JUNE 2022	368	100	468
FY2022-23	439	117	556

Percentage of Local Suppliers (%)

	% That Are Local Suppliers
FY2020	82%
FPE 30 JUNE 2022	78%
FY2022-23	79%

Proportion of Spending on Local Suppliers (%)

	% of Spending on Local Suppliers
FY2020	MYR 54,455,458.41
FPE 30 JUNE 2022	MYR 68,933,421.95
FY2022-23	MYR 44,535,975.64

Direct Economic Value Created

While economies worldwide have almost fully recovered from the COVID-19 pandemic's effects, macroeconomic issues such as global inflation and geopolitical conflict persist and have made the economic landscape unpredictable. Despite all this, AMRB continued to show great resilience and determination to during this period and has continued to persevere. Please find key information on FY2022-23 financial performance in the tables below. Details of financial results are stated in this Annual Report.

RM310,603

million

in Revenue

3.4% y-o-y variance

RM15,169

million

Profit After Tax

107.2% y-o-y variance

RM43,603

million

in Cash and Cash Equivalent

112.3% y-o-y variance

RM229,064

million

in Total Assets

-15.1% y-o-y variance

RM(0.04)

in Net Assets Per Share

-18.5% y-o-y variance

RM0.99

in Basic Earnings Per

Ordinary Share

107.0% y-o-y variance

SUSTAINABILITY STATEMENT

Indirect Economic Value Created

Despite the challenging financial situation that the Group is facing, AMRB's still generates value for its stakeholders comprised of financial and non-financial values, such as salaries and emoluments for employees, taxes to the government, and creating employment opportunities and spill over economic effect.

ORGANISATIONAL CULTURE DEVELOPMENT

Cultural Beliefs & Shared Values of iCARE

Economies and societies have mostly recovered from the COVID-19 pandemic. However, the important lessons that the pandemic taught the Group and other businesses remain as pertinent as ever, and these lessons have further reinforced AMRB's efforts to always adapt and reinforce its work culture in the face of an obstacle-laden macroenvironment.

With a strong recovery year under review, AMRB remained determined to cultivate a mature professional workplace culture that strongly emphasised business excellence and productivity. This included the continued fostering of success-inducing values, mindsets, and behaviours in the workplace while strengthening a cohesive organisational culture. In this vein, the Group went above and beyond in its efforts to instil these work values and establish an effective work culture based on its iCARE Cultural Beliefs and Shared Values.

Our iCARE Cultural Beliefs highlight our capability to deliver quality results through discipline, work ethic, and accountability. Consequently, whilst the Shared Values govern the qualities and desired characteristics we need to instil for efficient teamwork and synergy, the iCARE Cultural Beliefs system promotes our essence as a high-performing enterprise. Both of these values and beliefs underpin our Vision and Mission Statement, which outline our path towards building a high-performance, sustainable work culture.

The Group embraces and implements these guiding principles and ideals to promote employee ownership, success sharing, and a sense of belonging. In turn, this establishes a sustained value-added path toward a high-performing work culture that fosters trust, unity, diligence, accountability, compliance, and productive collaboration among employees.

Every AMRB employee is instrumental in championing the desired transformation and long-term sustainability that we,

as an organisation, seek to achieve in order to enable our organisation to thrive in the face of adversity. For this reason, AMRB remains committed to ensuring that strong leadership and guidance facilitates a more streamlined and expedited incorporation of these beliefs and values throughout the organisation.

Employee Diversity and Inclusivity

AMRB recognises that investing in a diverse workforce is essential for our business as the different perspectives and ideas help enrich our organisation and better inform our productivity and decision-making processes. Factors such as age, gender, race, religion, sexual orientation, social class, disability and nationality have no impact on the prospects of employment, promotion, training opportunities, salary, remuneration, reward and benefits at AMRB.

A diverse and inclusive group of individuals is also important in developing a culture of shared business excellence, commitment, transparency, and value creation across the whole organisation.

In accordance with our overarching corporate objective and iCARE's Cultural Beliefs and Shared Values, AMRB believes that nurturing strong diversity and inclusion principles is essential to fostering a more representative operating environment for our organisation. This enables our organisation to benefit from a variety of perspectives, talents, and experiences that are invaluable for establishing a culture of high performance.

By establishing an environment of equal opportunity and mutual respect, we hope to attract and retain top talent from all walks of life. The Group strictly adheres to a non-discriminatory hiring policy, guaranteeing that all applicants, regardless of race, gender, religion, age, or disability, have equal employment opportunities. All of our employees are recruited solely on the basis of their qualifications and willingness to uphold the company's iCARE Cultural Beliefs and Shared Values.

As of 30 June 2023, AMRB's business operations comprise of 154 shore employees and 280 seafarers. Our workforce comprises permanent and contract employees, with 28.1% of AMRB's total employees being contractors or temporary staff. As is with our support to local sourcing, AMRB supports local talents at operating locations, with 100% of our employees being Malaysians.

SUSTAINABILITY STATEMENT

Holistic Productivity Improvement

AMRB's Productivity Improvement is approached holistically, with an emphasis on enhancing human capital as well as the Group's work culture, systems, processes, procedures, and organisational structure.

Consequently, the use of these six (6) enablers, which are based on industry best practices, would raise productivity while also promoting greater cost efficiency. The gains of these enablers will accrue to all stakeholders, resulting in contributions to AMRB's long-term business viability and operational efficiency as a high-performance and productive organisation.



Human Capital Management

The organisation's driving force is its human resources. Therefore, the Group always pays great attention to its human capital management to ensure that all workers are aware of the rights and benefits to which they are entitled during their employment with the Group through the onboarding process.

Additionally, company inductions, training, our Handbook, and organised seminars by the Human Resources department are held in both Bahasa Malaysia and English for better understanding and dissemination of the relevant policies, protocols, and guidelines.

The following table summarises the scope of AMRB's Human Capital Management, which include human rights, labour standards, employee benefits, and more:

Compensation and Benefits	<ul style="list-style-type: none"> The Group is committed to paying all employees the statutory monthly minimum wage and overtime compensation in accordance with the current national labour regulations. We provide fair treatment and equal opportunity to wages and salary. We provide group insurance and Employees' Share Option Scheme ("ESOS") to those who are eligible.
Foreign Employment Arrangement	<ul style="list-style-type: none"> The Group has in place comprehensive processes and procedures when hiring foreign employees which will protect their rights of employment.
Communications with Senior Management	<ul style="list-style-type: none"> The Group has a periodic schedule where Senior Management and Board members conduct site visits at facilities and operation sites. These visits serve as a platform for proactive engagement with our employees on-site. Meetings and discussions are regularly conducted, with Town Hall sessions organised to update employees on the Group's strategic initiatives, business developments, policy awareness and achievements as well as targets set by the Group.

SUSTAINABILITY STATEMENT

Policy of Notice Period for Significant Changes in Operation	<ul style="list-style-type: none"> • The notice period for any significant change in operations varies from two(2) weeks to up to 12 months, depending on the level of severity, priority and impact of the change. • Termination procedures are as per the contractual offer letter of employment unless it differs where then procedures will follow the Employment Act 1955.
Non-Discriminatory Policy	<ul style="list-style-type: none"> • The Group subscribes to non-discrimination based on their relevant merits and competency regardless of gender, race, nationality, religion, age, disability, sexual orientation, marital status, union membership/ affiliation/ activity, employment status or political affiliation. • We respect the rights of employees to practise their religion during their working hours. • We allow employees to have the right to join any organisation as well as freedom of association with any organisation as per applicable laws. • We practice no child and young person labour, and no forced labour in any kind of work.
Anti-Bribery and Anti-Corruption ("ABAC") and Harassment	<ul style="list-style-type: none"> • The Group applies a zero-tolerance policy on any form of bribery and corruption practices, harassment, abuse as well as discrimination based on any personal characteristic and maintaining a workplace that is free from abuse, harassment, sexual harassment, intimidation and any other unsafe working condition. • We have set up a proper channel for whistleblowing and grievance mechanisms for an employee to report on any incident. • Policy on Anti-Bribery and Anti-Corruption ("ABAC") was approved and effective in June 2020.
Talent Management and Development	<ul style="list-style-type: none"> • The Group is committed to a healthy, high-performance organisation where we place high priority on knowledge and skills development. • We are committed to value our employees' achievements through yearly performance management reviews and career succession planning. • Further emphasis will be highlighted in the "Talent Management and Development" of this Annual Report.

In addition to supporting the rights to mandated benefits and welfare, humane working conditions, and the expression of grievances, AMRB employees have the right to freedom of association and collective bargaining. When it comes to minimum notice periods for significant operational changes, employees may refer to the Group's relevant policy and handbook as well as at the employee's contract of employment.

The Group continues to monitor any revisions to global or domestic human rights policies and labour legislation so that our policies remain current and consistent with regulations. We also strive to monitor our employees' grasp of these policies so that they remain aware of their rights and, if warranted, exercise them when necessary. This will contribute to a more harmonious workplace environment within the Company.

Through our whistleblower channel and grievance mechanisms, the Group is committed to addressing any alleged cases of bullying, harassment, corruption, human rights breaches, labour law infringement, and other workplace indecencies that are reported to us. In FY2022-23, there were zero cases of grievances reported.

SUSTAINABILITY STATEMENT

Employee Remuneration and Benefits

Remuneration is an essential component of AMRB's workforce. All directly-employed AMRB professionals receive competitive compensation packages that are proportionate with their professional qualifications, experience, and seniority, as well as their job performance. Compensation must be competitive in the marketplace in order to attract and retain talent across the Group.

The Group's employee benefits are available to all AMRB workers, whether onshore and offshore. This includes the various types of leave established by the Employment Act, such as annual leave, medical leave, maternity and paternity leave, and more.

	FY2020	FPE 30 JUNE 2022	FY2022-23
Employees Entitled for Parental Leave	9	8	7
Employees Who Took Paternity Leave	3	4	5
Employees Who Took Maternity Leave	6	4	2

	FY2020		FPE 30 JUNE 2022		FY2022-23	
	Male	Female	Male	Female	Male	Female
Return to Work Rates (return to work after parental leave period)	100%	100%	100%	100%	100%	100%
Retention Rates (remained with the organisation for 12 months or more post parental leave)	100%	100%	100%	100%	100%	100%

Given the nature of the industry AMRB operates in, it may face notable discrepancies in salary differences between male and female employees as note only do males make the majority of the workforce but they also work in the primary technical/operational areas of the organisation that constitutes the core of our business. However, where warranted, the Group is always looking into better balancing its ratio of basic salary and remuneration female to male employees to best of its ability, and has seen improvement in this area over the years as shown below:

	FY2020	FPE 30 JUNE 2022	FY2022-23
Salary difference between men and women (RM)	RM181,877.56	RM256,748.47	RM201,552.81
Ratio of basic salary and remuneration of women to men for key employee categories	9:32	8:24	11:19

Moreover, contributions to the Employees Provident Fund ("EPF") are determined according to the Employees Provident Fund Act of 1951. AMRB contributes to the EPF based on the employee's working level.

The SOCSO Insurance Scheme covers eligible employees as defined by the Employees Social Security Act 1969 (Act 4). All contributions are paid on a monthly basis, in addition to the employee's compensation.

SUSTAINABILITY STATEMENT

Onshore and offshore employee benefits (RM)	FY2020	FPE 30 JUNE 2022	FY2022-23
Total payments made to employees in terms of salaries, bonuses and benefits	13,899,653.29	11,288,798.55	9,634,767.10
Total statutory payments made for employees' retirement benefits (EPF)	1,471,176.00	1,201,384.00	1,250,436.02
Total payments in medical insurance (SOCISO for employees)	96,201.40	86,503.85	91,247.20

100% of employees have had their annual performance appraisals during the year under review.

Employee Appreciation and Long Service Award

Every 10 years, AMRB celebrates and honours dedicated and loyal employees for their commitment and contributions with the Long Service Award ceremony. It is also a celebration of our employees' long-term tenure with the Group and an acknowledgement of their efforts through impactful discussions and input that resulted in policy improvements and greater business sustainability for the Group as a whole.

Long-serving offshore personnel and crew members who have worked with AMRB for at least ten (10) years are bestowed with distinctive awards.

Social Compliance

The Group adheres strictly with the Malaysian Employment Act of 1955 and the Minimum Wages Order of 2016. The Group is pleased to report that there were no fines or censures issued to AMRB for any social or governance-related offence in FY2022-23.

TALENT MANAGEMENT AND DEVELOPMENT

Employee Training and Development

AMRB's talent management strategy is founded on the goal of assisting employees in recognising their strengths, developing their professional growth and reaching their full potential. The Group, therefore, developed training procedures to ensure the provision of staff training that will enhance staff effectiveness, efficiency, productivity and quality in line with the Group's human resources development requirements.

This aligns with AMRB's longer term direction and goals as it positions its employees for their career advancement by building existing skills, while also identifying new skills and opportunities to impart to employees that would ultimately help achieve the organisation's objectives. This ensures that the Group remains competitive in the industry and market.

In FY2022-23, a total of RM149,528 was invested on employee training and development, with 32 training programmes being organised and attended by various business units involving all ranks of AMRB personnel in the year 2022. The total training hours for the year under review is 218 hours. Technical training and upskilling, soft skills training, coaching and leadership development are all covered in both types of training.

Additionally, the pandemic's past presence had initially encouraged AMRB to utilise more online platforms such as video calls, virtual meeting spaces and online training courses in its training programmes. However, in 2022, some training sessions have been arranged face-to-face due to the relaxation and eventual removal of the restricted movement order and social distancing.

SUSTAINABILITY STATEMENT

Training/ Course Attended	No. of participants
FEATURES MACHINE	18
IKMAL PRESIDENTIAL LECTURE 2020	2
ANTI BRIBERY & ANTI CORRUPTION SOLUTION	20
NAVA PROCUREMENT	2
MICROSOFT EXCEL - FOUNDATION	20
EFFECTIVE IMPLEMENTATION OF DOCUMENTED INFORMATION SYSTEMS	20
MICROSOFT EXCEL - INTERMEDIATE	20
INTEGRATED MANAGEMENT SYSTEMS (“IMS”): INTERNAL AUDITOR TRAINING COURSE	20
SMS REFRESHER & PMS SUBMISSION REPORT TRAINING	23
TIME MANAGEMENT & WORK EFFECTIVELY	25
AUDIT REPORT WRITING SKILLS FPR INTERNAL AUDITOR	1
FIRE PREVENTION, PREPAREDNESS & RESPONSE TRAINING FOR EMERGENCY RESPONSE TEAM	10
ENVIRONMENTAL ASPECT IMPACT TRAINING	25
BASIC FIRST AID	10
SSM NATIONAL CONFERENCE 2022 CORPORATE GOVERNANCE AND SUSTAINABILITY NEEDED NOW MORE THAN EVER	2
HIRARC (HAZARD, PENILAIAN RISIKO DAN KAWALAN RISIKO)	15
SCHEDULE WASTE MANAGEMENT	15
BEHAVIOUR BASE SAFETY AND ASSESMENT	25
TRAINING NEED ANALYSIS (“TNA”)	2
ACCIDENT INVESTIGATION & REPORTING TRAINING	16
MARINE INCIDENT INVESTIGATION	15
CRISIS MANAGEMENT: LEVERAGING THE MEDIA TO CONVEY KEY MESSAGES	15
HIRARC	10
IMPACT OF NEW OSH (AMENDMENT) ACT 2022	1
INTRODUCTION TO OIL & GAS UPSTREAM	2
MANAGEMENT OF CHANGE (“MOC”)	16
MALAYSIAN TAX BUDGET CONFERENCE 23	1
CSWIP 3.4U UNDERWATER INSPECTION CONTROLLER	4
OPITO TROPICAL BOSIET WITH CAEBs	3
OPITO BASIC HYDROGEN SULPHIDE (BH2S)	7
WEBINAR ON EMPLOYMENT (AMENDMENT) ACT 2022	1
HANDLING MISCONDUCT RELATING TO ABSENTEEISM	1

Employee training needs are ascertained via a Training Need Analysis (“TNA”). Based on the TNA, the relevant Group department will identify the suitable training programme for the respective employee(s).

SUSTAINABILITY STATEMENT

Here is the full breakdown of employee training data for the Group:

	FY2020	FPE 30 JUNE 2022	FY2022-23
Total training hours as a company (hours)	111 hours	335 hours	218 hours
Total training expenditure as a company (RM)	RM18,870	RM53,513	RM149,528
Total training hours per business division/ business unit (hours)	32 hours	119 hours	35 hours
Total training expenditure per business division/ business unit (RM)	RM2,140.00	RM22,998	RM21,200
	FY2020	FPE 30 JUNE 2022	FY2022-23
Average Training Hours Per Employee (hours)	0.69 hours	2.29 hours	1.65 hours
Average Training Days Per Employee (hours)	0.11 days	0.34 days	0.24 days
Average Training Spend Per Employee (RM)	RM117.20	RM366.53	RM754.76

Hiring and Attrition Trends

In FY2022-23, AMRB employed 29 new hires, while 43 employees underwent attrition in the same year. This is attributable to AMRB's ongoing restructuring process whereby employees sought more stability in career opportunities elsewhere, as well as due to the lingering consequences of the COVID-19 pandemic which made subsequent operational sustainability increasingly difficult as the lives of our employees became increasingly affected by economic, health, and safety risks and implications.

Citizenship		FY2020	FPE 30 JUNE 2022	FY2022-23
Gender	Male	20	32	4
	Female	8	7	9
Age	Aged 50 and below	26	39	24
	Aged 51 and above	2	0	2

In FY2022-23, the Group continued to have a healthy attrition rate relative to its industry peers. The Group remains determined to preserve its pool of top talent, as it has always done.

Turnover		FY2020	FPE 30 JUNE 2022	FY2022-23
Gender	Male	22	22	33
	Female	8	11	10
Age	Aged 50 and below	29	30	40
	Aged 51 and above	1	3	3

SUSTAINABILITY STATEMENT

Employee Induction and Exit Process

AMRB recognises the importance of employee onboarding and exit processes in organisations. Onboarding plays a crucial role in facilitating a seamless transition for new employees, promoting adherence to policies, facilitating the transfer of knowledge, and boosting engagement and retention.

The Group has established key guidelines that describe the steps taken to onboard new employees into the Group:

- i Receive and check the advice on the reporting of the candidate to fill up the specific position at the required department at a particular date.
- ii Prepare the potential employee's onboarding arrangements with the relevant departments for logistic and administrative requirements.
- iii Receive, welcome, attend, introduce and orient the newly-joined staff with the company's set up, management personnel, facilities, security, culture and administrative requirements.
- iv Arrange for the employee to go to the designated department for formal induction of the tasks to be assigned by the respective HODs.
- v Arrange for the newly-joined staff to attend the company's induction program within one month from the date of joining.
- vi Complete the employee registration process and update the employee's personal data in the HRIS.
- vii Announce the joining of the new employee within one week of joining the company.

Exit procedures, on the other hand, offer valuable insights, ensure adherence to legal requirements, and contribute to succession planning. They enable organizations to gather feedback from departing employees, learn from their experiences, and make improvements for the future.

Some of the key guidelines for the exit process of an employee include:

- i Receive the notice of resignation, verify and confirm the acceptance of the resignation by the Management.
- ii Process the employee's resignation notice by checking the resigned employee's employment status, records and communicate with the resigned employee on the need for:
 - ▶--- Exit interview report.
 - ▶--- Resignation Check List.
 - ▶--- Leave balance/ actual last day in the company.
 - ▶--- Hand over notes.
 - ▶--- Other outstanding allowances and benefits.
- iii Monitor the staff attendance record until the last day and ensure all requirements pertaining staff resignation are fully met before closing the case.

SUSTAINABILITY STATEMENT

Employee Spiritual Growth and Development

Continuing the tradition of past years, the Group maintains its daily Halaqah Al-Husna, a brief talk on Islamic faith offered to our Muslim employees to aid in their spiritual growth. Monthly Halaqah Perdana forums are also organised on specialised topics, with respected speakers, scholars, and subject matter experts invited to share their personal insights and lessons with our workforce.

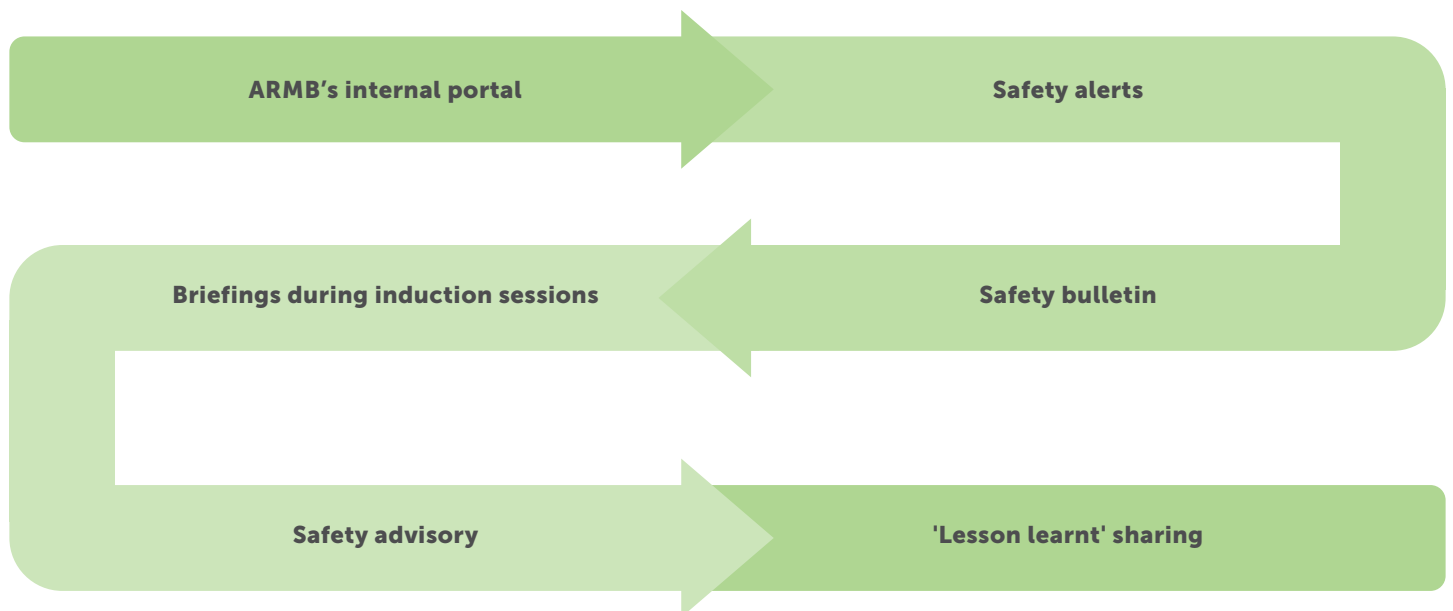
QUALITY HEALTH, SAFETY, SECURITY, AND ENVIRONMENT ("QHSE")

AMRB highly values QHSE and constantly strives to uphold a strong level of QHSE by preserving our operations' and branches' exceptional health and safety standards. Our commitment to QHSE excellence enables us to operate in a highly-competitive industry.

The Group continues to be vigilant in eliminating, mitigating, and managing every risk and hazard identified in every element of our activities and processes to cultivate a safe work environment and protect the health and safety of our employees. Employees are obliged to undertake specialised job-specific trainings and briefings in order to increase their awareness and compliance with risk aversion protocol and safety measures. These trainings and briefings, in conjunction with already-established QHSE programmes, instil in them essential work tenets with detailed directives and precautions.

QHSE Policies and Standards

The Group strictly adhere to its QHSE Plan, Policy, and Standards, as well as the International Safety Management ("ISM") Code, MARPOL, and the Laws and Regulations for Good Governance. Our QHSE standards and policies are also cascaded down to our employees through:



SUSTAINABILITY STATEMENT

Standard operating procedures, work standards, and safety manuals guide our employees to ensure safety practices, communication, and behaviour are thoroughly ingrained in our corporate culture, across all onshore and offshore operating units and subsidiaries.

The Health, Safety, and Environment Management System ("HSEMS") policy, shown below, is one of the most important tools the Group utilises to internally drive our high standard of QHSSE at AMRB. The document defines the QHSSE Management Systems principles, the Drug and Alcohol Policy, the ISM Code, and the Stop Work Policy - all of which complement the Group's comprehensive health and safety management framework and standards:

These 9 elements remain essential to AMRB's QHSSE management, as they relate to sustaining performance, work efficiency, effectiveness, productivity, quality, profitability, and development in a safe manner. In this regard, the Group continues to advocate for its HSEMS policy in order to cultivate a safe working environment for our employees and prevent property and environmental harm.



COVID-19 Prevention

Malaysia entered the endemic phase of the COVID-19 pandemic in 2022, which also saw swift socioeconomic norms restored as all business sectors were reopened and social movement restrictions were lifted.

Amidst this strong recovery trajectory, AMRB will remain attentive on continuing health measures that ensure worker safety, in compliance with industry and government requirements.

The Group will continuously remind employees and crew of being aware of complying to SOPs such as:

- ▶--- Mandatory wearing of face mask
- ▶--- Frequent hand sanitising
- ▶--- Maintaining physical distance
- ▶--- Frequent disinfection activity at the common area
- ▶--- Sharing COVID-19 alerts and information

SUSTAINABILITY STATEMENT

The Group is still monitoring COVID-19 cases. All employees have already completed their second dose of vaccination. Since the government has not made further vaccinations mandatory, extra vaccination doses are optional for the employees. As of 31 March 2023, zero COVID-19 cases were recorded.

The Group's strict adherence to SOPs and the larger resumption of business activities has enabled AMRB to maintain progress on its onshore and offshore operations and activities.

QHSSE Performance

As the nation rapidly recovers from the COVID-19 pandemic, AMRB recorded another strong QHSSE performance, which continued to be achieved via the collective efforts of all levels in ensuring compliance and exemplifying a culture of safety. AMRB strives to continue championing the effective implementation of QHSSE in our operations in order to continue fostering a safe and healthy work environment for our employees and to improve our performance output.

Job Category (as of FY2022-23)	Total Cases		
	FY2020	FPE 30 JUNE 2022	FY2022-23
Unsafe Acts/ Conditions	Nil	Nil	Nil
Near Miss	Nil	2	Nil
Environmental Spillage/ Fire/ Explosion	Nil	1	Nil
Property/ Equipment Damage	Nil	1	1
First Aid Case	Nil	Nil	Nil
Medical Treatment Case	Nil	Nil	Nil
Restricted Work case	Nil	Nil	Nil
Lost-Time Incident Rate	Nil	Nil	Nil
Fatality	Nil	Nil	Nil

Lost Time Injury ("LTI") Free Manhours (from 14 May 2018 – 30 June 2022)	12,108,806.5 hours
Days FREE From LTI Incident (14 May 2018 - 30 June 2023)	1874 days
Group Manhours Worked (from 1 July 2022 – 30 June 2023)	2,437,748.5 hours

Emergencies and Accidents Management

Prevention of workplace and marine emergencies and accidents remain pivotal for AMRB to safeguard its employees' safety. The QHSSE Department supervised onshore employees, whilst vessel crew members are managed in accordance with the ISM Code's Designated Person Ashore ("DPA").

The DPA vitally contributes to the successful implementation of a Safety Management System and is accountable for the verification and monitoring of all safety and pollution control operations.

SUSTAINABILITY STATEMENT

Assessments on high QHSSE risk locations in potential and existing operations are also conducted during risk register reviews headed by the QHSSE director, and are updated every quarter. In addition, health and safety discussions are carried out by offshore and onshore representatives during monthly and quarterly safety meetings on the prevention of accidents and emergencies in office and offshore operations.

Accidents/ incidents that occurred during FY2022-23 were:

Date	Description
11 Aug 2022	The MV Setia Gigih vessel came into contact with BRD's Platform Leg & BRE's Corner Cellar Deck Platform during a personnel transfer operation.

Vessel Visitation and Crew Engagement

AMRB remained committed in fostering trust and open communication with its fleet crew through a variety of employee engagements, including periodic vessel inspections and QHSSE visits. This facilitates the synchronisation of our crew with the Group's Vision, Mission, and business goals while bridging the gap between the shore and offshore teams.

To ensure that Management and employees understand each other's requirements and expectations, numerous on-site visits and virtual engagement sessions through online platforms were done in a secure and efficient manner, as pandemic restrictions relaxed.

Every year, AMRB conducts engagement sessions with its marine crews to update our QHSSE policies and refresh the crews on risk management and assessment, incident lessons learnt, and any QHSSE policy changes.

In FY2022-23, there were a total of 18 management visits and engagements that took place. These visits are summarised below:

Date	Description
8 Aug 2022	Physical management visit conducted onboard Taha Assafa at Labuan anchorage by Group CEO, Head of HSSE, Head of Crewing, Head of Purchasing, Finance and Account Manager, Corporate Secretarial representative and Technical Manager.
9 Aug 2022	Physical management visit conducted onboard MV Setia Jihad at Labuan anchorage by Head of Crewing, Head of Purchasing and Technical Manager.
12 Aug 2022	Physical management visit conducted onboard MV Pioneer at CKP platform (offshore) by Operation Director of SWS.
7 Oct 2022	Physical management visit conducted onboard MV Setia Iman at KSB anchorage by Group COO, Operation Manager, Base Manager, Crewing Manager & HSSE Assistant Manager.
31 Dec 2022	Virtual management visit conducted with MV Setia Gigih involving Group Head Commercial & Contract, Operation Manager, Technical Manager, DPA, ICT Manager, Crewing Manager and Senior Manager, HSSE.
19 Jan 2023	Physical management visit conducted onboard MV Setia Rentas at TBSB by Senior Manager Operation, Technical Manager and Assistant Manager, HSSE.
30 Jan 2023	Physical management visit conducted onboard MV Setia Jihad at Labuan anchorage by Senior Manager HSSE.

SUSTAINABILITY STATEMENT

Date	Description
31 Jan 2023	Physical management visit conducted onboard Taha Assalam at Labuan anchorage by Senior Manager HSSE.
2 Feb 2023	Joint management visit conducted onboard MV Setia Qaseh between Alam's Management team and TH Management team.
20 Feb 2023	Physical management visit conducted onboard MV Setia Iman at KSB by Senior Manager, DPA ISM-ISPS.
21 Feb 2023	Physical management visit conducted onboard MV Setia Erat at KSB by Senior Manager, DPA ISM-ISPS.
16 Mar 2023	Physical management visit conducted onboard MV Setia Gigih at TBSB by Senior Manager, DPA ISM-ISPS and Technical Manager.
17 Mar 2023	Physical management visit conducted onboard MV Setia Hebat & MV Setia Luhur at KSB jetty by Senior Manager, HSSE.
10 May 2023	Physical management visit conducted onboard MV Taha Assalam at KSB anchorage by Head of Operation and Head of Technical.
17 May 2023	Physical management visit conducted onboard MV Setia Hijrah at Labuan anchorage by Head of ISM-ISPS.
18 May 2023	Physical management visit conducted onboard MV Setia Jihad at ASB jetty by Head of ISM-ISPS.
23 May 2023	Physical management visit conducted onboard MV Setia Gigih at TBSB jetty by Head of HSSE.
16 June 2023	Physical management visit conducted onboard MV Taha Assalam at KSB anchorage by Head of HSSE, Head of Operation and Head of Technical.

The Group also conducted QHSSE roving visits onboard to check and verify crew compliance on QHSSE practices, including:

- ▶ Check and verify compliance on QHSSE tools implementation onboard – UAUC, PTW, TBM, PPE, Drills, UDAT, etc.
- ▶ Briefed and shared incident lesson learnt – 500-meter zone, housekeeping, incident reporting, etc.

Date	Description
21-28 Jan 2023	Roving visit onboard MV Setia Rentas – Hibiscus
18-20 Mar 2023	Roving visit onboard MV Setia Gigh – Hibiscus

On top of all these sessions, the Group had also completed monthly/ quarterly/ annually accommodation checks and marine crew training initiatives in accordance with ISM, including drills, safety meetings, TBM, and shipboard training.

SUSTAINABILITY STATEMENT



Vessel Management Visit



Fire Drill Activity



ESG Training



Alam Health Day



Alam Monsoon Campaign

QHSE Training Highlights

The QHSE Department provides regular QHSE training to onshore and offshore employees. This annual training plan provides a proactive approach to continuously engage and provide new awareness and knowledge, enhance further QHSE understanding as well as a refresher on other QHSE matters to relevant employees, in order to ensure that the proper controls and measures are in place to ensure employees' safety while being productive.

There were 16 QHSE trainings and programmes held in FY2022-23, as shown here:

Date	Description
28 Jul 2022	Hazard, Penilaian Risiko dan Kawalan Risiko ("HIRARC")
21 Aug 2022	Scheduled Waste Management
29 Aug 2022	Behaviour Base Safety
13 & 14 Sep 2022	Accident Investigation & Reporting
27 Sep 2022	Risk Assessment Workshop
19 Oct 2022	Marine Incident Investigation Training
25 & 26 Oct 2022	Crisis Management – Leveraging the media to convey key messages
20 Dec 2022	Marine Incident Investigation Training
21 Dec 2022	Management of Change ("MoC") Training
15-17 Feb 2023	Shipboard Safety Officer Training
15-18 Feb 2023	Building Mental Resilience Through Stress Management
20-23 Feb 2023	Healthier Workplace, Happier Employee
24-27 Feb 2023	Sick Leave Reduction Through Chronic Disease Management
27-28 Mar 2023	Marine Incident Investigation Training

SUSTAINABILITY STATEMENT

AMRB also conducts periodic emergency evacuation drills at its onshore work environments. During this reporting period, the drills conducted were as follows:

Date	Description
3 Aug 2022	Emergency evacuation drill conducted at HQ, Sri Petaling
9 Nov 2022	Emergency evacuation drill conducted at IGS Provision office

Health and Safety Campaign

Each year, multiple Health and Safety campaigns are conducted to educate shore and offshore teams on QHSSE best practices. Details of these campaigns are shown below:

Campaign	Description
1 Alam Monsoon Campaign 2022/2023	<p>The campaign theme was "WORK SAFELY".</p> <p>On 16 Nov 2022, the keynote address and official launching of 1 Alam Monsoon Campaign 2022/2023 by the Group's Deputy CEO took place.</p> <p>Campaign Objectives.</p> <ul style="list-style-type: none"> To promote awareness & alertness on the risk being higher for someone to get hurt or for an incident to occur during the monsoon. To determine control/ mitigating measure(s) required. Safe operations are carried out during monsoon. No reportable incident/ accident occur during this period, both onshore and offshore. <p>Staff participation also took place – physical attendance at the Multipurpose Hall and virtual stream for staff in KSB.</p>
1 Alam Health Day Campaign 2022/2023	<p>This campaign was done to promote good health among employees, as employees who maintain healthy lifestyles tend to perform better and manage their stress and time more efficiently. They are more likely to have better energy levels and are less likely to get sick.</p> <ol style="list-style-type: none"> Health talk and health screening (Body Composition Analysis, Blood & Urine sample collection) – HQ KL (27 Feb 2023) 2nd Health screening – HQ KL (8 Mar 202) 1st doctor consultation – HQ KL (13 Mar 2023) 2nd doctor consultation – HQ KL (22 Mar 2023) Phone doctor consultation (30 Mar 2023) <ol style="list-style-type: none"> Health Screening – KSB & IGS (15 Mar 2023) Doctor consultation – KSB & IGS (5 Apr 2023) <p>Total participation: 122 employees</p>

Amidst the global recovery from the COVID-19 pandemic, the Group will continue ensuring safe, healthy, and viable operations through more pertinent Health and Safety campaigns for employees and Management.

SUSTAINABILITY STATEMENT

Drug & Alcohol Testing Inspections

The QHSSE Department conducts unscheduled drug tests on offshore personnel as part of its compliance with the Drug and Alcohol Policy. There was a total of 170 offshore employees tested in FY2022-23, all with negative results.

Date	Location	No. of crew screened (pax)	Test Results
05 Jul 2022	MV Setia Teguh	7	Negative
23 Jul 2022	MV Setia Erat	6	Negative
24 Jul 2022	MV Taha Assalam	7	Negative
07 Aug 2022	MV Setia Luhur	6	Negative
08 Aug 2022	MV Setia Qaseh	7	Negative
14 Aug 2022	MV Setia Gigih	14	Negative
29 Nov 2022	MV Setia Wira	6	Negative
22 Jan 2023	MV Setia Rentas	6	Negative
30 Jan 2023	MV Setia Jihad	17	Negative
31 Jan 2023	MV Taha Assalam	13	Negative
12 Feb 2023	MV Setia Kental	6	Negative
17 Mar 2023	MV Setia Luhur	14	Negative
17 Mar 2023	MV Setia Hebat	14	Negative
19 Mar 2023	MV Setia Gigih	13	Negative
10 May 2023	MV Setia Taha	17	Negative
11 May 2023	MV Setia Zaman	4	Negative
23 May 2023	MV Setia Gigih	13	Negative

As introduced in previous years, AMRB conducted unannounced KSB Base onboard inspections appointed by KSB Base representatives to ensure a hazard-free workspace that is environmentally-friendly, healthy and safe for employees. In the year under review, a total of 10 inspections were held at the following locations:

Date	Location of Inspection
05 Jul 2022	MV Setia Hebat
07 Sep 2022	MV Setia Erat
26 Sep 2022	IGS Provision

SUSTAINABILITY STATEMENT

Date	Location of Inspection
29 Sep 2022	MV Setia Qaseh
17 Oct 2022	MV Setia Hebat
19 Oct 2022	MV Setia Erat
19 Oct 2022	IGS Provision
25 Oct 2022	MV Setia Qaseh
05 Dec 2022	MV Setia Teguh
27 Dec 2022	MV Taha Assalam
04 Jan 2023	MV Setia Hebat
31 Jan 2023	MV Setia Teguh
02 Feb 2023	MV Setia Iman
12 Feb 2023	MV Setia Kental
28 Feb 2023	MV Setia Zaman
13 Mar 2023	MV Setia Ulung
07 Feb 2023	FMD Office
23 May 2023	MV Setia Gigih
16 June 2023	MV Setia Taha Assalam

Mentor-Mentee Programme

In FY2022-23, AMRB continued its yearly Mentor-Mentee programme, which involves the active exchange of expertise and insight between shore officials and vessel crew members. The programme is administered by the QHSSE Department as it pertains to staff welfare.

The majority of non-technical office personnel are assigned the role of Mentor, while vessel crew members are mentored, enabling for the development of a good rapport and strengthened working connections between office employees and vessel crew members.

Our Mentor-Mentee programme is based on the following 3 objectives:



SUSTAINABILITY STATEMENT

Career Advancement and Succession Planning

The Group promotes succession planning via its established its Self-Development Pipeline ("SDP") plan, which serves as the basis for our highly effective career advancement and self-development framework.

We develop high-quality employees for succession planning and then elevate them to top or senior-level leadership by focusing on identifying and developing key competencies of attitude, skill, and knowledge in possible candidates within the Group. Furthermore, our succession planning proactively serves to make succession-ready leaders available to support seamless leadership transitions with no major operational disruption. The programme is actively monitored by the Board.

Selected candidates will partake in an extensive 6-D transition programme designed to develop their leadership and decision-making abilities in collaboration with the Malaysian Maritime Academy ("MMA").

Climate Change

Climate change is one of, if not the most, the most significant environmental challenge the world faces today. There is a growing awareness or awakening around the world that climate change has major effects on weather patterns and the physical environment, which in turn affects entire economic sectors, business activity, our flora and fauna, and ultimately our quality of life.

As a responsible corporate citizen, AMRB is aware that the oil and gas industry utilises substantial quantities of resources, resulting in a variety of environmental and social repercussions. These are some of the major potential negative effects of emissions released into the atmosphere that the Group has identified:

- ▶ The emission of NOx and SOx substances into the atmosphere may cause **acid rain**, which can reduce the fertility of soil and cause loss of flora and fauna.
- ▶ The emission of NOx, VOC and ultraviolet ("UV") rays into the atmosphere will **diminish human health**, which can cause respiratory issue, skin cancer and cardiovascular issues.

- ▶ The emission of Chlorofluorocarbon ("CFC"), Hydro Chlorofluorocarbon ("HCFC"), Halon and burning of plastic product may cause **ozone depletion**, which can deplete the protective atmospheric layer shielding the atmosphere from dangerous rays by the sun.
- ▶ The emissions of NOx and SOx substances into the atmosphere may cause **global warming**, where the gasses emitted are trapped into the atmosphere and cause the greenhouse effect. The Earth's temperature will increase and oxygen levels may decrease.

Hence, the Group is committed to identifying and assessing the environmental impacts associated with our business activities and implementing control measures to minimise the potential and actual impacts of climate change. We are determined to continue stringently controlling our environmental footprint, particularly through vessel fuel and energy management, waste management, and pollution control.

Vessel Fuel and Energy Management

Vessel fuel management is fundamental in driving the Group's, and its subsidiaries', commitment to ESG, given that fuel is an essential resource in AMRB's operations. The Group closely monitors its fuel consumption to ensure optimal utilisation of our vessels' high-standard workability while minimising any detrimental effects on the environment.

This is accomplished through the Group's Fuel Management Plan, which establishes a mechanism in developing, implementing and ensuring that the bunker fuel onboard the vessel is controlled, accounted for, used efficiently and is consistent with safety levels during vessel operations.

With this, the Group has put in place the necessary protocol and procedures to ensure that:



The appropriate fuel is procured and used safely



Fuel is monitored in each machine and vessel



Fuel is handled and stored properly

SUSTAINABILITY STATEMENT

The fuel is effectively monitored and consumption is transparently declared on a daily basis based on a vessel's activities. AMRB and its clients monitor the vessel's daily activities and fuel consumptions via respective "Vessel Daily Report". Immediate communication is established between a vessel and the clients if any discrepancy was found in vessel's activities as well as fuel declarations and/ or consumption.

Clean Fuel and Emissions Management

To reduce our environmental footprint and air pollution, the Group strategically takes proactive steps to regulate fuel consumption and reduce greenhouse gases such as sulphur. In compliance with the International Maritime Organisation ("IMO"), AMRB employs low-sulphur Marine Gas Oil ("MGO") containing 0.1% or less sulphur content, instead of utilising the inexpensive Marine Gas Oil ("MGO") with a high sulphur concentration.

With low-sulphur MGO being one of the cleanest fuel sources in the industry, it mitigates any harmful effects that ordinary fuel consumption may have on our air quality. Furthermore, the Group also uses biodegradable oil whenever possible.

Controlling Emissions by AMSB/ TH Vessels

NO_x is developed due to fuel burning in the engine. As the temperature increases in the engine body, the NO_x gas develops, rises and is suspended into the air. The suspended gasses create the greenhouse effect and cause global warming. In order to avoid the development of the gasses, MARPOL has enforced engine makers to modify the engine system, and these requirements are to be complied with all ships and the compliance being stated in the IAPP certificate issued.

SO_x gasses are formed when fuel containing sulphur (mainly coal and oil) is burned. The suspended gasses pollute the environment and can cause acid rain. This will affect the larger flora and fauna as well as human health. In order to reduce the sulphur content generated by ships, MARPOL has enforced the following rules;

- ▶-- Sulphur content for MGO/ MDO must be <0.5%; or
- ▶-- If the fuel content is >0.5%, a scrubber is to be installed to limit the gas emission to <0.5%; or

- ▶-- changing the vessel engine to engine using LNG or LPG fuel.

Existing vessels are introduced to the Ship Energy Efficient Management Plan ("SEEMP"), which has been reviewed and validated by the Malaysian Marine Department, with the objective of controlling fuel consumption and reducing of GHG emission into the air. At the end of every year, each vessel indicates their progress and achievement by reporting Energy Efficient Operating Index ("EEOI") to detect improvement. This fuel oil monitoring is done by the Technical Superintendent.

ARMB is determined to manage the emission of gasses from substances that causes ozone depletion. When the ozone layer depletes, it will cause various rays, such as UV rays, to penetrate the atmosphere and affect humans. The followings actions to be observed prevent this from happening:

- ▶-- Any gas emission from ozone-depleting substances shall be prohibited. Usage of sprays containing aerosol must not be used and is banned e.g. insect sprays, fragrance, etc
- ▶-- Usages of appliances containing Chlorofluorocarbon, Hydro chlorofluorocarbon are also prohibited e.g. spraying agent
- ▶-- Usage of the chemical Halon for firefighting is prohibited e.g. Fire Smothering System
- ▶-- Burning of plastics onboard using an empty oil drum is strictly prohibited

Energy Efficiency and Consumption

All our vessels have the SEEMP to facilitate energy efficiency management, and this is regularly inspected by AMRB's ISM Department. In appreciation for the Group's sustainability and environmental protection-related efforts in the industry, ARMB was awarded with the Best Practice for Fuel-Efficient Operation Award in Malaysia World Maritime Week 2018 by the Ministry of Transport Malaysia.

AMRB continued to be cognisant of its energy consumption, particularly as it pertains to our onshore business' electricity consumption.

SUSTAINABILITY STATEMENT

Our office and related personnel are encouraged to practise energy-saving initiatives on a personal level or as a collective force by engaging in meaningful behaviours such as, but not limited to, the following:

- ▶--- Carpooling
- ▶--- Turning off lights when its not in use
- ▶--- Printing documents only when necessary
- ▶--- Unplugging machines after use
- ▶--- Shutting down computers at the end of the workday

As the Group continues its company-wide WFH policy in FY2022-23 with employees coming into the office on a rotational basis, AMRB's electricity consumption saw a year-on-year decrease of 2%.

The reduction can also be attributed to our aforementioned energy-saving procedures, which have helped us effectively manage our electricity use, and which we expect to continue this downward consumption trend in the future.

Waste Management Plan and Pollution Prevention

The Marine Pollution ("MARPOL") 73/78 and Safety of Life at Sea ("SOLAS") governs waste management planning and consists of 6 annexes with defined pollutant categories, each with definitive pollution controls and laws for decreasing sea and ocean pollution, including rubbish disposal, oil, and air pollution.

AMRB is a signatory to Annex VI, whereby all vessels abide by the implementation of air pollution control measures we enforce through the Ship Energy Efficiency Management Plan ("SEEMP") and our Fleet Management. The ISM Department continues to enhance its Annex VI framework strategy and application for better execution, with these measures already conforming to our Health, Safety, and Environment Management System ("HSEMS") policy.

AMRB's ongoing efforts have assured that all vessels meet SEEMP criteria, which include simple instructions and lifestyle adjustments including:

1 Reduce, Reuse, Recycle relevant materials

2 Seperate and dispose waste via provided garbage management facility

3 Landfill or disposal sites remain last disposal options

4 Turning off any equipment or lights not in use to save energy

5 Reduce carbon footprint and fuel consumption e.g. carpooling

6 Reduce water wastage e.g. shorter showers

The Group has also appointed a scheduled waste-competent person to monitor and ensure compliance on the scheduled waste management.

Scheduled (hazardous) waste such as used oil and lubricant oil are managed and collected by an appointed third-party for responsible disposal and treatment. The disposal of ARMB's waste and effluents is managed in accordance with the Environmental Quality (Schedules Wastes) Regulations 2014.

The DPA, Captain Ramli also conducted an in-house Inhouse training to relevant AMRB departments on the waste management agenda on April 2023.

In FY2022-23, no fines or reprimands were imposed on the Group for any violation or non-compliance of environmental-related laws.

SUSTAINABILITY STATEMENT

Garbage Management Plan

Every vessel we operate has a robust waste management plan in place where onboard waste separation is carried out, with recyclables including plastic, paper, and glass being recycled onshore. Other waste products are treated, recovered, or disposed of on land, with some permitted wastes being incinerated on board. Only unpackaged food waste is permitted to be disposed of at sea using MARPOL-approved protocols.

Waste Recycling

In its recycling efforts, AMRB is committed to waste separation. The Group contributes to the greater recycling movement within the industry and country as a whole by diligently separating recyclable waste from non-recyclable waste.

Not only does proper disposal and segregation of waste preserve our environment's cleanliness, it also results in the company realising cost savings as we reduce the utilisation of final disposal sites.

Biodiversity

Conserving marine life and the environment remained a top priority for the Group, as we are committed to reducing the discharge of toxic effluents into the marine environment. As part of the ISO 14001 targets for our vessels, the use of environmentally-friendly laundry detergent is one of the ecological practises in place at AMRB.

The criteria for environmentally friendly detergent are as follows:

- ▶ 100% non-toxic and biodegradable
- ▶ Green certified or eco-labelled
- ▶ Free from phosphate, sulphates and petrochemicals
- ▶ Wholly paint-based enzymes in content

The Group will persist with monitoring its working environment and business operations to ensure that biodiversity and ecology are not harmfully affected, particularly in terms of preventing the broader potential impacts of fuel usage.

Environmental Compliance

Through its sustainability initiatives addressing its materiality issues, the Group rigorously complies with environmental-related regulatory standards and practices, and as a result, we have not been penalised or censured by the authorities for any environmental-related offence in FY2022-23.

Security

Security is regarded as one of the Group's main concerns, as securing our workplace, operations and data not only protects the welfare of our employees but also ensures the long-term sustainability of our business. Enacted in 2019, our Corporate Security Policy ("CSP") is a comprehensive and holistic security management framework that integrates various security factors as shown below:



AMRB's CSP framework is founded on International Ship Security ("ISPS Code"), Social Security under the Maritime Labour Convention 2006 ("MLC '06"), and Cyber Security, which includes social media control. Moreover, the Group is committed to enhancing the cohesion and efficacy of our security policy, thus we consistently seek feedback and suggestions from relevant stakeholders, partners, clients, regulatory organisations, and insurance companies.

Client, customer, and other third-party data are stored securely in our company's data repositories and infrastructure, which is guarded by multiple safeguards that are maintained and updated regularly.

The Group also adheres to the Personal Data Protection Act 2010. In FY2022-23, AMRB recorded zero substantiated complaints concerning breaches of customer privacy and losses of customer data. Additionally, no data breaches or framework non-compliances occurred in the reporting year.

SUSTAINABILITY STATEMENT

Corporate Social Responsibility (“CSR”)

CSR continues to be a vital feature of AMRB’s overall organisation-wide commitment towards positively impacting the wider community. This is especially pertinent because as the country and world rapidly recovers COVID-19 pandemic, there may be individuals or groups in the community still struggling to cope with the pandemic’s lingering effects.

CSR can help rejuvenate livelihoods, homes, families and communities to better adjust and thrive in a post-pandemic landscape. Thus, the Group continued to strongly encouraged volunteerism among employees to enhance their moral direction, community bonding and to also imbue in them the sense of contributing to the greater good of society – very much in lock-step with our iCARE values and Shared Values.

The majority of the Group’s CSR initiatives continue to significantly involve spiritual-related self-development and knowledge, as this is significant pillar of support, respite and motivation that many employees at the Group are tuned to. Therefore, the Group has served to further cultivate the spiritual and religious nature of many of its CSR initiatives to align with how what employees most need and are attuned to. Moreover, the Group also delves in community development initiatives that aids its own employees through unexpected major calamities, primarily via welfare assistance.

As work-life balance is important to the Group for our employees, AMRB advocates for a balanced social life while contributing through donations and volunteer activities. The Kelab Sukan Rekreasi and Kebajikan AMRB (“KSRK”) drives this agenda, as it is a recreational sports club organised for employees to nurture a healthier and balanced lifestyle away from offices or other work environments. KSRK activities include aerobics, badminton, bowling football and hiking. In addition to the health and well-being benefits, the KSRK programme plays a secondary role in fostering indirect community networking and staff bonding.

RM 28,260.00

total amount invested in community development initiatives (where target beneficiaries are external to AMRB)

5

total number of beneficiaries of the AMSB’s CSR activities

600 hours

total hours volunteered

30

total volunteered

SUSTAINABILITY STATEMENT

Here are AMRB's organised FY2022-23 CSR activities:

1. Kem Bestari Solat



RM 2,446.00

The programme was organised for the kids of Alam Maritim's employees to educate the kids on the benefits of Salawat and the pillar of Solat. The participants also were taught how to take proper ablution and performed the solat together with the guidance of the facilitator.

2. Annual Bowling Tournament



RM 11,660.00

The KSRK organised an annual bowling tournament for all AMRB employees. The purpose of the tournament was to establish and strengthen the bond among employees and the management, as well as to foster balance in work, life and mental health.

3. Hiking KSRK



RM 3,650.00

The programme aimed to inculcate the spirit of love for nature and to take care of the environment while maintaining personal health. This activity also helped to strengthen the bond between the participant and the employer, while also instilling in them a love for the environment.

SUSTAINABILITY STATEMENT

4. Celebration of Ihya' Ramadhan & Program Khataman Al-Quran



RM 1,444.00

AMRB welcomed the month of Ramadhan by giving out Kurma as an appreciation and to celebrate the holy month with charity. We organised Tadarus with the Tadarus group in the month of Ramadhan. Upon end of the tadarus program, we gave out tokens of appreciation for staff participation.

5. Eid ul Fitri Celebration



RM 3,058.00

We organised an Eid celebration alongside a complete Tadarus program. The celebration was held with directors and members of the Group and aimed to strengthen the professional relationships and bonds between employees and management.

6. Kempen Gerobok



RM 6,000.00

This campaign's objective was to help the needy while also portraying our sense of togetherness and empathy amongst employees. This campaign helped to foster a culture of mutual care and cooperation among AMRB employees.

FINANCIAL CALENDAR

→ **28 OCT 2022**

Notice of Seventeenth Annual General Meeting

→ **31 OCT 2022**

Annual Report July 2021 – June 2022

→ **31 OCT 2022**

Annual Audited Account for year ended
30 June 2022

→ **7 NOV 2022**

Annual Audited Account (Amended version)

→ **30 NOV 2022**

First Quarter Report on consolidated results for
the financial period ended 31 September 2022

→ **14 DEC 2022**

Annual General Meeting

→ **28 FEB 2023**

Second Quarter Report on consolidated results
for the financial period ended 31 December 2022

→ **31 MAY 2023**

Third Quarter Report on consolidated results for
the financial period ended 31 March 2023

→ **30 AUG 2023**

Fourth Quarter Report on consolidated for the
financial period ended 30 June 2023

→ **31 OCT 2023**

Notice of Eighteenth Annual General Meeting

→ **31 OCT 2023**

Annual Report 2022/2023

→ **31 OCT 2023**

Audited Account for year ended 30 June 2023

→ **6 DEC 2023**

Eighteenth Annual General Meeting

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Statement of Corporate Governance Overview Statement ("Statement") of Alam Maritim Resources Berhad ("AMRB") and its subsidiaries (collectively referred to as "the Group") aims to provide an insight into the Corporate Governance practices of the Group under the leadership of the Board of Directors ("the Board").

The Board views corporate governance as a fundamental process contributing towards achieving long-term shareholder value, taking into account the interest of other stakeholders. Amidst an increasingly challenging operating environment, the Board continuously strives to refine the Group's corporate governance practices and processes to meet these challenges head-on, safeguard the Group's assets, enable sustainable performance and ultimately enhance shareholders' value.

This Statement is augmented with a Corporate Governance Report, which provides detailed disclosures on the application of each Practice as codified with the latest Malaysian Code on Corporate Governance 2021 ("MCCG") during the new FY2022-23 under review. The Corporate Governance Report is available on the Company's website as well as via the announcement made on the website of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The Board has been guided by the MCCG in its implementation of Corporate Governance practices while ensuring compliance with the Main Market Listing Requirements ("MMLR") and the Companies Act 2016 in addition to monitoring developments in industry practice and other relevant regulations.

The Statement should also be read alongside other statements in this Annual Report (e.g. Statement on Risk Management and Internal Controls and Sustainability Statement) for a holistic understanding of the Group's corporate governance framework and practices.

A. BOARD LEADERSHIP AND EFFECTIVENESS

The Group continues to be led and controlled by an active, engaged and experienced Board. Throughout the year, the Board continued to drive and effectively steer the Group with strategic direction through active engagement with the Management.

Board Roles and Responsibilities

The Board has the collective responsibility for the overall conduct and performance of the Group's business and affairs

by maintaining effective control over management oversight, setting the strategic direction of the Group and promoting ethical conduct in its business dealings. In discharging its roles and responsibilities, the Board is mindful of the need to safeguard the interests of all stakeholders.

The Board also sets the Group's core values, adopts proper standards to ensure that the Group operates with integrity, and complies with the relevant rules and regulations. The roles and responsibilities of the Board are set out in the Board Charter which is available on AMRB's website.

Board Committees have been established to assist the Board in its oversight function on specific matters. Whilst oversight of selected responsibility areas is delegated to the Board Committees, the Board nevertheless retains collective oversight and jurisdiction over the Board Committees. The Board Committees namely the Board Audit Committee ("BAC"), the Board Nomination and Remuneration Committee ("BNRC") and the Board Risk Management Committee ("BRMC") are guided by their respective Terms of Reference ("TOR"). The proceedings and deliberations of the Board Committees are reported to the Board at every Board Meeting. On matters reserved for the Board and where the Board Committees have no authority to make decisions, recommendations are highlighted in their respective reports together with the Committee members' comments and views for the Board's deliberation and approval. The TORs of the Board Committees are available on AMRB's website.

There is a clear separation of roles between the Chairman of the Board and the Group Managing Director/ Chief Executive Officer ("GMD/ GCEO") to bring about an effective check and balance mechanism. The Chairman is primarily responsible for ensuring the integrity and effectiveness of the governance process of the Board and acts as a facilitator and consults the Board promptly over any matter that gives him/ her cause for concern. The Chairman is responsible for representing the Board to the shareholders. The GMD/ GCEO assists the Chairman in the effectiveness of the implementation of Board policies and decisions, making operational decisions and monitoring the day-to-day running of the business, including defining the scope of the Management's responsibilities.

The functions and power delegated by the Board to the Management in managing daily business and operations of the Group spelled out in the Financial Limits of Authority ("FLOA") adopted throughout the Group. The schedule of matters reserved for the collective decision of the Board is also enshrined in the FLOA. The FLOA is reviewed when deemed necessary to ensure that they are relevant and up to date.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

In performing their duties, the Board is supported by suitably qualified and competent Company Secretary in discharging its duties and functions. The Company Secretary acts as corporate governance counsel and provide the Board with periodic updates on the latest regulatory developments and facilitate the implementation of pertinent corporate governance enumerations. The Company Secretary assisted in the agenda setting and disseminates complete and accurate meeting materials to Directors in a timely manner in order to facilitate informed and rigorous Board or Board Committee discussions. The Company Secretary ensures that all Board and Committee meetings are properly convened and all deliberations and decisions made at the meetings are properly minutes and kept.

Board Meetings

The Board adapted to the changing ways of operating in response to the recent COVID-19 pandemic. By deploying online video conferencing and some physical meetings, the Board and Board Committees have met at least once every quarter to deliberate on matters under their purview. Directors have devoted sufficient time to prepare, attend and actively participate during the Board and/ or Board Committees meetings. The Board held seventeen (17) meetings and one (1) Annual General Meeting ("AGM") during FY2022-23.

Members of the Management Team were invited, when appropriate to attend Board meetings. Management provides the Directors with complete, adequate and timely information prior to meetings and on an ongoing basis to enable them to make informed decisions.

External advisers may also be invited to attend Board and Board Committee meetings, as the case may be, to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda. The Board has the same right of access to all information within the Group and the duty to make further inquiries which they may require in discharging their duties including seeking independent professional advice, if necessary. During FY2022-23, no external expert was separately sourced by the Board for advice.

The Board members have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated by the MMLR of Bursa Malaysia. The attendance of the members of the Board at the Board meetings and 17th AGM, were as follows:-

Board of Directors	Designation	Board Meeting Attendance	17 th AGM Attendance	% of Attendance
Fina Norhizah binti Haji Baharu Zaman (Chairman)	Independent Non-Executive Director	17/17	1/1	100%
Datuk Azmi bin Ahmad	Non-Independent Executive Director	17/17	1/1	100%
Ahmad Hassanudin bin Ahmad Kamaluddin	Non-Independent Executive Director	17/17	1/1	100%
Shamsul bin Saad (Resigned w.e.f 21 February 2023)	Non-Independent Executive Director	8/8	1/1	100%
Ahmad Ruhaizad bin Hashim	Independent Non-Executive Director	17/17	1/1	100%
Yap Shuh Jian (Appointed w.e.f 28 February 2023)	Independent Non-Executive Director	4/4	-	100%

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Activities

Among the key activities of the Board during FY2022-23 were as follows:

Strategy

- ▶ Reviewed, deliberated and approved the Group's 2023 Operational Budget.
- ▶ Reviewed, deliberated and approved the Group's Proposed Restructuring Scheme and other transactions relating to the Scheme.

Financial

- ▶ Reviewed, deliberated and approved the full-year.
- ▶ Reviewed, deliberated and approved the Director's Report and Audited Accounts.
- ▶ Reviewed and approved the Quarterly Results.

Risk and Internal Controls

- ▶ Identified principal risks following in-depth corporate and operational risk assessment with all operating units.
- ▶ Ensure efficient implementation of appropriate internal controls and mitigation measures.
- ▶ Reviewed the adequacy and integrity of the management of information and internal control systems.
- ▶ Quarterly risks register status update.
- ▶ Reviewed, deliberated and approved the Statement of Risk Management and Internal Control for the Annual Report.
- ▶ Reviewed the Internal Audit Report, the recommendations and Management's responses.
- ▶ Reviewed the report of the external auditor.
- ▶ Reviewed, deliberated and approved the Group's Anti-Bribery & Anti-Corruption Policy.

Governance

- ▶ Approved Annual Report Statements.
- ▶ Annual Board Effectiveness Evaluation.
- ▶ Reviewed all the Company's business in accordance with the Company's Constitution.
- ▶ Reviewed the tenure of the Directors.
- ▶ Established and identified a succession plan for leadership within the Group.
- ▶ Received quarterly human resources updates.
- ▶ Received quarterly health, safety, security, and environmental updates.

Board Composition

As of 30 June 2023, the Board consists of five (5) members comprising two (2) Non-Independent Executive Directors ("NIED") and three (3) Independent Non-Executive Directors ("INED").

The three (3) INEDS of AMRB, namely Puan Fina Norhizah Binti Haji Baharu Zaman, Encik Ahmad Ruhaizad bin Hashim and Mr Yap Shuh Jian are not former employees of the Group. The INEDs are independent from Management and are able to exercise independent judgment and participate positively in all the Board's deliberations. They also play a pivotal role in corporate accountabilities as they provide unbiased and independent views, advice, opinions and judgment on Board and Board Committees deliberations as well as safeguard the interests of other parties such as minority shareholders and other stakeholders. These values are most clearly illustrated in the Board Committees chaired by the INEDs, namely the BAC, BRMC and BNRC.

The INEDs are not involved in the day-to-day management of the Group and are not a party to any business dealings or any other relationship with the Group that could reasonably be perceived to materially interfere with their exercise of unfettered and independent judgment.

The Board is of the view that the current composition is a mix of knowledge, skills and expertise relevant to the Group's operations which provides strong and effective leadership, strategic direction and necessary governance to the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is committed to ensuring diversity and inclusion in its composition and decision-making process. In the facet of gender, it is also worthwhile to acknowledge that the Company is one (1) of the few listed issuers that have a female Non-Executive Director as the Board Chairman.

Succession Planning

The Board recognizes that succession planning is an integral part of the Board's corporate governance practices to ensure continuity in meeting the Group's long-term goals and objectives. Hence, in sourcing for candidates, the BNRC reviews the recommendations from the NIEDs, who have a better understanding of the needs and complexity of the Group, enabling the recruitment of new director(s) as set out in its Term of Reference.

During FY2022-23 under review, there were several new changes to the Board, duly recommended by BNRC and appointed by the Board. With the departure of Dato' Haji Ab Wahab bin Haji Ibrahim, Mr Yap Shuh Jian was appointed as Independent Non-Executive Director with effect from 28th February 2023. His mix of skills, experience, expertise and qualifications are analysed prior to his respective appointments.

Appointment to the Board

The BNRC is entrusted with the role of proposing and recommending new candidates to the Board and Committees of the Board. In determining the suitability of candidates, various factors are considered including diversity of skills, expertise, experience, competencies and time commitment of the candidates in discharging their roles and responsibilities through attendance at their respective meetings. The Board decides on the appointment of Directors and members to the Committees of the Board after considering the recommendations of the BNRC.

For new appointments of INED, the assessment of the independence of the proposed Director, which is carried out before the appointment, is ascertained by the criteria set out in the MMLR of Bursa Malaysia and MCCG.

Annual Assessment of Directors

The Board conducts an evaluation of its members and the Board Committees on an annual basis. For FY2022-23, the Board Effectiveness Evaluation ("BEE") was conducted internally by the BNRC with the assistance of the Group Corporate Secretarial Department. The assessment considered the contribution and performance of Directors as regards to their competency, time commitment, integrity and experience in meeting the needs of the Group and suggestions to enhance board effectiveness. All assessments and evaluations carried out by the BNRC in the discharge of its functions were properly documented.

A separate independence assessment was carried out by the BNRC by way of the Director's self-assessment to ensure that Independent Directors are able to continue to bring independent and objective judgment to the Board.

Overall, the results of the year FY2022-23 BEE indicate healthy Boardroom dynamics with good working relationships among the Board members. Based on the FY2022-23 BEE results, the Board will continue to focus on the following to maintain the Group's competitiveness:

- ▶--- Expedite plan towards talent scouting and succession planning;
- ▶--- Management of key risks;
- ▶--- Management of human capital;
- ▶--- Performance of key business units, and;
- ▶--- Strategic planning.

Tenure of Independent Directors

The Board believes in having a healthy mix of age and experience and therefore does not impose a limit on the length of service of the INEDs as their attributes in terms of skills, experience, professionalism, integrity including core competencies in exercising their objectivity and independent judgment to discharge their responsibilities in good faith in the best interest of the Company are more critical in ascertaining the function and effectiveness of their independence than the number of years served on the Board.

The ongoing evaluation also further ensures the effectiveness of the Board as a whole in discharging their duties and responsibilities despite the duration of service for one (1) INEDs having exceeded nine (9) years.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Independence of the Board of Directors

During the financial year under review, the Board of Directors assessed the independence of its INEDs based on criteria set out in Paragraph 1.01 of the MMLR of Bursa Malaysia. All INEDs satisfy the following independence criteria:-

- ▶--- independence from Management and free from any business or other new relationship which could interfere with independent judgment of the ability to act in the best interests of the Group;
- ▶--- not involved in the day-to-day operations of the Group other than when collective Board approval is required. This mitigates the risk of undue influence from third parties and allows INEDs to exercise fair judgment;
- ▶--- declare their interest or any possible conflict on any matter tabled prior to the commencement of the Board meetings. In the case of conflict of interest, Directors are required to recuse themselves and abstain from deliberation to allow unbiased discussion and decision.

The INEDs' respective backgrounds, experience and understanding of good governance enable them to exercise objective judgment. They are not easily influenced by non-related matters and are able to act in the best interest of the Group and safeguard the stakeholders' interests.

Apart from the above criteria, the independence of the INEDs is assessed annually through the BEE Survey. This exercise involves questionnaires that cover principles, perspectives and personal insights of the respective directors and is completed by all INEDs on themselves and their peers. For the FY2022-23, the BNRC has assessed and concluded that none of the Independent Directors have any business or other relationship which could materially interfere with the exercise of independent judgment, objectivity or the ability to act in the best interests of the Group. The BNRC will continue, on an annual basis, to assess the independence of INEDs.

The Board has taken note of the MCCG's recommendations on the tenure of an independent director that should not exceed a cumulative term of nine (9) years. However, an INED may continue to serve the Board of Directors upon reaching the nine (9) year limit subject to the INED's re-designation as an INED.

In the event the Board of Directors intends to retain the Director as Independent after the latter has served a cumulative term of nine (9) years, the Board of Directors must justify the decision and seek shareholders' approval at the general meeting.

In justifying the decision, the BNRC is entrusted to assess the candidate's suitability to continue as an INED based on the criteria of independence.

At the forthcoming 18th AGM, the Company will seek its shareholders' mandate to retain Puan Fina Norhizah Binti Haji Baharu Zaman as INED of the Company. Puan Fina Norhizah has served the Company as INED for a cumulative period of over nine (9) years.

Re-Appointment and Re-Election of Directors

Under AMRB's Constitution, save for Chief Executive Officer, all Directors must submit themselves for re-election at least once every three (3) years. The Company's Constitution also mandates that one-third of the Board shall retire from office every year and shall be eligible for re-election at the AGM of the Company.

Under AMRB's Constitution, all Directors who are newly appointed to the Board shall hold office until the next AGM subsequent to their appointment and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that AGM. One (1) of the Board members of AMRB was appointed during FY2022-23.

The contributions and performance of the Directors who are subject to re-appointment and re-election at the AGM are assessed by the BNRC whose recommendations are submitted to the Board for the Board's decision on such proposed re-appointment and re-election of the Directors concerned, to be tabled for shareholders' approval at the AGM.

The BNRC's recommendations on the Directors standing for re-election at the forthcoming AGM are stated in Explanatory Note 2 under the Notice of the 18th AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Directors' Remuneration

In line with MCCG, the remuneration of Directors is determined at levels that enable the Group to attract and retain Directors with the relevant experience and expertise to manage the Group effectively. In AMRB, the determination of the remuneration packages of the Directors is a matter for the Board as a whole, whereas the BNRC deliberates, proposes and reviews the remuneration packages of Directors and key personnel.

The remuneration packages of both INEDs and NIEDs are drawn based on internal guidelines, considering the level of responsibilities, expertise and contribution to the Board and Board Committees. They are also benchmarked against the survey of remuneration packages of other public listed companies in a similar industry and within the same band of market capitalisation.

All Directors, executive and non-executive, abstained from deliberations and voting on decisions in respect of their remuneration.

In the case of NIEDs, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular NIED concerned. The remuneration of the NIEDs will be reviewed by the BNRC and recommended to the Board thereafter.

The remuneration of the NIEDs is structured to align with the business strategy and long-term objectives of the Group and to link rewards to individual performance and the performance of the Group. The remuneration policy for the Senior Management is in line with the business strategy, objectives, values, and long-term goals and interests of the Group and guided by the Group's affordability, approved remuneration and reward matrix, and comparison against the current market practice in the same industry.

The directors' remuneration which includes the executive directors who are also Senior management for FY2022-23 is presented below:-

Board of Directors

Description	Director's Fee (RM'000)	Salary & Bonus (RM'000)	Emoluments & Benefits (RM'000)	Meeting Allowance (RM'000)	Total (RM'000)
Fina Norhizah binti Haji Baharu Zaman	113,004.00	-	-	11,000.00	124,004.00
Datuk Azmi bin Ahmad	-	795,294.00	-	-	890,730.00
Ahmad Ruhaizad bin Hashim	98,000.04	-	-	11,000.00	109,000.04
Ahmad Hassanudin bin Ahmad Kamaluddin	-	542,671.20	-	-	542,671.20
Shamsul bin Saad (Resigned w.e.f 21 February 2023)	-	411,950.00	-	-	462,006.80
Yap Shuh Jian (Appointed w.e.f 28 February 2023)	32,333.32	-	-	2,000.00	34,333.32

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Training and Knowledge Acquisition

The Board is mindful of the importance for its members to undergo continuous training. The BNRC continues to evaluate and determine the training needs of the Directors to ensure continuous training and education for them to enhance their business acumen and professionalism in discharging their duties to the Group.

In addition, the Company Secretary also receive regular updates on training programs from various organizations including the regulators. These updates are circulated to the Directors for their consideration. The Company Secretary will make the necessary arrangements for the Directors to attend the training.

The external auditors also continuously brief the Board on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the year.

In the quest for continuous learning and acquisition of relevant skills and knowledge to enhance their business expertise and professionalism, the Directors attended the following seminars, conferences and training programmes in the FY2022-23:-

Courses/ Training	Attended by
ESG 101 Exploring the Core of ESG and to truly understand each aspects and what it entails	FZ
ESG 101 Exploring the Core of ESG and to truly understand each aspects and what it entails	DAA
ESG 101 Exploring the Core of ESG and to truly understand each aspects and what it entails	AHK
ESG 101 Exploring the Core of ESG and to truly understand each aspects and what it entails	ARH
ESG 101 Exploring the Core of ESG and to truly understand each aspects and what it entails	YSJ

FZ	- Puan Fina Norhizah binti Haji Baharu Zaman
DAA	- Datuk Azmi bin Ahmad
AHK	- Encik Ahmad Hassanudin bin Ahmad Kamaluddin
ARH	- Encik Ahmad Ruhaizad bin Hashim
YSJ	- Mr. Yap Shuh Jian

The Directors will continuously undergo other relevant training programmes and essential practices to further enhance their skills and knowledge where relevant to enable the Directors to participate in deliberations and effectively discharge their duties.

Code of Ethics

The Group is committed to upholding the highest standards of ethical conduct, integrity and accountability in all business activities and operations. The Directors and employees of Alam Maritim are expected to behave ethically and professionally at all times and to protect the reputation of the Company. The conduct of employees is governed by the Code of Ethics of employees which provides clear direction on the conduct of business, dealing with stakeholders, and general workplace behaviours. It includes guidance on the disclosure of conflicts of interest, and practices regarding gifts and entertainment, amongst others. The Code of Ethics is published on the Company's website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Whistle Blowing Policy

The Whistleblowing Policy of the Group was established to provide employees and third parties with proper avenues and procedures to disclose cases of improper conduct such as criminal offenses, fraud, corruption, breach of the policies and Code of Conduct or other malpractices. An early warning system such as a whistleblowing policy and procedure can assist the Group to detect wrongdoings and alert the Group to take corrective actions before a problem becomes a crisis.

In order to achieve these standards, all employees and stakeholders (i.e. shareholders/ suppliers/ customers) are encouraged to report genuine concerns about unethical behavior, malpractices, illegal acts or failure to comply with regulatory requirements without fear of reprisal should they act in good faith when reporting such concerns.

For this purpose, a whistleblowing hotline has been established whereby any concern in respect of Senior Management should be reported to the Chairman of BAC, copied to the GCEO of the Group using the Whistle Blowing Form. Any concern in respect of other general staff should be reported to the Head of the Group Human Resource Department.

All reports will be investigated promptly and the progress of the investigation will be reported to the BAC at the next scheduled meeting. The identity of the whistleblower is also safeguarded at all times. Upon completion of the investigation, the appropriate course of action will be recommended to the BAC for their deliberation. The decision taken by the BAC will be implemented immediately. Where possible, steps will also be implemented to prevent a similar situation from arising.

Anti-Corruption Policy

The Board has implemented the Company's Anti-Bribery and Corruption Policy ("ABAC") which is effective from 24 June 2020 in compliance to Section 17A of the MACC Acts 2009.

Directorship in Other Companies

In compliance with the Listing Requirements, none of the Board members of AMRB serve in more than five (5) listed companies. This enables the Directors to focus, and devote sufficient time to discharging their duties and responsibilities effectively. The NIEDs of AMRB also do not serve as directors on other listed companies.

Embracing the Corporate Governance Culture

The Board recognizes that upholding high standards of corporate ethics is key to long-term value creation and contributes directly to improved business performance. The Management leads forums and engagements throughout the financial year to highlight our values, beliefs, business integrity and approach to health and safety.

B. EFFECTIVE AUDIT AND RISK MANAGEMENT

1. BAC

The BAC comprises exclusively of INEDs with at least three (3) members and is chaired by an INED. One (1) of BAC members resigned on 31 May 2022 and AMRB been granted extensions of time from Bursa to replace him with a suitable candidate. Subsequently, One (1) new INED has been duly appointed on 28 February 2023 thus fulfilling the Bursa listing requirement. Currently, there are 3 BAC members with (1) of them is a member of the Malaysian Institute of Accountants ("MIA") thus also fulfilling the requirement of the MMLR of Bursa Malaysia.

The BAC members are equipped with vast experience from various industries and are capable of providing sound advice to the Board not only in terms of financial reporting but also on internal audits and the state of the Group's risk and internal control environment.

Assessment of External Auditors

The BAC performs an annual assessment of the processes and performance of the external auditors and had during the year assessed the quality of audit encompassing the performance of the External Auditors, the quality processes/ performance of the engagement team, audit team independence, objectivity and professionalism, audit scope and planning, audit fees, audit communication and interaction. The external auditors have provided their written assurance to the Group in respect of their independence for FY2022-23. Based on these assessments, the BAC recommends the reappointment of external auditors at the forthcoming AGM.

The Board, through the BAC, maintains a formal and transparent relationship with the External Auditors. The BAC had convened two (2) meetings with the External Auditors without the presence of Executive Directors and officers to discuss the audit findings for FY2022-23.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board's obligation to establish formal and transparent arrangements in considering how it should apply financial reporting and internal controls, and maintaining an appropriate relationship with the Group's external auditors is met through the BAC.

An assessment of the objectivity, independence and quality of service delivery of the Group's external auditors for the FY2022-23 audit, was conducted in early June 2023, facilitated by the Internal Audit Department and no major gaps have been identified.

In respect of fees, the details of the statutory audit and non-audit fees incurred for FY2022-23 are set out under Note of the Financial Statements of this Annual Report. To ensure full disclosure of matters, the external auditors are regularly invited to attend BAC meetings as well as general meetings of the Company.

The Board is also assisted by the BAC in overseeing the financial reporting process and the quality of the Group's financial statements. This is to ensure that the Board dispenses its fiduciary responsibility to present to the shareholders and the stakeholders, a clear and meaningful evaluation of the Group's financial position financial performance and prospects. Based on the BAC's recommendations, the Board also ensures that the Group's financial statements prepared for each financial year set out a true and fair view in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act, 2016.

The Statement on Directors' Responsibility in respect of the preparation of the audited financial statements of the Group is set out in the Financial Statements books of this Annual Report.

Internal Audit Function

The Internal Audit function is established by the Board to undertake an independent review and assessment of the adequacy, efficiency and effectiveness of risk management, control, and governance processes implemented by the Management. The Group Internal Audit reports functionally to the BAC and administratively to the GMD/ GCEO.

The Internal Audit function is independent of the activities and operations of other operating units in the Group and has unrestricted access to the BAC and on a quarterly basis, the Head of Internal Audit is invited to attend BAC meetings to

facilitate the deliberation of Internal Audit reports. The BAC also reviews the Group Internal Audit's recommendations and management responses to these recommendations to ensure any lapses/ deficiencies identified are being dealt with adequately and promptly.


The compositions, summary of activities of the BAC relating to the FY2022-23 are highlighted on pages 92 to 98 of this Annual Report.

2. Risk Management and Internal Controls

The Board takes cognizance of its overall responsibility in establishing a sound risk management and internal control system as well as reviewing its adequacy and effectiveness. The Board has established a governance structure to ensure effective oversight of risks and controls in the Group. Key and potential risks identified, together with the mitigation action plans are reported to the BRMC, BAC and the Board for their attention and deliberation. The BRMC assesses and monitors the efficacy of the risk management controls and measures taken, whilst the adequacy and effectiveness of the internal controls are reviewed by the BAC through the work performed internal audit function for the Group.

Management is responsible for implementing Board approved policy on risk management through Group Risk Management Working Group Committee ("GRMWC") by identifying, evaluating and monitoring risks that affect the achievement of business objectives within approved risk appetite levels. The Group's corporate and operational risks are deliberated on a quarterly basis by BRMC and the mitigation status of top risks is effectively reviewed.

The effectiveness of risk management and internal controls is continuously reviewed to ensure that they are working adequately and effectively. The BAC regularly evaluates the adequacy and effectiveness of the Group's internal control systems by reviewing the actions taken on lapses/ deficiencies identified in reports prepared by the Group's Internal Audit Department.

 *The Statement on Risk Management and Internal Control set out on pages 99 to 103 of this Annual Report provides an overview of the state of risk management and internal controls within the Group.*

CORPORATE GOVERNANCE OVERVIEW STATEMENT

C. INTEGRITY IN CORPORATE REPORTING AND EFFECTIVE STAKEHOLDERS COMMUNICATION

Communication with Stakeholders

The Group recognizes the importance of an effective communication channel with stakeholders, institutional investors and the investing public at large to provide a clear picture of the Group's performance. The Board acknowledges the significance of communicating with its shareholders through Annual Reports, AGM and the AMRB's website.

This annual report contains invaluable information on the Group for the shareholders and investors specifically and the public in general. As a key channel of communication between the Group and its stakeholders, it contains a report and disclosures on the Group's directions, key activities and financial performance, the contents of which are continuously enhanced to take into account the developments amongst others, in corporate governance.

As part of the Group's commitment to maintaining effective and open two-way communication with shareholders and investors, the Group is represented by Nur Aznita binti Taip whose details are as follows:-

Name

Nur Aznita binti Taip

Designation

Group General Manager Corporate Services

Email

info@alam-maritim.com.my

The intranet and web portal are also being used in the Group as platforms to connect the employees and management, automate and increase efficiency in certain administrative processes and facilitate remote communication with staff who work offshore and in foreign waters.

While the Group endeavors to provide as much information as possible to its shareholders and stakeholders, the Board is mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

General Meetings

As an annual event of the Group, the general meeting serves as a principal platform for direct two-way interaction between the Board/ Senior Management and the shareholders. This enables effective shareholders' communication on the Group's performance, corporate and business developments and any other matters affecting shareholders' interests. Recognizing the significance of the AGM as the primary forum for the Group's shareholders to engage with all members of the Board on a face-to-face basis, all members of the Board are committed to attending the same.

The Notice of the AGM and related circular is sent out to shareholders at least 21 or 28 days (whichever is applicable) before the meeting as required under the MMLR of Bursa Malaysia, in order to facilitate full understanding and evaluation of the issues involved and to provide the shareholders sufficient time to consider the proposed resolutions that will be tabled and decided at the AGM and make the necessary arrangements to attend and participate in person or through the appointment of corporate representatives or proxies.

During the AGM, the Chief Financial Officer presents a review on the Group's performance which is supported by a visual and graphic presentation of the key points and financial figures.

The Board recognizes two-way communication with its shareholders at general meetings and allocates time and welcomes questions and feedback regarding directions, operations, financials and proposed resolutions from the shareholders at the general meeting. An open platform is made available for shareholders to raise questions relevant to the AGM agenda and appropriate responses and clarification are promptly provided by the Board to the shareholders. Questions raised by the Minority Shareholders Watchdog Group ("MSWG") (if any) are also addressed and shared with all shareholders during the AGM.

In the past, about 80% of the shareholders of AMRB appointed proxies to attend and vote on their behalf at general meetings.

On 14 December 2022, the 17th AGM of the Company was conducted entirely via remote participation and electronic voting. Proceedings of the AGM were broadcasted to approximately 97 and 9 shareholders and proxies respectively that had registered and logged in to a designated online meeting application.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The voting results for each resolution are also immediately announced to the shareholders in the meeting at the end of the voting process. Minutes of the AGM/ EGM including significant matters discussed at the meetings are also disclosed on the Company's corporate website.

In accordance with the relevant provisions of the Constitution, shareholders who are eligible to vote at general meetings but are unable to attend the same in person, may appoint proxies to vote on their behalf. AMRB has also introduced electronic voting (e-voting) facilities and will continue to make available such facilities in future meetings, to ensure that the mandatory poll voting process at all general meetings is carried out efficiently.

Constitution of the Company

The Constitution of AMRB was adopted in 2019 in place of its Memorandum and Articles of Association pursuant to the approval of the shareholders at the 15th AGM held on 18 August 2020. The Constitution regulates the manner in which the Company is governed.

D. KEY FOCUS AREAS AND FUTURE PRIORITIES

The Board has identified debt restructuring and transformation program on Offshore Support Vessels, Subsea and Offshore Installation and Construction ("OIC") Segments as key focus areas for the Group for the future and will provide the appropriate guidance and oversight to the senior management team as they work towards developing a more robust sustainability agenda for the Group.

The Board will continue to refine its corporate governance practices and procedures throughout the Group to smoothen the integration of work processes and practices and to ensure all the existing and new businesses of the Group are operating in an orderly manner and in the best interests of all stakeholders.

Statement of Directors' Responsibilities (Pursuant to paragraph 15.26(a) of the MMLR of Bursa Malaysia)

The Board has given its assurance that the financial statements are prepared in accordance with the Act and the applicable approved accounting standards for each financial year which gives a true and fair view of the state of affairs of the Group in a transparent manner at the end of the financial year and of the results and cash flows for the financial year.

The Directors' Report for the audited financial statements of the Group is outlined in this Annual Report together with the details of the Company and the Group financial statements for the financial year ended 30 June 2023 which are set out in this Annual Report.

Compliance Statement

Save as disclosed above, the Board is satisfied that to the best of its knowledge, the Group has applied the principles and recommendations of the corporate governance set out in the MCCG as well as the relevant paragraphs under the MMLR of Bursa Malaysia for the financial year under review, where necessary and appropriate. Any practices in the MCCG which have not been implemented during the financial year will be reviewed by the Board and be implemented where practical and relevant to the Group's business.

This Statement has been presented and approved by the Board at its meeting held on 18 October 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Additional Compliance Information

- In Accordance with Appendix 9c of The Listing Requirements

Employee Share Option (“ESOS”)

AMRB’s ESOS was approved by the shareholders at the Company’s Extraordinary General Meeting held on 2 June 2018. As at 30 June 2023, no changes in ESOS options over 110,410,742 ordinary shares were granted to the employees of the Group (including the Executive Directors) and there as follows:-

Category of employees	No of ESOS options granted as at 30 June 2023	% granted as at 30 June 2023 available*	No of ESOS options exercised	No of ESOS options outstanding
Executive Directors	41,600,742	30%	-	41,600,742
Senior Management	21,200,000	15%	-	21,200,000
Other Employees	47,610,000	34%	-	47,610,000
Total	110,410,742		-	110,410,742

The aggregate maximum allocation of the ESOS options applicable to the Directors and senior management is 50% and actual granted to the Directors and senior management since the announcement of the ESOS is 45%.

Audit and Non-Audit Fees

A breakdown of fees for statutory audit and non-audit services incurred by the Group and for the FY2022-23 is set out in the Financial Statements book of the Annual Report 2023.

Material Contracts

There were no material contracts entered into by AMRB and/ or its subsidiaries involving the interest of the Directors and major shareholders, either still subsisting at the end of the FY2022-23 or entered into since the end of the previous financial year.

AUDIT COMMITTEE REPORT

Membership and Meetings

The Board Audit Committee (“BAC”) members and the record of their attendance at the Audit Committee meetings held during the FY2022-23 are as follows:

Member	Number of Meetings Attended in FY2022-23	% of Meetings Attended
Ahmad Ruhaizad bin Hashim Chairman (Independent Non-Executive Director)	5/5	100%
Fina Norhizah binti Haji Baharu Zaman (Independent Non-Executive Director)	5/5	100%
Mr Yap Shuh Jian (Independent Non-Executive Director) Appointed w.e.f.: 28 February 2023	1/1	100%

Composition and Attendance

Encik Ahmad Ruhaizad bin Hashim is a member of the Malaysian Institute of Accountants (“MIA”) thereby complying with the Companies Act 2016 and the Bursa Listing Requirements that require at least one (1) member of the Audit Committee must be a qualified Accountant within the composition of BAC members.

A total of five (5) BAC meetings were conducted for FY2022-23. The Notice to the BAC meetings was circulated as per the required notice period by the Company Secretary who is the Secretary to the BAC meeting.

Upon invitation by the BAC, the Non-Independent Executive Directors, Head of Finance, Head of Internal Audit and representatives of the External Auditors have attended the BAC meetings.

Time was also set aside for the External Auditors to have private discussions with the BAC in the absence of Non-Independent Executive Directors and the Management. Two (2) separate session was held between the BAC and the External Auditors.

Minutes of all five (5) BAC meetings in FY2022-23 were prepared by the Secretary of the BAC and were distributed to each BAC member where the BAC Chairman reviewed the Minutes and confirmed it in each BAC meeting in FY2022-23.

TERMS OF REFERENCE (“ToR”) OF BAC AS PER BURSA LISTING REQUIREMENT (Reference: Chapter 15 Corporate Governance)

Article 15.09: Composition of the Audit Committee:

- 1) **A listed issuer must appoint an Audit Committee from amongst its directors which fulfills the following requirements:**
 - a) the Audit Committee must be composed of not fewer than three (3) members. However, one of the members, Dato’ Haji Ab Wahab bin Haji Ibrahim has resigned effective on 30 May 2022. AMRB has obtained extension of time until 28 February 2023. Currently, there are two (2) members and AMRB has applied for another three (3) months extensions from Bursa to replace with a suitable candidate. On 28 February 2023, AMRB had appointed Mr. Yap Shuh Jian as Independent Non-Executive Director and the BAC member.
 - b) all the Audit Committee members must be non-executive directors, with a majority of them being independent directors; and

AUDIT COMMITTEE REPORT

1) A listed issuer must appoint an Audit Committee from amongst its directors which fulfills the following requirements: (cont'd)

- c) at least one member of the Audit Committee -
 - i. must be a member of the Malaysian Institute of Accountants; or
 - ii. if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years of working experience and –
 - (aa) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - (bb) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
 - iii. fulfills such other requirements as prescribed or approved by the Exchange.

2) A listed issuer must ensure that no alternate director is appointed as a member of the Audit Committee. [Cross reference: Practice Note 13]

Article 15.10 Chairman of the Audit Committee

The members of an Audit Committee must elect a chairman among themselves who is an independent director.

Article 15.11 Written Terms of Reference

An Audit Committee must have written terms of reference which deal with its authority and duties, and such information must be made available on the listed issuer's website.

Article 15.12 Functions of the Audit Committee

Without limiting the generality of paragraph 15.11 above, a listed issuer must ensure an Audit Committee, amongst others, discharges the following functions:

- 1) review the following and report the same to the board of directors of the listed issuer:
 - (a) with the external auditor, the audit plan;
 - (b) with the external auditor, his evaluation of the system of internal controls;
 - (c) with the external auditor, his audit report;
 - (d) the assistance was given by the employees of the listed issuer to the external auditor;
 - (e) the adequacy of the scope, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
 - (f) the internal audit plan, processes, the results of the internal audit assessments, investigation undertaken and whether or not appropriate action is taken on the recommendations;
 - (g) the quarterly results and year-end financial statements, before the approval by the board of directors, focusing particularly on -
 - (i) changes in or implementation of major accounting policy changes;
 - (ii) significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed; and
 - (iii) compliance with accounting standards and other legal requirements;
 - (h) any related party transaction and conflict of interests situation that may arise within the listed issuer or group including any transaction, procedure or course of conduct that raises questions of management integrity;
 - (i) any letter of resignation from the external auditors of the listed issuer; and
 - (j) whether there is a reason (supported by grounds) to believe that the listed issuer's external auditor is not suitable for re-appointment; and

AUDIT COMMITTEE REPORT

- 2) recommend the nomination of a person or persons as external auditors.

Article 15.13 Attendance of other directors and employees

A listed issuer must ensure that other directors and employees attend any particular Audit Committee meeting only at the Audit Committee's invitation, specific to the relevant meeting.

Article 15.14 Procedure of Audit Committee

An Audit Committee may regulate its own procedure, in particular -

- (a) the calling of meetings;
- (b) the notice to be given of such meetings;
- (c) the voting and proceedings of such meetings;
- (d) the keeping of minutes; and
- (e) the custody, production and inspection of such minutes.

Article 15.15 Audit Committee report

- (1) A listed issuer must ensure that its board of directors prepares an Audit Committee report at the end of each financial year that complies with subparagraphs (2) and (3) below.
- (2) The Audit Committee report must be clearly set out in the annual report of the listed issuer.
- (3) The Audit Committee report must include the following:
 - (a) the composition of the Audit Committee, including the name, designation (indicating the chairman) and directorship of the members (indicating whether the directors are independent or otherwise);
 - (b) [deleted]
 - (c) the number of Audit Committee meetings held during the financial year and details of attendance of each Audit Committee member;
 - (d) a summary of the work of the Audit Committee in the discharge of its functions and duties for that financial year of the listed issuer and how it has met its responsibilities;
 - (e) a summary of the work of the internal audit function.

Article 15.16 Reporting of breaches to the Exchange

Where an Audit Committee is of the view that a matter reported by it to the board of directors of a listed issuer has not been satisfactorily resolved resulting in a breach of these Requirements, the Audit Committee must promptly report such matter to the Exchange.

Article 15.17 Rights of the Audit Committee

A listed issuer must ensure that wherever necessary and reasonable for the performance of its duties, an Audit Committee must, in accordance with a procedure to be determined by the board of directors and at the cost of the listed issuer -

- (a) have authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the listed issuer;
- (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- (e) be able to obtain independent professional or other advice; and
- (f) be able to convene meetings with the external auditors, the person(s) carrying out the internal audit function or activity or both, excluding the attendance of other directors and employees of the listed issuer, whenever deemed necessary.

Article 15.18 Quorum of an Audit Committee

In order to form a quorum in respect of a meeting of an Audit Committee, the majority of members present must be independent directors.

AUDIT COMMITTEE REPORT

- 2) recommend the nomination of a person or persons as external auditors (cont'd).

Article 15.19 Retirement and resignation

In the event of any vacancy in an Audit Committee resulting in the non-compliance of paragraphs 15.09(1) and 15.10 above, a listed issuer must fill the vacancy within three (3) months. AMRB received another extension of three (3) months upon expiry from Bursa to appoint one member before 30 November 2022.

Article 15.20 Review of the Audit Committee

The nominating committee of a listed issuer must review the term of office and performance of an Audit Committee and each of its members annually to determine whether such Audit Committee and its members have carried out their duties by their terms of reference.

Duties and Responsibilities of the Board Audit Committee ("BAC") of Alam Maritim Group of Companies

The duties and responsibilities of the BAC are:

(a) Financial Reporting

- ▶ To review the quarterly, and annual financial statements of the Group, focusing particularly on:
 - any significant changes to accounting policies and practices;
 - significant adjustments arising from the audits;
 - compliance with accounting standards and regulatory requirements; and
 - the going concern assumption.

(b) Related Party Transactions

- ▶ To review any related party transactions and conflict of interest situations that may arise within the Group including any transaction, procedure or course of conduct that raises questions of the Management integrity.

(c) Audit Reports

- ▶ To prepare the annual BAC report to the Board which includes the composition of the BAC, its terms of reference, the number of meetings held, a summary of its activities and the existence of an Internal Audit Department and a summary of the activities that unit for inclusion in the Annual Report; and
- ▶ To review the Board's statements on compliance with the MCCG 2021 for inclusion in the Annual Report.

(d) Risk Management and Internal Control

- ▶ To consider annually the Risk Management Framework adopted within the Group and to be satisfied that the methodology employed allows the identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will allow the Group to minimize losses and maximize opportunities;
- ▶ To ensure that the system of internal control is soundly conceived and in place, effectively administered and regularly monitored;

AUDIT COMMITTEE REPORT

- ▶ To cause reviews to be made of the extent of compliance with established internal policies, standards, plans and procedures including for example, the Group Policies & Financial Limits of Authorities ("FLOA");
- ▶ To obtain assurance that proper plans for control have been developed before the commencement of major areas of change within the Group; and
- ▶ To recommend to the Board steps to improve the system of internal control derived from the findings of the Internal and External Auditors and from the consultations of the BAC itself.

(e) Internal Audit

- ▶ To be satisfied that the strategies, plans, manning and organization for internal auditing are communicated down through the Group specifically:
 - To review Internal Audit plans and to be satisfied with their consistency with the Risk Management Framework used, adequacy of coverage and audit methodologies employed;
- ▶ To be satisfied that the Internal Audit department within the Group has the proper resources and standing to enable them to complete their mandates and approved audit plans;
 - To review status reports from Internal Audit and ensure that appropriate actions have been taken to implement the audit recommendations.
 - To recommend any broader reviews deemed necessary as a consequence of the issues or concerns identified;
 - To review any appraisal or assessment of the performance of the key resources in the Internal Audit, approve any appointment or termination of senior staff members of Internal Audit and inform BAC of any resignations of staff of Internal Audit and reasons thereof;
 - To ensure Internal Audit has full, unrestricted access to all activities, records, property and personnel necessary to perform its duties; and
 - To request and review any special audit that it deems necessary.

(f) External Audit

- ▶ To review the External Auditors' audit plan, nature and scope of the audit plan, audit report, evaluation of internal controls and coordination of the External Auditors.
- ▶ To assess the External Auditors' independence and their performance as a basis for re-appointment and change of External Auditors annually, based on the Management input and advice;
- ▶ To review with the External Auditors the Statement on Risk Management and Internal Control of the Group for inclusion in the Annual Report;
- ▶ To review any matters concerning the appointment and re-appointment, audit fee and any questions of resignation or dismissal of the External Auditors;

AUDIT COMMITTEE REPORT

- ▶--- To review and evaluate factors related to the independence of the External Auditors and assist them in preserving their independence;
- ▶--- To be advised of the significant use of the External Auditors in performing non-audit services within the Group, considering both the types of services rendered and the fees, such that their position as auditors is not deemed to be compromised; and
- ▶--- To review the External Auditors' findings arising from audits, particularly any comments and responses in Management Letters ("ML") as well as the assistance given by the employees of the Group to be satisfied that appropriate action is being taken.

(g) Other Matters

- ▶--- To act on any other matters as may be directed by the Board.

Summary of Activities During the Financial Year Ended 30 June 2023

During the FY2022-23, the BAC has carried out its duties by its TOR as specified by Bursa and the Duties and Responsibilities as endorsed by the Board. Thus, the main issues reviewed by the BAC were summarized as follows:

- ▶--- Reviewed the quarterly financial results and Annual Reports of the Group before submission to the Board of Directors for consideration and approval;
- ▶--- Reviewed the related party transactions entered into by the Group and the disclosure of such transactions in the Annual Report of the Group;
- ▶--- Private sessions between Independent Non-Executive Directors with the External Auditors without any executives present;
- ▶--- Reviewed the performance of the external auditors and made recommendations to the Board for the renewal of the external auditors and their remuneration;
- ▶--- Reviewed the BAC Report, Statement on Risk Management and Internal Control and Corporate Governance Statement before their inclusion in the Group's Annual Report.
- ▶--- Reviewed the Annual Internal Audit Plan and Budget to be carried out for the Group prepared by the Internal Auditors and the External Auditors respectively;
- ▶--- Reviewed the audit results, and followed up on the recommendations' deadlines for and Group's internal controls improvement and the performance of the internal audits in FY2022-23.

Statement on Internal Audit Function

Internal Audit Risk Management ("IARM") is an integral part of the assurance structure of the Group. The department's primary responsibility is to provide independent and reasonable assurance of the adequacy, integrity and effectiveness of the Group's overall system of internal control, risk management and governance process.

The Head of the Internal Audit Department reports directly to the Chairman of the BAC. For office administrative purposes, he reports to the Group Managing Director/ Group CEO. The purpose, authority and responsibility of Internal Audit as well as the nature of assurance and consulting activities provided to the Group is clearly articulated in the Internal Audit Charter that has been approved by the BAC.

AUDIT COMMITTEE REPORT

The Head of the Internal Audit Department has direct access to the Chairman of the BAC on all matters of control and audit. Any inappropriate restrictions on audit scope are to be reported to the BAC.

Throughout FY2022-23, there were two (2) audit resources in the IARM Department who undertook key risk audit areas within the Group of which the internal audit areas planned have been successfully completed and reported. The current internal audit resource is continuously trained and monitored to ensure that the planned risk-based internal audits and risk management functions are well executed.

The BAC approves the Group Internal Audit's annual audit plan, budget and human resource requirements to ensure the function is adequately resourced by qualified and experienced internal auditors to carry out their tasks to meet BAC's expectations.

During the FY2022-23, a total of approximately RM119,246.14 was incurred as part of resource allocation for the IARM, covering mainly manpower and incidental costs such as traveling and training costs.

IARM has adopted a risk-based approach towards the planning and conduct of audits as per the approved Annual Audit Plan which is consistent with the Group's established framework in designing, implementing and monitoring its internal control systems.

The internal audits are carried out to follow the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors and the Internal Auditing Guidelines issued by the Malaysian Institute of Accountants (collectively referred to as "the Internal Audit Standards & Guidelines").

The main activities performed by IARM in FY2022-23 are as follows:

- ▶ Reviewing and appraising the soundness, adequacy and application of accounting, financial and other controls and promoting effective control in the Group at a reasonable cost as per the approved Annual Audit Plan;
- ▶ Ascertaining the extent of compliance with established policies, procedures and statutory requirements;
- ▶ Ascertaining the extent to which the Group's assets are accounted for and safeguarded from losses of all kinds;
- ▶ Appraising the reliability and usefulness of information developed within the Group;
- ▶ Recommending improvements to the existing systems of controls;
- ▶ Carrying out investigations and special reviews requested by the Management and/ or the BAC; and
- ▶ Identifying opportunities to improve the operations and processes in the Group.

All findings resulting from the audits were reported to the BAC, the Senior Management and the relevant Management of the operating units. The Management of the operating units is accountable to ensure proper handling of the audit issues and implementation of their action plans within the timeframe specified. Actions taken by the operating units audited were followed up by IARM and the status was updated in the subsequent audits.

This report is made in accordance with a resolution of the Board dated 18 October 2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors of Alam Maritim Resources Berhad (Board) is committed in maintaining sound risk management and internal control system. Each business unit or functional group has implemented its own control processes under the leadership of the Group Managing Director (GMD)/ Chief Executive Officer (GCEO), who is responsible for good business and regulatory governance. The Board is pleased to provide the following statement outlining the nature and scope of Alam Maritim Resources Berhad and its subsidiaries ("Group") risk management and internal control for the FY2022-23.

Responsibility

The Board of Directors of Alam Maritim Resources Berhad ("Board") asserts its overall responsibility for the Group's system of risk management and internal control and for reviewing the adequacy and integrity of the system. The system of internal control covers not only financial controls but also controls relating to operational, governance, risk management, strategy, organization and compliance with applicable laws, regulations, rules, and guidelines. The Board, through the Board Audit Committee ("BAC") recognizes that this system is designed to manage, rather than eliminate, the risks of not adhering to the Group's policies and to identify, assess and respond to risks to achieve the organization's goals and objectives within the risk tolerance to As Low As Reasonably Practicable ("ALARP") established by the Board and Management. Therefore, the system provides a realistic approach and solution, but not absolute against nature or Act of God, assurance against the occurrence of any material testimonial, forfeiture or deception.

The Board confirms that there is a continuous process of reviewing and reporting the adequacy and integrity of the Group's system of risk management and internal control to provide reasonable assurance in safeguarding shareholders' investments, the Group's assets and other stakeholders' interests. The process is regularly reviewed by the Board through the BAC and accords with the guidelines for Directors on internal control, the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. Minutes of the BAC meetings which recorded these deliberations were presented to the Board.

A Board Risk Management Committee ("BRMC") was established and maintained in accordance with Section 22 of the Capital Markets and Services Act 2007 ("CMSA") to provide risk oversight and ensure prudent risk management of the Group's business and operations. At its meetings in FY2022-23, the BRMC has reviewed, deliberated and provided advice on matters pertaining to the key corporate risks, risk assessment of projects and operations, and develop mitigation strategies and action plans.

Risk-related and internal control matters which warranted the attention of the Board were recommended by the BAC and BRMC to the Board for its approval and matters or decisions made within the BAC and BRMC's purview were updated to the Board for its notation.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Key Internal Control Process

In order to ensure Regulatory Compliance, Transparency, prevent Conflict-of-Interest, Health, Safety, Security and Environment Protection, the Group's risk management framework and internal control system comprises the following key processes:

1. CONTROL ENVIRONMENT

1.1. Board Committees

The Board acknowledges that ensuring sound governance requires effective and direct interaction among the Board, Management, Internal and External Auditors. The Board, in ensuring the effective discharge of its responsibilities is assisted by the Board Committees namely the BAC, Board Nomination and Remuneration Committee ("BNRC") as well as BRMC.

1.2. Independence of the Board Audit Committee ("BAC")

The BAC comprises non-executive members of the Board, all members being independent. The Committee has full access to both Internal and External Auditors and it meets with the External Auditors without any executive present at least twice a year.

1.3. Operating structure with clearly defined lines of responsibility and delegated authority.

The operating structure includes a defined delegation of responsibilities to the committees of the Board and the management team.

2. RISK MANAGEMENT

2.1. Risk management is regarded by the Board to be an integral part of the business and operations. Management is responsible for creating a risk awareness culture, educating with the necessary knowledge of risk management and revise regularly of Risk tools and procedures. They also have the responsibility for managing risks and internal control associated with the operations and ensuring compliance with applicable Laws, Regulations and Requirements.

3. BOARD RISK MANAGEMENT COMMITTEE ("BRMC")

3.1. The BRMC is responsible for the Risk Management of the Group. The committee members comprise Independent Non-Executive Directors and Non-Independent Directors. The Head of Finance, Head of Group Internal Audit and Risk Management also attended BRMC meetings as invitees.

3.2. The main responsibility of BRMC is to provide a strategic direction to the Management in managing Enterprise Wide Risk ("EWR") within the Group via risk oversight so that the Group continues maintaining its effective risk assessment with mitigations plans in all aspects of the Group's business activities as well to ensure the Management update their policies and procedures where necessary which shall help to guide the Group's objectives are achieved as planned.

3.3. The BRMC is assisted by the Group Risk Management Working Committee ("GRMWC") which comprises all Heads of Departments ("HOD"). The GRMWC is chaired by the Group Executive Director. The GRMWC is responsible for ensuring the effective implementation of the Group Risk Management Framework and the management of risks and controls associated with Group operations as well as the compliance with the applicable Laws, Regulations and Requirements. The GRMWC is also responsible to recommend the periodical reporting of key risk exposures to the BRMC.

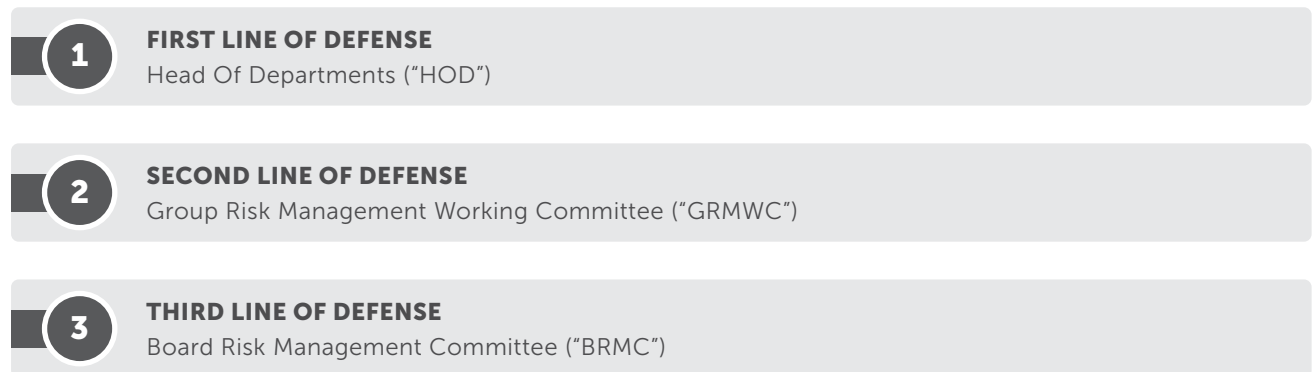
3.4. The GRMWC comprises the Group Managing Director, Group Chief Operating Officer, Group Executive Directors, Group Chief Financial Officer, Head of Business Units and Head of Group Internal Audit and Risk Management together with Heads of relevant Division and Departments as invitees.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

4. RISK MANAGEMENT FRAMEWORK

- 4.1.** The Group has put in place a Risk Management Framework with the aim of providing a consistent approach to risk and facilitating a reasonably accurate perception of acceptable risk by all employees. The framework essentially outlines the risk management governance and structure, processes, accountabilities as well as responsibilities throughout the organization.

Three (3) Line of Defense in Risk Management



5. ACCOUNTABILITY AND RISK TOLERANCE

- 5.1.** Managing risks is a shared responsibility and is integrated within the Group's governance, business processes and operations. Employees and Management's commitment towards the risk management process is constantly emphasized and reinforced through the establishment of GRMWC and group discussion together with the monitoring and facilitation exercise by the Group Internal Audit and Risk Management Department.
- 5.2.** Our level of risk tolerance is expressed through the use of a risk impact and likelihood matrix with an established risk tolerance boundary demarcating those risks that are deemed to have "exceeded risk tolerance" and those which have not. We have a structured framework where all relevant risks level and mitigations' effectiveness from each department are assessed during quarterly engagements with the Head of Departments ("HOD"), followed by quarterly deliberations in the GRMWC and BRMC. The risk, detailed issues, contributing factors, risks' impact as well as mitigations are assessed to ensure the respective departments' objectives are not hampered by their identified risks. Ultimately the Group's corporate agenda and objectives are met as desired, where the remedial actions are planned, executed and monitored regularly.

6. RISK MANAGEMENT REPORTING

- 6.1.** The Risk Management Framework ("RMF") provides a comprehensive regular review and reporting. On a continuing basis, the Group Internal Audit and Risk Management Department coordinates with all Heads of Departments ("HOD") to review and update their respective risk register. Potential major risks and mitigation plans and actions taken were discussed at GRMWC and are reported to the BRMC and the Board of Directors.
- 6.2.** To ensure that our RMF and processes remain sound and are in compliance with internationally recognized standards, we have revised our existing Matrix and renamed Business Risk Assessment ("BARA") and incorporated it into existing procedures. The BARA incorporating four (4) parameters of assessment in determining the root cause of the risks i.e. Human, Environment, Asset and Reputation (collectively known as "HEAR" factors).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

7. CONTROL ACTIVITIES

7.1. Policies, Procedures and Limits of Authority

Well-defined financial limits of authority on all financial commitments for each level of management within the Group and clearly documented internal policies, standards and procedures are in place to ensure compliance with internal controls and relevant Laws, Regulations and Requirements and are regularly updated to reflect changing risks or resolve operational deficiencies. Regular reviews are performed to ensure that documentation remains current and relevant. Common Group policies are available on the Group's intranet for easy access by employees. All policies and standards are approved by the Board and cases of non-compliance are reported to the Board by exception.

7.2. Strategic Business Planning, Budgeting and Reporting

Regular and comprehensive information provided by management for monitoring of performance against strategic plan, covering all key financial, investment and operational indicators. On a quarterly basis, GMD reviews with the Board on all issues covering, but not restricted to, strategy, performance, resources and standards of business conduct; a detailed budgeting process is established requiring all business units to prepare budgets annually which are discussed and approved by the Board and effective reporting systems which expose significant variances against budgets and plan are in place to monitor performance.

8. INSURANCE AND PHYSICAL SAFE GUARD

- 8.1. Adequate insurance and physical safeguard on major assets in place to ensure that the assets of the Group are sufficiently covered against any liabilities that will result in material damage, claim or losses to the Group.
- 8.2. A yearly policy renewal exercise is undertaken by Management to review the coverage based on the current fixed asset register and the prevailing market price for the same or similar item, where applicable.

9. INFORMATION AND COMMUNICATION

- 9.1. Timely communication of relevant information such as the Group's achievement and changes with regard to corporate and organizational structure and policies and procedures, enabling employees to focus on and perform their responsibilities effectively.
- 9.2. The Head of subsidiaries and joint venture companies within the Group also participates in business dialogue programs with Senior Management of the Group to discuss on strategies and challenges faced towards achieving the business goals and objectives.

10. EFFECTIVE REGULAR MONITORING

10.1. Management Visit

Directors and Senior Management, where necessary conduct visits to marine vessels, branch offices, project sites, customers and business partners' offices to review the Group's operations and gain a better understanding to facilitate cognizant of decision-making capability.

10.2. Internal Audit Function

In order to ensure that the internal controls system is viable and robust, periodic examination of business processes and the internal controls procedures and processes by the Group Internal Audit function to monitor and review the effectiveness and efficiency of the system of internal control. Reports on the reviews carried out by the Internal Auditor are submitted on a regular basis to the management and the BAC.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

10.3. Performance Management

In order to nurture the quality and competencies of employees, continuing education, training, seminar and development programs are emphasized to enable employees to discharge their duties effectively. Progressively, employees' performance is measured according to the sets of key performance indicators i.e. Performance & Development Appraisal ("PDA") aligned to their functions as assigned to them which they are expected to accomplish.

Review of Statement by External Auditors

Pursuant to Paragraph 15.23 of the Bursa Malaysia Listing Requirements, the external auditors have reviewed this Risk Management and Internal Control Statement. Their review was performed in accordance with the scope set out in the Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA").

Based on their review, the external auditor has reported to the Board that nothing has come to the attention that causes them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of internal control of the Group.

AAPG 3 does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and management thereon. The external auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

Conclusion

For the financial year under review, based on inquiry, information and assurance provided by the Group Managing Director and the Group Financial Controller, the Board is of the opinion and to the best of its knowledge that the system of internal controls and risk management processes are adequate and sound to provide reasonable assurance in safeguarding the shareholders' investments, the Group's assets and other stakeholders' interests as well as in addressing key risks impacting the business operations of the Group. The Board has been acknowledged by the External Auditors that there was no major internal control weakness identified which may result in material loss or uncertainty that would require disclosure other than what has been included in this Annual Report.

This Statement on Risk Management and Internal Control has been prepared in accordance with the Bursa Malaysia Listing Requirements and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. This Statement has been approved by the Board at its meeting on 18 October 2023.

Authorised Share Capital	: -
Issued and Paid-Up Share Capital	: RM442,667,403.38
Class of Shares	: Ordinary Shares
Voting Rights	: On a poll – One vote for every ordinary share held
No. of Voting Shares	: 1,531,828,805

FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2023

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DIRECTOR'S REPORT

For the Financial Year Ended 30 June 2023

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2023.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries include ship owning, chartering and managing, offshore facilities construction and installation, subsea services, transportation, ship forwarding and agent, ship chandelling, catering and messing service, property owner and management, designing manufacturing and operating of remotely operated Vehicles ("ROVs"), rental of ROV and providing ROV services.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year, net of tax	14,187,703	(192,173,266)
Attributable to:		
Owners of the Company	15,169,091	(192,173,266)
Non-controlling interests	(981,388)	-
	14,187,703	(192,173,266)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial period.

The directors do not recommend the payment of any dividends in respect of the financial year ended 30 June 2023.

RESERVES OR PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

DIRECTOR'S REPORT

For the Financial Year Ended 30 June 2023

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or render the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

DIRECTOR'S REPORT

For the Financial Year Ended 30 June 2023

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company during the financial year are RM465,547 and RM168,000 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

ISSUE OF SHARES AND DEBENTURES

During the financial year, no new issue of shares or debentures were made by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up the unissued shares of the Company during the financial year other than the issue of options pursuant to the Employees' Share Option Scheme ("ESOS").

At an Extraordinary General Meeting held on 30 January 2019, the Company's shareholders approved the establishment of a new ESOS for directors and employees who meet the criteria of eligibility for participation.

Share options are granted to eligible directors and employees. The settlement of the option granted is by issuance of fully paid ordinary shares. The exercise price is determined by the ESOS committee and shall be based on the 5 days VWAMP of the Company's share immediately preceding the date of offer, with a discount, if any, of not more than 10%. The contractual term of each option granted is five years. There are no cash settlement alternatives. The options carry neither rights to dividends nor voting rights. Options may be exercised any time from the date of vesting to the date of expiry.

Vesting period of the share option offered:

- (i) First 20%: Year 2019
- (ii) Remaining 80% will vest over 4 years from 2020 to 2023

DIRECTOR'S REPORT

For the Financial Year Ended 30 June 2023

OPTIONS GRANTED OVER UNISSUED SHARES (continued)

The details of the options over ordinary shares of the Company are as follows:

Grant date	Balance as at 1.7.2022	Lapsed	Balance as at 30.6.2023	Exercisable as at 30.6.2023
22 April 2019	69,413,828	(12,860,000)	56,553,828	39,587,680

The details of the exercisable options are as follows:

Exercise period	Exercisable options	Exercise price
22 April 2019 to 21 April 2020	11,310,766	RM0.105
30 June 2020 to 21 April 2021	28,276,914	RM0.075

Options granted which are not exercised in the respective exercise period in which they first become exercisable will be carried forward and will be exercisable in subsequent periods up to 21 April 2024. The exercise price for the carried forward options will be the exercise price of the options in the respective exercise period in which they first become exercisable.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Ahmad Hassanudin Bin Ahmad Kamaluddin*

Ahmad Ruhaizad Bin Hashim

Datuk Azmi Bin Ahmad*

Fina Norhizah Binti Haji Baharu Zaman

Yap Shuh Jian

Shamsul Bin Saad

(Appointed on 28 February 2023)

(Resigned on 21 February 2023)

* Directors of the Company and certain subsidiaries

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of the report are:

Samuel Bernard Sassoon

Ho Swee Peng

DIRECTOR'S REPORT

For the Financial Year Ended 30 June 2023

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

Interests in the Company

	Number of ordinary shares			At 30.6.2023
	At 1.7.2022	Bought	Sold	
Direct interests:				
Datuk Azmi Bin Ahmad	2,292,748	-	-	2,292,748
Ahmad Hassanudin Bin Ahmad Kamaluddin	1,875	-	-	1,875
Fina Norhizah Binti Haji Baharu Zaman	34,000	-	-	34,000
Indirect interests:				
Datuk Azmi Bin Ahmad**	330,581,061	-	-	330,581,061
Ahmad Hassanudin Bin Ahmad Kamaluddin^	123,750	-	-	123,750

* Shares held through company in which the director has substantial financial interests

^ Shares held through spouse

	Number of options over ordinary shares			At 30.6.2023
	At 1.7.2022	Granted	Exercised	
Datuk Azmi Bin Ahmad	13,866,914	-	-	13,866,914
Ahmad Hassanudin Bin Ahmad Kamaluddin	13,866,914	-	-	13,866,914
Fina Norhizah Binti Haji Baharu Zaman	1,500,000	-	-	1,500,000

By virtue of his interest in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Datuk Azmi Bin Ahmad is deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in ordinary shares or debentures of the Company and its related corporations during the financial year.

DIRECTOR'S REPORT

For the Financial Year Ended 30 June 2023

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The directors' benefits of the Group and of the Company are as follows:

	Group RM	Company RM
Directors of the Company		
- Fees	243,337	243,337
- Other emoluments	1,988,588	93,109
	2,231,925	336,446
Directors of subsidiaries		
- Other emoluments	266,114	-

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, there was no indemnity given to or insurance effected for any directors and officers of the Company.

DIRECTOR'S REPORT

For the Financial Year Ended 30 June 2023

SUBSIDIARIES

The details of the Company's subsidiaries are as follows:

Name of company	Principle place of business/ Country of incorporation	Ownership interest		Principal activities
		2023 %	2022 %	
Held by the Company:				
Alam Maritim (M) Sdn. Bhd. ("AMSB")	Malaysia	100	100	Ship owning, chartering and managing and other shipping related activities
Alam Maritim (L) Inc. ("AMLI")	Federal Territory of Labuan, Malaysia	100	100	Investment holding and ship owning
Alam Maritim Investment Holdings (L) Inc. ("AMIH")	Federal Territory of Labuan, Malaysia	-	100	Investment holding and ship owning
Held through AMSB:				
Alam Hidro (M) Sdn. Bhd. ("AHSB")	Malaysia	100	100	Offshore facilities construction and installation and subsea services
International Gateway Services Sdn. Bhd. ("IGS")	Malaysia	100	100	Transportation, ship forwarding and Agent, ship chandelling and other related activities
Alam Food Industries (M) Sdn. Bhd. ("AFI")	Malaysia	100	100	Catering and messing service
Alam Maritim Properties (M) Sdn. Bhd. ("AMP")	Malaysia	100	100	Property owner and management
Held through AMLI:				
Estar Offshore Pte. Ltd. ("EASTAR")	Singapore	75	75	Designing manufacturing and operating of remotely operated Vehicles ("ROVs")
Held through EASTAR:				
Alam Subsea Pte. Ltd. ("ASPL")	Singapore	75	75	Rental of ROV and providing ROV services

DIRECTOR'S REPORT

For the Financial Year Ended 30 June 2023

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Details of significant events during and subsequent to the end of the financial year are as follows:

- (i) On 31 October 2022, the Company announced that it had triggered the prescribed criteria pursuant to Paragraph 8.04 and Paragraph 2.1(d) of Practice Note 17 ("PN17") of the Main Market Listing Requirements ("MMLR") of Bursa Securities. Hence, with effect from 31 October 2022, the Company is considered as a PN17 listed issuer. The Company has 12 months to submit the regularisation plan to the relevant authorities for approval.

On 17 October 2023, the Company has submitted the application to Bursa Securities for extension of time for the Company to submit its proposed regularisation plan in relation to PN17 of the MMLR of Bursa Securities.

- (ii) On 28 February 2023, the Company announced that the Company had received a letter dated 24 February 2023 from the Corporate Debt Restructuring Committee ("CDRC") of Bank Negara Malaysia stating that the Company has been discharged from the purview of CDRC.
- (iii) On 10 April 2023, the High Court of Malaya at Kuala Lumpur granted the Company and its wholly owned subsidiary, Alam Maritim (M) Sdn. Bhd. (collectively "Applicants") the following Orders pursuant to Sections 366 and 368 of the Companies Act 2016 for, among others:
 - (i) An extension of time for leave to summon meetings of the creditors of the Applicants or any class of them for the purpose of considering and, if thought fit, approving the scheme of arrangement and compromise between the Applicants and the creditors within six (6) months from 11 April 2023; and
 - (ii) An extension of time for the restraining order dated 11 January 2023, pursuant to Section 368(1) of the Companies Act 2016, whereby all current and further proceedings in any legal actions or proceedings against AMSB and/or the assets of AMSB be restrained and stayed except by leave of Court for a period of six (6) months from 11 April 2023.

The Orders granted by the High Court were obtained as part of the Company's overall restructuring and rehabilitation plan by way of a proposed scheme of arrangement with its creditors.

The extension of time has since expired on 11 October 2023. As the Applicants are still in discussions with parties to potentially participate in the proposed scheme of arrangement, the Applicants had on 17 October 2023 made a fresh application to the High Court for orders to hold the scheme creditors meetings and for a restraining order in relation to AMSB.

IMMEDIATE HOLDING COMPANY

The directors regard SAR Venture Holdings (M) Sdn. Bhd., a company incorporated in Malaysia, as the immediate holding company of the Company.

DIRECTOR'S REPORT

For the Financial Year Ended 30 June 2023

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

AHMAD RUHAIZAD BIN HASHIM

Director

DATUK AZMI BIN AHMAD

Director

Kuala Lumpur

Date: 18 October 2023

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
Non-current assets					
Property, vessels and equipment	5	41,855,694	70,409,504	-	-
Investment properties	6	1,117,119	1,130,083	-	-
Intangible assets	7	-	-	-	-
Investment in subsidiaries	8	-	-	-	-
Investment in associates	9	-	-	-	-
Investment in joint ventures	10	4,126,302	14,819,480	-	-
Deferred tax assets	11	168,251	1,212,889	-	-
Other investment	12	350,000	350,000	-	-
Total non-current assets		47,617,366	87,921,956	-	-
Current assets					
Contract assets	13	66,653,992	6,762,630	-	-
Tax assets		657,823	528,759	-	-
Trade and other receivables	14	61,528,844	132,205,089	1,112,990	197,547,014
Cash and short-term deposits	15	52,606,962	42,277,837	6,403,201	2,216,038
Total current assets		181,447,621	181,774,315	7,516,191	199,763,052
TOTAL ASSETS		229,064,987	269,696,271	7,516,191	199,763,052

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	16	442,667,403	442,667,403	442,667,403	442,667,403
Other reserves	17	(2,917,636)	(2,406,343)	165,616	165,616
Accumulated losses		(492,720,951)	(507,890,042)	(499,950,899)	(307,777,633)
		(52,971,184)	(67,628,982)	(57,117,880)	135,055,386
Non-controlling interests		(6,349,953)	(5,161,616)	-	-
(CAPITAL DEFICIENCY)/ TOTAL EQUITY		(59,321,137)	(72,790,598)	(57,117,880)	135,055,386
Non-current liabilities					
Loans and borrowings	18	2,649,341	2,951,410	-	-
Deferred tax liabilities	11	730,750	1,377,344	-	-
Total non-current liabilities		3,380,091	4,328,754	-	-
Current liabilities					
Loans and borrowings	18	109,618,668	108,736,277	52,055,248	55,818,377
Trade and other payables	19	175,271,531	229,285,683	12,578,823	8,889,289
Tax liabilities		115,834	136,155	-	-
Total current liabilities		285,006,033	338,158,115	64,634,071	64,707,666
TOTAL LIABILITIES		288,386,124	342,486,869	64,634,071	64,707,666
TOTAL LIABILITIES NET OF CAPITAL DEFICIENCY/TOTAL EQUITY AND LIABILITIES		229,064,987	269,696,271	7,516,191	199,763,052

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year Ended 30 June 2023

	Note	Group		Company	
		Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM
Revenue	20	310,603,419	300,271,092	-	-
Cost of sales	21	(300,916,771)	(318,134,561)	-	-
Gross profit/(loss)		9,686,648	(17,863,469)	-	-
Other income	22	64,361,335	19,709,396	3,393,758	102,499,470
Employee benefits expenses	23	(13,370,520)	(22,663,549)	(336,446)	(502,195)
Net impairment losses on trade and other receivables		(15,545,684)	(28,605,568)	(189,667,074)	(235,509,840)
Other operating expenses		(26,187,051)	(138,867,233)	(2,214,334)	(69,611,416)
Operating profit/(loss)		18,944,728	(188,290,423)	(188,824,096)	(203,123,981)
Finance costs	24	(7,665,674)	(7,558,545)	(3,349,170)	(4,507,268)
Share of results of joint ventures		3,572,065	(16,301,695)	-	-
Profit/(Loss) before tax	25	14,851,119	(212,150,663)	(192,173,266)	(207,631,249)
Tax (expense)/credit	26	(663,416)	2,652,030	-	-
Profit/(Loss) for the financial year/ period		14,187,703	(209,498,633)	(192,173,266)	(207,631,249)
Other comprehensive loss, net of tax					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of foreign operations		(718,242)	(126,802)	-	-
Total comprehensive income/(loss) for the financial year/period		13,469,461	(209,625,435)	(192,173,266)	(207,631,249)

STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year Ended 30 June 2023

	Note	Group		Company	
		Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM
Profit/(Loss) attributable to:					
Owners of the Company		15,169,091	(209,151,862)	(192,173,266)	(207,631,249)
Non-controlling interests		(981,388)	(346,771)	-	-
		14,187,703	(209,498,633)	(192,173,266)	(207,631,249)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		14,657,798	(209,247,164)	(192,173,266)	(207,631,249)
Non-controlling interests		(1,188,337)	(378,271)	-	-
		13,469,461	(209,625,435)	(192,173,266)	(207,631,249)
Earnings/(Loss) per ordinary share attributable to owners of the Company:					
Basic earnings/(loss) per share (sen)	27	0.99	(14.17)		
Diluted earnings/(loss) per share (sen)	27	0.99	(14.17)		

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2023

	← Attributable to Owners of the Company →					
	Share Capital RM	Other Reserves RM	Accumulated Losses RM	Sub-total RM	Non-Controlling Interest RM	Capital Deficiency RM
Group						
At 1 July 2022	442,667,403	(2,406,343)	(507,890,042)	(67,628,982)	(5,161,616)	(72,790,598)
Total comprehensive income for the financial year						
Profit for the financial year	-	-	15,169,091	15,169,091	(981,388)	14,187,703
Other comprehensive loss for the financial year	-	(511,293)	-	(511,293)	(206,949)	(718,242)
Total comprehensive income	-	(511,293)	15,169,091	14,657,798	(1,188,337)	13,469,461
At 30 June 2023	442,667,403	(2,917,636)	(492,720,951)	(52,971,184)	(6,349,953)	(59,321,137)
Group						
At 1 January 2021, restated	432,981,346	(2,311,041)	(298,627,968)	132,042,337	(4,893,557)	127,148,780
Total comprehensive loss for the financial period						
Loss for the financial period	-	-	(209,151,862)	(209,151,862)	(346,771)	(209,498,633)
Other comprehensive loss for the financial period	-	(95,302)	-	(95,302)	(31,500)	(126,802)
Total comprehensive loss	-	(95,302)	(209,151,862)	(209,247,164)	(378,271)	(209,625,435)
Transaction with owners						
Issuance of ordinary shares pursuant to exercise of warrants	16 20,400	-	-	20,400	-	20,400
Issuance of ordinary shares pursuant to private placement	16 9,665,657	-	-	9,665,657	-	9,665,657
Adjustment	-	-	(110,212)	(110,212)	110,212	-
Total transaction with owners	9,686,057	-	(110,212)	9,575,845	110,212	9,686,057
At 30 June 2022	442,667,403	(2,406,343)	(507,890,042)	(67,628,982)	(5,161,616)	(72,790,598)

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2023

	← Attributable to Owners of the Company →				
	Note	Share Capital RM	Other Reserves RM	Accumulated Losses RM	Total Equity RM
Company					
At 1 July 2022		442,667,403	165,616	(307,777,633)	135,055,386
Total comprehensive loss for the financial year					
Loss for the financial year, representing total comprehensive loss		-	-	(192,173,266)	(192,173,266)
At 30 June 2023		442,667,403	165,616	(499,950,899)	(57,117,880)
Company					
At 1 January 2021, restated		432,981,346	165,616	(100,146,384)	333,000,578
Total comprehensive loss for the financial period					
Loss for the financial period, representing total comprehensive loss		-	-	(207,631,249)	(207,631,249)
Transaction with owners					
Issuance of ordinary shares pursuant to exercise of warrants	16	20,400	-	-	20,400
Issuance of ordinary shares pursuant to private placement	16	9,665,657	-	-	9,665,657
Total transaction with owners		9,686,057	-	-	9,686,057
At 30 June 2022		442,667,403	165,616	(307,777,633)	135,055,386

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 30 June 2023

	Note	Group		Company	
		Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM
Cash flows from operating activities					
Profit/(Loss) before tax		14,851,119	(212,150,663)	(192,173,266)	(207,631,249)
Adjustments for:					
Bad debt recovered		(100,000)	-	-	-
Depreciation on property, vessels and equipment	5	9,271,613	35,790,584	-	-
Depreciation on investment property	6	12,964	-	-	-
Gain on disposal of property, vessels and equipment		(1,399,416)	(3,048,891)	-	-
Gain on lease modification		-	(2,498)	-	-
Interest expense		7,665,674	7,558,545	3,349,170	4,507,268
Interest income		(457,886)	(257,296)	(3,393,758)	(4,574,398)
Impairment losses on investment in subsidiaries		-	-	-	66,558,440
Impairment losses on other receivables		28,593,443	22,822,284	196,569,084	235,509,840
Impairment losses on property, vessels and equipment		4,325,708	109,500,239	-	-
Impairment losses on trade receivables		3,074,303	9,461,970	-	-
Net unrealised foreign exchange loss/(gain)		473,781	(1,375,676)	-	664,373
Other receivables written off		12,186,639	8,174,123	-	-
Property, vessels and equipment written off	5	598,905	35,247	-	-
Reversal of accruals		-	(8,418,684)	-	-
Reversal of impairment losses on trade receivables		(9,839,849)	(3,678,686)	-	-
Reversal of impairment losses on other receivables		(6,282,213)	-	(6,902,010)	-
Waiver of debts		-	(4,355,876)	-	(97,925,072)
Share of results of joint ventures		(3,572,065)	16,301,695	-	-
Operating profit/(loss) before changes in working capital, carried forward		59,402,720	(23,643,583)	(2,550,780)	(2,890,798)

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 30 June 2023

	Group		Company	
	Financial year from 1.7.2022 to 30.6.2023	Financial period from 1.1.2021 to 30.6.2022	Financial year from 1.7.2022 to 30.6.2023	Financial period from 1.1.2021 to 30.6.2022
Note	RM	RM	RM	RM
Cash flows from operating activities (continued)				
Operating profit/(loss) before changes in working capital, brought forward	59,402,720	(23,643,583)	(2,550,780)	(2,890,798)
Changes in working capital:				
Contract assets	(59,891,362)	(377,099)	-	-
Trade and other receivables	45,084,461	(127,275,639)	-	412,724
Trade and other payables	(57,398,743)	121,004,022	3,518,241	4,078,006
Net cash (used in)/ generated from operations	(12,802,924)	(30,292,299)	967,461	1,599,932
Interest paid	(4,316,505)	(3,051,278)	(3,349,170)	(4,507,268)
Tax paid	(473,895)	(886,260)	-	-
Net cash used in operating activities	(17,593,324)	(34,229,837)	(2,381,709)	(2,907,336)
Cash flows from investing activities				
Dividend received from a joint venture	5,000,000	6,500,000	-	-
Purchase of property, vessels and equipment	-	(2,414,462)	-	-
Proceeds from disposal of property, vessels and equipment	16,276,919	6,276,441	-	-
Repayments from/(Advances to) subsidiaries	-	-	6,796,555	(23,122,838)
Repayments from associates	-	3,763,823	-	-
Repayments from joint ventures	-	-	141,688	149,011
Net change in short-term deposits	12,736,489	5,590,511	-	-
Increase in other investment	-	(350,000)	-	-
Interest received	457,886	257,296	3,393,758	4,574,398
Net cash from/(used in) investing activities	34,471,294	19,623,609	10,332,001	(18,399,429)

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 30 June 2023

	Note	Group		Company	
		Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM
Cash flows from financing activities	(a)				
Proceed from issuance of shares pursuant to exercise of warrants		-	20,400	-	20,400
Proceeds from issuance of shares pursuant to private placement		-	9,665,657	-	9,665,657
Advances from associates		6,165,718	2,135,231	-	-
Advances from immediate holding company		-	29,855	-	-
Net drawdown/(repayments) of term loans		91,175	(3,872,879)	-	-
Net drawdown of revolving credits		3,857,079	2,287,737	-	-
Repayments of Sukuk Ijarah MTN		(3,763,129)	-	(3,763,129)	-
Repayments of hire purchase payables		(63,793)	(329,120)	-	-
Repayment of lease liabilities		(99,406)	(195,866)	-	-
Net cash from/(used in) financing activities		6,187,644	9,741,015	(3,763,129)	9,686,057
Net increase/(decrease) in cash and cash equivalents		23,065,614	(4,865,213)	4,187,163	(11,620,708)
Cash and cash equivalents at the beginning of the financial year/period		20,537,061	25,402,274	2,216,038	13,836,746
Cash and cash equivalents at the end of the financial year/period	15	43,602,675	20,537,061	6,403,201	2,216,038

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 30 June 2023

(a) Reconciliation of changes in liabilities arising from financing activities are as follows:

	1 July 2022	Cash Flows	Non-cash	30 June 2023
	RM	RM	RM	RM
Group				
Amounts owing to associates	5,090,409	6,165,718	-	11,256,127
Term loans	13,175,816	91,175	558,396	13,825,387
Sukuk Ijarah MTN	55,818,377	(3,763,129)	-	52,055,248
Revolving credits	41,597,650	3,857,079	-	45,454,729
Lease liabilities	135,499	(99,406)	-	36,093
Hire purchase payables	63,793	(63,793)	-	-
	115,881,544	6,187,644	558,396	122,627,584
Company				
Sukuk Ijarah MTN	55,818,377	(3,763,129)	-	52,055,248
	55,818,377	(3,763,129)	-	52,055,248
	1 January 2021	Cash Flows	Non-cash	30 June 2022
	RM	RM	RM	RM
Group				
Amounts owing to associates	2,955,178	2,135,231	-	5,090,409
Amount owing to immediate holding company	-	29,855	-	29,855
Term loans	12,541,428	(3,872,879)	4,507,267	13,175,816
Revolving credits	39,309,913	2,287,737	-	41,597,650
Lease liabilities	295,908	(195,866)	35,457	135,499
Hire purchase payables	392,913	(329,120)	-	63,793
	55,495,340	54,958	4,542,724	60,093,022

(b) Total cash outflows for leases

During the financial year, the Group had total cash outflows for leases of RM2,050,760 (2022: RM4,474,493).

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Alam Maritim Resources Berhad ("the Company") is a public limited company, incorporated and domiciled in Malaysia and listed on the Main Market of the Bursa Malaysia Securities Berhad. The registered office and principal place of business of the Company is located at 38F, Level 3, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur.

The directors regard SAR Venture Holdings (M) Sdn. Bhd., a company incorporated in Malaysia, as the immediate holding company of the Company.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 8.

There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 18 October 2023.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), the International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of amendments/improvements to MFRSs

The Group and the Company have adopted the following amendments/improvements to MFRSs for the current financial year:

Amendments/Improvements to MFRSs

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 116	Property, Plant and Equipment
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 141	Agriculture

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (continued)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective:

	Effective for financial periods beginning on or after
<u>New MFRS</u>	
MFRS 17 Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>	
MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards	1 January 2023 [#]
MFRS 3 Business Combinations	1 January 2023 [#]
MFRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 [#]
MFRS 7 Financial Instruments: Disclosures	1 January 2023 [#] / 1 January 2024
MFRS 9 Financial Instruments	1 January 2023 [#]
MFRS 10 Consolidated Financial Statements	Deferred
MFRS 15 Revenue from Contracts with Customers	1 January 2023 [#]
MFRS 16 Leases	1 January 2024
MFRS 17 Insurance Contracts	1 January 2023
MFRS 101 Presentation of Financial Statements	1 January 2023/ 1 January 2023 [#] / 1 January 2024
MFRS 107 Statements of Cash Flows	1 January 2023 [#] / 1 January 2024
MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112 Income Taxes	1 January 2023
MFRS 116 Property, Plant and Equipment	1 January 2023 [#]
MFRS 119 Employee Benefits	1 January 2023 [#]
MFRS 121 The Effects of Changes in Foreign Exchange Rate	1 January 2025
MFRS 128 Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 [#]
MFRS 132 Financial Instruments: Presentation	1 January 2023 [#]
MFRS 136 Impairment of Assets	1 January 2023 [#]
MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2023 [#]
MFRS 138 Intangible Assets	1 January 2023 [#]
MFRS 140 Investment Property	1 January 2023 [#]

[#] Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (continued)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

2.3.1 The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. The initial application of the applicable new MFRS and amendments/improvements to MFRSs is not expected to have material impact to the current and prior periods financial statements.

2.4 Functional and presentation currency

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

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the financial statements.

2.6 Fundamental accounting principle

The financial statements of the Group and the Company have been prepared on the assumption that the Group and the Company will continue as going concerns. The application of going concern basis is based on the assumption that the Group and the Company will be able to realise their assets and discharge their liabilities in the normal course of business.

During the financial year ended 30 June 2023, the Company incurred a net loss of RM192,173,266, and as of that date, the Group's and the Company's current liabilities exceeded their current assets by RM103,558,412 and RM57,117,880 respectively and recorded a capital deficiency of RM59,321,137 and RM57,117,880 respectively. The Group and Company also recorded a negative operating cash flows of RM17,593,324 and RM2,381,709 respectively during the financial year ended 30 June 2023.

On 31 October 2022, the Company announced that it had triggered the prescribed criteria pursuant to Paragraph 8.04 and Paragraph 2.1(d) of Practice Note 17 ("PN17") of the Main Market Listing Requirements ("MMLR") of Bursa Securities. Hence, with effect from 31 October 2022, the Company is considered as a PN17 listed issuer. The Company has 12 months to submit the regularisation plan to the relevant authorities for approval.

On 17 October 2023, the Company has submitted the application to Bursa Securities for extension of time for the Company to submit its proposed regularisation plan in relation to PN17 of the MMLR of Bursa Securities.

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (continued)

2.6 Fundamental accounting principle (continued)

On 28 February 2023, the Company announced that the Company had received a letter dated 24 February 2023 from Corporate Debt Restructuring Committee ("CDRC") of Bank Negara Malaysia stating that the Company has been discharged from the purview of CDRC.

On 10 April 2023, the High Court of Malaya at Kuala Lumpur granted the Company and its wholly owned subsidiary, Alam Maritim (M) Sdn. Bhd. (collectively "Applicants") the following Orders pursuant to Sections 366 and 368 of the Companies Act 2016 for, among others:

- (i) An extension of time for leave to summon meetings of the creditors of the Applicants or any class of them for the purpose of considering and, if thought fit, approving the scheme of arrangement and compromise between the Applicants and the creditors within six (6) months from 11 April 2023; and
- (ii) An extension of time for the restraining order dated 11 January 2023, pursuant to Section 368(1) of the Companies Act 2016, whereby all current and further proceedings in any legal actions or proceedings against AMSB and/or the assets of AMSB be restrained and stayed except by leave of Court for a period of six (6) months from 11 April 2023.

The Orders granted by the High Court were obtained as part of the Company's overall restructuring plan by way of a proposed scheme of arrangement with its creditors.

The extension of time has since expired on 11 October 2023. As the Applicants are still in discussions with parties to potentially participate in the proposed scheme of arrangement, the Applicants had on 17 October 2023 made a fresh application to the High Court for orders to hold the scheme creditors meetings and for a restraining order in relation to AMSB.

The Group is currently in the process of discussing with parties on a potential debt restructuring scheme which may include:

- (i) Participation of a white knight, together with provision of rescue funding;
- (ii) Settlement of amounts owing to financial institutions and creditors; and
- (iii) Capital reduction of the issued share capital of the Company.

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (continued)

2.6 Fundamental accounting principle (continued)

The ability of the Group and the Company to continue as going concerns are also dependent upon the Group's ability to secure significant contracts from oil and gas segment, their successful profitable operations in the foreseeable future.

The Directors have concluded that the combination of the circumstances highlighted above indicate material uncertainties that may cast significant doubt over the ability of the Group and the Company to continue as going concerns and therefore, may be unable to realise their assets and discharge their liabilities in the normal course of business.

Therefore, the going concern basis used in preparing the financial statements of the Group and the Company is significantly dependent on:

- (i) Approval being obtained from all the relevant parties on the proposed restructuring plan.
- (ii) Timely and successful implementation of the key components of the proposed restructuring plan.
- (iii) The ability of the Group to achieve sustainable and viable operations so as to generate sufficient cash flows to enable them to meet their obligations as and when they fall due.

In the event that these are not forthcoming, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business. Accordingly, the financial statements may require adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary should the Group and the Company be unable to continue as going concerns.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

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

(a) Subsidiaries and business combination

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate or a financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(b) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statement of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

(c) Associate

Associate is an entity over which the Group has significant influence, but not control, to the financial and operating policies.

Investment in an associate is accounted for in the consolidated financial statements using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(d) Joint arrangements

Joint arrangements arise when the Group and another party or parties are bound by a contractual arrangement, and the contractual arrangement gives the Group and the other party or parties, joint control of the arrangement. Joint control exists when there is contractually agreed sharing of control of an arrangement whereby decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as a “joint operation” when the Group has rights to the assets and obligations for the liabilities relating to the arrangement. The Group accounts for its share of the assets (including its share of any assets held jointly), the liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).
- A joint arrangement is classified as “joint venture” when the Group has rights to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method in accordance with MFRS 128 Investments in Associates and Joint Ventures.

The Group has assessed the nature of its joint arrangement and determined them to be a joint venture and accounted for its interest in the joint venture using the equity method.

(e) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Separate financial statements

In the Company’s statement of financial position, investment in subsidiaries and associate are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.11(b).

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Foreign currency transactions and operations

(a) Translation of foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of the Group entities at the exchange rates prevailing at the dates of the transactions.

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in either a cash flow hedge or a hedge of the Group's net investment of a foreign operation. When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of a net investment in a foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Foreign currency transactions and operations (continued)

(b) Translation of foreign operations

The assets and liabilities of foreign operations denominated in the functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions.

Exchange differences arising on the translation are recognised in other comprehensive income. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in foreign exchange translation reserves related to that foreign operation is reclassified to profit or loss. For a partial disposal not involving loss of control of a subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests. For partial disposals of associates or joint ventures that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount in foreign exchange translation reserve is reclassified to profit or loss.

3.4 Financial instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments.

Except for the trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15 *Revenue from Contracts with Customers*.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments (continued)

(a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

For the purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortised cost
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify financial assets when and only when their business models for managing those assets change.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. The measurement which the Group and the Company classify their debt instruments:

- **Amortised cost**

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment is in accordance with Note 3.11(a). Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Upon initial recognition, the Group and the Company can make an irrevocable election to classify its equity investments that is not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments (continued)

(a) Subsequent measurement (continued)

The Group and the Company categorise the financial instruments as follows: (continued)

(ii) Financial liabilities

The Group and the Company classify their financial liabilities at amortised cost.

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

(b) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

(c) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and the Company commit themselves to purchase or sell an asset).

Trade date accounting refers to:

- (i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
- (ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments (continued)

(d) Derecognition

A financial asset or a part of it is derecognised when, and only when:

- (i) the contractual rights to receive cash flows from the financial asset expire, or
- (ii) the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group and the Company evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Property, vessels and equipment

(a) Recognition and measurement

Property, vessels and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(b).

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, vessels and equipment have different useful lives, they are accounted for as separate items of property, vessels and equipment.

(b) Subsequent costs

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

(c) Depreciation

All property, vessels and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

Leasehold land	99 years
Buildings	2% to 3%
Vessels	4% to 11%
Drydocking	20% to 40%
Diving equipment	10%
Equipment on vessel	10% to 50%
Motor vehicles	20%
Computers	33.33%
Office equipment	10%
Furniture and fittings	10%
Renovation	10%

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Property, vessels and equipment (continued)

(d) Derecognition

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

3.6 Leases

(a) Definition of lease

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset;
- the Group and the Company have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group and the Company have the right to direct the use of the asset.

(b) Lessee accounting

At the lease commencement date, the Group and the Company recognise a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The Group and the Company present right-of-use assets that do not meet the definition of investment property in Note 6 and lease liabilities in Note 18(b).

Right-of-use asset

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group and the Company expect to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(b) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Leases (continued)

(b) Lessee accounting (continued)

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use their incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Leases (continued)

(c) Lessor accounting

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statements of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

When applies contract includes lease and non-lease components, the Group applies MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

3.7 Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair values of investment properties are recognised in profit or loss for the period in which they arise.

Cost includes purchase price and any directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property.

An investment property is derecognised on its disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains and losses arising from derecognition of the asset is recognised in the profit or loss.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property carried at fair value to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, any difference arising on the date of change in use between the carrying amount of the item immediately prior to the transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Goodwill and other intangible assets

(a) Goodwill

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(b).

In respect of equity-accounted associates and joint venture, goodwill is included in the carrying amount of the investment and is not tested for impairment individually. Instead, the entire carrying amount of the investment is tested for impairment as a single asset when there is objective evidence of impairment.

(b) Other intangible assets

Costs directly attributable to the development of design for deep sea remotely operated subsea vehicles and peripherals are capitalised as intangible assets only when technical feasibility of the project is demonstrated, the Group's intention to complete, its ability to use or sell the asset, how the asset will generate future economic benefits, and the costs can be measured reliably. Such costs include payroll-related costs of employees directly involved in the project and other costs directly related to the project. Research costs are expensed as incurred.

Deferred development costs are subsequently carried at cost less accumulated amortisation and any accumulated impairment losses. These costs are amortised to the profit and loss account using the straight-line method over their estimated useful lives of five years.

3.9 Contract assets/(liabilities)

Contract asset is the right to consideration in exchange for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Group's future performance). The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(a).

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers.

3.10 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of assets

(a) Impairment of financial assets and contract assets

Financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income ("FVOCI"), contract assets and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 *Financial Instruments* which is related to the accounting for expected credit losses on the financial assets. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12-month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables and contract assets, the Group applies the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group and the Company consider a financial asset to be in default when:

- the borrower is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of assets (continued)

(a) Impairment of financial assets and contract assets (continued)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the debtor;
- a breach of contract, such as a default of past due event;
- the lender(s) of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss. For financial assets measured at FVOCI, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statements of financial position.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of assets (continued)

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs").

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount of asset is reduced to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.12 Share capital

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Provisions

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

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

3.14 Revenue and other income

The Group and the Company recognise revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

Revenue recognition of the Group and the Company is applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer).

The Group and the Company measure revenue at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer. If the transaction price includes variable consideration, the Group and the Company use the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group and the Company expect to better predict the amount of consideration to which it is entitled.

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis. If the stand-alone selling price is not directly observable, the Group and the Company estimate it by using the costs plus margin approach.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. A modification exists when the change either creates new or changes existing enforceable rights and obligations of the parties to the contract. The Group and the Company have assessed the type of modification and accounted for as either creates a separate new contract, terminates the existing contract and creation of a new contract; or forms a part of the existing contracts.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Revenue and other income (continued)

(a) Charter hire of vessels and other shipping related income

Charter hire of vessels and other shipping related income are recognised over time using an input method to measure progress towards complete satisfaction of the services, because customer simultaneously receives and consumes the benefits provided by the Group and are computed at the contracted daily rate. In the event invoices are yet to be issued at year end, the revenue is accrued to the extent of the services rendered at the reporting date.

(b) Offshore installation and construction

Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control is transferred over time as the Group creates or enhance an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

Sales are made with a credit term of 30 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group becomes entitled to invoice customers for construction of commercial and industrial properties based on achieving a series of performance-related milestones.

The Group recognised a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognises a contract liability for the difference.

(c) Diving and subsea services

Revenue from a contract to provide services is recognised over time as the service are rendered because the customer receives and uses the benefits simultaneously. This is determined based on the time elapsed (output method).

(d) Rental of equipment

Rental of equipment is recognised on a straight-line basis over the term of the lease.

(e) Vessel's management fees

Vessel's management fees is recognised upon completion of services rendered in accordance with the terms of the agreement entered into.

(f) Interest income

Interest income is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group and the Company.

(b) Defined contribution plan

As required by law, the Group and the Company contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

3.16 Share-based payments

(a) Equity-settled share-based payment

The cost of equity-settled share-based payment is determined by the fair value at the date when the grant is made using an appropriate valuation model. Details regarding the determination of the fair value of equity-settled share-based payments are set out in Note 17(b).

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

Equity-settled share-based payments with parties other than employees are measured at the fair value of the goods and services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted at the date the Company obtains the goods or the counterparty renders the service.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Borrowing costs

Borrowing costs are interests and other costs that the Group and the Company incur in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The Group and the Company begin capitalising borrowing costs when the Group and the Company have incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.18 Income tax

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

(a) Current tax

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Income tax (continued)

(b) Deferred tax (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associate, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

(c) Sales and services tax

Revenue, expenses and assets are recognised net of the amount of sales and services tax except:

- where the sales and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. All Executives Directors of the Group, who are responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision maker that makes strategic decisions.

3.20 Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3.21 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non- occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

- (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Impairment of vessels and its related equipment

The Group reviews the carrying amounts of its vessels and related equipment at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount which is the higher of its fair value less costs to sell or its value in use is estimated.

To determine fair value less cost to sell requires an estimation on price at which an orderly transaction to sell the asset would take place between market participants under current market conditions. For the current financial year, impairment of vessels and its related equipment was required based on management's assessment of the vessels' utilisation and charter hire rates.

The carrying amounts of the vessels and its related equipment are disclosed in Note 5.

(b) Construction revenue and expenses

The Group recognised construction revenue and expenses in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extend of the construction costs incurred, the estimated total construction revenue and expenses, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

The carrying amount of contract assets is disclosed in Note 13.

NOTES TO THE FINANCIAL STATEMENTS

5. PROPERTY, VESSELS AND EQUIPMENT

Group	Leasehold land RM	Buildings RM	Vessels RM	Drydocking RM	Diving equipment and equipment on vessels RM	Motor vehicles and fittings RM	Computers, office equipment and furniture RM	Renovations RM	Right -of-use assets RM	Total RM
2023										
Cost										
At 1 July 2022	12,839,511	12,612,319	236,345,231	27,688,691	112,520,309	3,118,424	8,183,717	5,140,857	274,012	418,723,071
Disposals	-	-	(94,009,534)	(11,551,379)	(23,455,140)	(281,821)	(255,021)	-	-	(129,552,895)
Written off	-	-	-	-	(4,898,232)	-	-	-	-	(4,898,232)
At 30 June 2023	12,839,511	12,612,319	142,335,697	16,137,312	84,166,937	2,836,603	7,928,696	5,140,857	274,012	284,271,944

NOTES TO THE FINANCIAL STATEMENTS

5. PROPERTY, VESSELS AND EQUIPMENT (continued)

Group	Leasehold land RM	Buildings RM	Vessels RM	Drydocking RM	Diving equipment and equipment on vessels RM	Motor vehicles and fittings RM	Computers, office equipment and furniture RM	Renovations RM	Right -of-use assets RM	Total RM
2023										
Accumulated depreciation and impairment loss										
At 1 July 2022	1,413,626	4,571,152	203,783,109	21,437,102	101,444,973	2,652,100	8,079,744	4,788,716	143,045	348,313,567
Depreciation charge for the financial year (Note 25)	121,611	402,523	2,553,530	3,246,378	2,537,340	59,514	126,941	127,064	96,712	9,271,613
Disposals	-	-	(81,971,372)	(11,136,828)	(20,911,183)	(281,820)	(374,189)	-	-	(114,675,392)
Written off	-	-	-	-	(4,299,327)	-	-	-	-	(4,299,327)
Impairment losses (Note 25)	-	-	-	-	4,325,708	-	-	-	-	4,325,708
Exchange differences	-	-	-	-	(519,919)	-	-	-	-	(519,919)
At 30 June 2023	1,535,237	4,973,675	124,365,267	13,546,652	82,577,592	2,429,794	7,832,496	4,915,780	239,757	242,416,250
Carrying amount										
At 30 June 2023	11,304,274	7,638,644	17,970,430	2,590,660	1,589,345	406,809	96,200	225,077	34,255	41,855,694

NOTES TO THE FINANCIAL STATEMENTS

5. PROPERTY, VESSELS AND EQUIPMENT (continued)

Group	Leasehold land RM	Buildings RM	Vessels RM	Drydocking RM	Diving equipment and equipment on vessels RM	Motor vehicles and fittings RM	Computers, office equipment and furniture RM	Renovations RM	Right -of-use assets RM	Total RM
2022										
Cost										
At 1 January 2021	13,639,511	11,292,724	522,087,921	56,845,644	120,871,730	5,279,587	7,393,203	4,961,116	341,181	742,712,617
Additions	-	-	-	2,065,323	-	297,572	51,567	-	148,841	2,563,303
Adjustments	-	759,595	(232,974,206)	(30,323,317)	(7,566,280)	(271,494)	774,344	207,365	-	(269,393,993)
Derecognition	-	-	-	-	-	-	-	-	(216,010)	(216,010)
Disposals	-	-	(52,632,444)	-	(79,020)	(997,206)	-	-	-	(53,708,670)
Written off	-	-	(136,040)	(898,959)	(228,174)	(1,190,035)	(35,397)	(27,624)	-	(2,516,229)
Transfer from investment properties (Note 6)	-	920,000	-	-	-	-	-	-	-	920,000
Transfer to investment properties (Note 6)	(800,000)	(360,000)	-	-	-	-	-	-	-	(1,160,000)
Exchange differences	-	-	-	-	(477,947)	-	-	-	-	(477,947)
At 30 June 2022	12,839,511	12,612,319	236,345,231	27,688,691	112,520,309	3,118,424	8,183,717	5,140,857	274,012	418,723,071

NOTES TO THE FINANCIAL STATEMENTS

5. PROPERTY, VESSELS AND EQUIPMENT (continued)

Group	Leasehold land RM	Buildings RM	Vessels RM	Drydocking RM	Diving equipment and equipment on vessels RM	Motor vehicles and fittings RM	Computers, office equipment and furniture RM	Renovations RM	Right -of-use assets RM	Total RM
2022										
Accumulated depreciation and impairment loss										
At 1 January 2021	1,261,126	4,531,223	355,161,398	36,123,477	107,831,703	5,140,476	7,495,576	4,286,851	112,516	521,944,346
Adjustments	-	(335,536)	(227,073,843)	(26,565,833)	(12,230,441)	(379,868)	292,512	320,150	-	(265,972,859)
Depreciation charge for the financial period (Note 25)	182,417	227,065	22,197,066	6,963,353	5,470,490	78,727	326,474	209,339	135,653	35,790,584
Derecognition	-	-	-	-	-	-	-	-	(105,124)	(105,124)
Disposals	-	-	(49,404,897)	-	(79,020)	(997,203)	-	-	-	(50,481,120)
Written off	-	-	(123,915)	(898,955)	(205,638)	(1,190,032)	(34,818)	(27,624)	-	(2,480,982)
Impairment losses (Note 25)	-	-	103,027,300	5,815,060	657,879	-	-	-	-	109,500,239
Transfer from investment properties (Note 6)	-	148,400	-	-	-	-	-	-	-	148,400
Transfer to investment properties (Note 6)	(29,917)	-	-	-	-	-	-	-	-	(29,917)
At 30 June 2022	1,413,626	4,571,152	203,783,109	21,437,102	101,444,973	2,652,100	8,079,744	4,788,716	143,045	348,313,567
Carrying amount										
At 30 June 2022	11,425,885	8,041,167	32,562,122	6,251,589	11,075,336	466,324	103,973	352,141	130,967	70,409,504

NOTES TO THE FINANCIAL STATEMENTS

5. PROPERTY, VESSELS AND EQUIPMENT (continued)

- (a) In the previous financial year, the Group acquired property, vessels and equipment with an aggregate cost of RM2,563,303 which are satisfied by the following:

	Group	
	2023 RM	2022 RM
Purchase of property, vessels and equipment	-	2,563,303
Financed by way of lease arrangements	-	(148,841)
Cash payments on purchase of property, vessels and equipment	-	2,414,462

- (b) The carrying amount of property, vessels and equipment pledged as security for banking facilities as disclosed in Note 18 are as follows:

	Group	
	2023 RM	2022 RM
Buildings	6,273,902	6,606,787
Vessels	5,616,782	16,769,664
Motor vehicles	-	1
	11,890,684	23,376,452

- (c) Right-of-use assets

The Group leases several assets including office building, warehouse and hostel. Information about leases for which the Group is a lessee is presented below:

	Office building RM	Warehouse RM	Hostel RM	Total RM
Group				
Carrying amount				
At 1 January 2021	136,167	92,498	-	228,665
Additions	11,443	-	137,398	148,841
Depreciation	(34,952)	(37,727)	(62,974)	(135,653)
Derecognition	(110,886)	-	-	(110,886)
At 30 June 2022	1,772	54,771	74,424	130,967
Depreciation	(1,758)	(26,255)	(68,699)	(96,712)
At 30 June 2023	14	28,516	5,725	34,255

The Group leases office building, warehouse and hostel with lease terms of 2 to 3 years.

NOTES TO THE FINANCIAL STATEMENTS

5. PROPERTY, VESSELS AND EQUIPMENT (continued)

- (d) In the previous financial year, an impairment loss of RM109,500,239 was recognised in statements of comprehensive income under other operating expenses, representing the impairment of vessels, drydocking and equipment on vessels as the carrying amount of these vessels and equipment were higher than their recoverable amount. The recoverable amount of the vessels and equipment were based on the valuation reports issued by an independent professional valuer.

The valuation judgement by the independent professional valuer was derived using the following assumptions:

- (i) type, size, main and auxiliary machinery fitted on board and other specification of the vessels;
- (ii) age of the vessels and its future economic life expectancy;
- (iii) condition of the vessels' hull, machinery and equipment are consistent with its age as noted with the normal wear and tear; and
- (iv) current supply and demand for vessels of this type and size in the sales and purchase market.

6. INVESTMENT PROPERTIES

	Group	
	2023 RM	2022 RM
At cost		
At beginning of the financial year/period	1,160,000	920,000
Transfer from property, vessels and equipment (Note 5)	-	1,160,000
Transfer to property, vessels and equipment (Note 5)	-	(920,000)
At end of the financial year/period	1,160,000	1,160,000
Accumulated depreciation		
At beginning of the financial year/period	29,917	148,400
Depreciation charge for the financial year/period (Note 25)	12,964	-
Transfer from property, vessels and equipment (Note 5)	-	29,917
Transfer to property, vessels and equipment (Note 5)	-	(148,400)
At end of the financial year/period	42,881	29,917
Carrying amount	1,117,119	1,130,083

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENT PROPERTIES (continued)

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2023 RM	2022 RM
Direct operating expenses	-	62

Fair value information

The fair value of investment properties of the Group is categorised as follows:

	Group		
	Level 1 RM	Level 2 RM	Level 3 RM
2023			
Freehold land	-	-	820,000
Building	-	-	360,000
	-	-	1,180,000
2022			
Freehold land	-	-	802,000
Building	-	-	358,000
	-	-	1,160,000

Level 3 fair value

Fair value of investment properties has been derived using the sales comparison approach. Sales prices of comparable buildings in close proximity are adjusted for differences in location, size, age and condition of the building, floor level, tenure, title restrictions and other relevant characteristics to arrive at the market value.

Transfer between levels of fair value hierarchy

There are no Level 1 or Level 2 investment properties during the financial year ended 30 June 2023 and financial period ended 30 June 2022.

NOTES TO THE FINANCIAL STATEMENTS

7. INTANGIBLE ASSETS

	Goodwill on consolidation RM	Deferred development costs RM	Total RM
Group			
Cost			
At 1 January 2021	1,569,529	920,245	2,489,774
Exchange differences	801	-	801
At 30 June 2022	1,570,330	920,245	2,490,575
Exchange differences	1,889	-	1,889
At 30 June 2023	1,572,219	920,245	2,492,464
Accumulated amortisation and impairment			
At 1 January 2021	1,569,529	920,245	2,489,774
Exchange differences	801	-	801
At 30 June 2022	1,570,330	920,245	2,490,575
Exchange differences	1,889	-	1,889
At 30 June 2023	1,572,219	920,245	2,492,464
Carrying amount			
At 30 June 2022/ 30 June 2023	-	-	-

Deferred development costs represent costs incurred to develop remotely operated vehicles and peripherals.

The carrying amount of goodwill is allocated to the Group's cash-generating unit ("CGU") that the goodwill relates to, which is the subsea service business.

NOTES TO THE FINANCIAL STATEMENTS

8. INVESTMENT IN SUBSIDIARIES

	Company	
	2023 RM	2022 RM
Unquoted shares, at cost		
At 1 July	100,302,420	100,302,420
Less: Struck off during the financial year/period	(350)	-
At 30 June	100,302,070	100,302,420
Less: Accumulated impairment losses		
At 1 July	(100,302,420)	(33,743,980)
Add: Impairment during the financial year/period	-	(66,558,440)
Less: Struck off during the financial year/period	350	-
At 30 June	(100,302,070)	(100,302,420)
	-	-

Details of the subsidiaries are as follows:

Name of company	Principle place of business/ Country of incorporation	Ownership interest		Principal activities
		2023 %	2022 %	
(i) Held by the Company:				
Alam Maritim (M) Sdn. Bhd. ("AMSB")	Malaysia	100	100	Ship owning, chartering and managing and other shipping related activities
Alam Maritim (L) Inc. ("AMLI")	Federal Territory of Labuan, Malaysia	100	100	Investment holding and ship owning
Alam Maritim Investment Holdings (L) Inc. ("AMIH")^	Federal Territory of Labuan, Malaysia	-	100	Investment holding and ship owning

NOTES TO THE FINANCIAL STATEMENTS

8. INVESTMENT IN SUBSIDIARIES (continued)

Details of the subsidiaries are as follows (continued):

Name of company	Principle place of business/ Country of incorporation	Ownership interest		Principal activities
		2023 %	2022 %	
(ii) Held through AMSB:				
Alam Hidro (M) Sdn. Bhd. ("AHSB")	Malaysia	100	100	Offshore facilities construction and installation and subsea services
International Gateway Services Sdn. Bhd. ("IGS")	Malaysia	100	100	Transportation, ship forwarding and Agent, ship chandelling and other related activities
Alam Food Industries (M) Sdn. Bhd. ("AFI")	Malaysia	100	100	Catering and messing service
Alam Maritim Properties (M) Sdn. Bhd. ("AMP")	Malaysia	100	100	Property owner and management
(ii) Held through AMLI:		75	75	Designing manufacturing and operating of remotely operated Vehicles ("ROV")
Eastar Offshore Pte. Ltd. ("EASTAR")*~	Singapore			
(iv) Held through EASTAR:				
Alam Subsea Pte. Ltd. ("ASPL")*~	Singapore	75	75	Rental of ROV and providing ROV services

* EASTAR and ASPL is consolidated using unaudited management financial statements as auditors' report is not available for the financial year ended 30 June 2023. The financial year end of EASTAR and ASPL is 31 December.

~ Audited by an auditor other than Baker Tilly Monteiro Heng PLT.

^ Struck off during the financial year.

Non-controlling interests in subsidiaries

The Group does not have material non-controlling interests ("NCI").

NOTES TO THE FINANCIAL STATEMENTS

9. INVESTMENT IN ASSOCIATES

	Group	
	2023 RM	2022 RM
Unquoted shares, at cost	61,699,516	61,699,516
Share of post-acquisition reserves	(61,699,516)	(61,699,516)
	-	-

Details of the associates are as follows:

Name of company	Principle place of business/ Country of incorporation	Effective equity interest		Principal activities
		2023 %	2022 %	
(i) Held through AMLI:				
TH-Alam Holdings (L) Inc. ("THAH") [^]	Federal Territory of Labuan, Malaysia	49	49	Investment holding
(ii) Held through THAH:				
Alam-JV DP1 (L) Inc. ("AJVDP1") [^]	Federal Territory of Labuan, Malaysia	49	49	Ship owning
Alam-JV DP2 (L) Inc. ("AJVDP2") [^]	Federal Territory of Labuan, Malaysia	49	49	Ship owning

[^] Equity accounted using unaudited management financial statements as auditors' report is not available for the financial year ended 30 June 2023. The financial year end of THAH is 31 December.

* Audited by an auditor other than Baker Tilly Monteiro Heng PLT.

NOTES TO THE FINANCIAL STATEMENTS

9. INVESTMENT IN ASSOCIATES (continued)

The following table illustrates the summarised financial information of the Group's associate, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associate:

	TH-Alam Holdings (L) Inc.	
	2023 RM	2022 RM
Group		
Assets and liabilities		
Current assets	31,812,706	3,729,250
Non-current assets	130,813,443	135,620,057
Current liabilities	(180,715,036)	(178,590,770)
Net liabilities	(18,088,887)	(39,241,463)
Results:		
Revenue	55,817,052	57,228,778
Profit/(Loss) for the financial year/period, representing total comprehensive income/(loss)	21,152,576	(21,100,445)
Reconciliation of net liabilities to carrying amount:		
Share of net assets at the acquisition date	61,699,516	61,699,516
Share of post acquisition reserves	(61,699,516)	(61,699,516)
Carrying amount in the statements of financial position	-	-
Group's share of results		
Group's share of profit/(loss), representing Group's share of total comprehensive income/(loss)	-	-

The Group has not recognised its share of losses of THAH because the Group's cumulative share of losses has exceeded its interest in that associate and the Group has no obligation in respect of these losses. The Group's cumulative accumulated losses not recognised were RM14,882,276 (2022: RM25,247,038).

NOTES TO THE FINANCIAL STATEMENTS

10. INVESTMENT IN JOINT VENTURES

	Group	
	2023 RM	2022 RM
Unquoted shares, at cost	34,325,133	99,771,377
Share of post-acquisition reserves	3,626,302	(25,397,278)
	37,951,435	74,374,099
Less: Impairment losses	(33,825,133)	(59,554,619)
	4,126,302	14,819,480

Details of joint ventures are as follows:

Name of company	Principle place of business/ Country of incorporation	Effective equity interest		Principal activities
		2023 %	2022 %	
(i) Held by AMSB:				
Alam Eksplorasi (M) Sdn. Bhd. ("AESB")*	Malaysia	60	60	Ship owning, operating and chartering
Alam Synergy I (L) Inc. ("AS I")*~	Federal Territory of Labuan, Malaysi	-	60	Ship owning, operating and chartering
Alam Synergy II (L) Inc. ("AS II")*~	Federal Territory of Labuan, Malaysi	-	60	Ship owning, operating and chartering
Alam Synergy III (L) Inc. ("AS III")*~	Federal Territory of Labuan, Malaysi	-	60	Ship owning, operating and chartering
Alam Radiance (M) Sdn. Bhd. ("ARMSB")*	Malaysia	50	50	Ship owning, ship management, ship operation, maintenance and consultancy
YSS Alam Energy (M) Sdn. Bhd. ("YSS Alam")*~	Malaysia	-	50	Ship owning, ship management, ship operation, maintenance and consultancy

NOTES TO THE FINANCIAL STATEMENTS

10. INVESTMENT IN JOINT VENTURES (continued)

Details of joint ventures are as follows (continued)

Name of company	Principle place of business/ Country of incorporation	Effective equity interest		Principal activities
		2023 %	2022 %	
(ii) Held by AMLI:				
Workboat International DMCCO ("WBI")*~	United Arab Emirates	-	60	Ship owning, ship management, ship operation, maintenance and consultancy
Alam Fast Boats (L) Inc. ("AFBLI")*	Federal Territory of Labuan, Malaysia	60	60	Ship owning, operating and chartering
Alam Radiance (L) Inc. ("ARLI")*	Federal Territory of Labuan, Malaysia	51	51	Ship owning and chartering
TH Alam Management (M) Sdn. Bhd. ("THAM")*	Malaysia	50	50	Ship management and consultancy
Alam-PE Holdings (L) Inc. ("ALAM-PE(H)")**	Federal Territory of Labuan, Malaysia	51	51	Ship owning, ship management, ship operation, maintenance and consultancy
(iii) Held through ALAM-PE(H):				
Alam-PE I (L) Inc. ("ALAM-PE I")**	Federal Territory of Labuan, Malaysia	51	51	Ship owning, operating and chartering
Alam-PE II (L) Inc. ("ALAM-PE II")**	Federal Territory of Labuan, Malaysia	51	51	Ship owning, operating and chartering
Alam-PE III (L) Inc. ("ALAM-PE III")**	Federal Territory of Labuan, Malaysia	51	51	Ship owning, operating and chartering
Alam-PE IV (L) Inc. ("ALAM-PE IV")**	Federal Territory of Labuan, Malaysia	51	51	Ship owning, operating and chartering
Alam-PE V (L) Inc. ("ALAM-PE V")**	Federal Territory of Labuan, Malaysia	51	51	Ship owning, operating and chartering
Alam-PE Holdings Sdn. Bhd. ("ALAM PE(H)SB")**	Malaysia	51	51	Ship management

NOTES TO THE FINANCIAL STATEMENTS

10. INVESTMENT IN JOINT VENTURES (continued)

Details of joint ventures are as follows (continued):

Name of company	Principle place of business/ Country of incorporation	Effective equity interest		Principal activities
		2023 %	2022 %	
(iv) Held through AMIH: Deepsea Leader Venture (L) Inc. ("DLV")*~	Federal Territory of Labuan, Malaysia	-	51	Ship owning, ship management, ship operation, maintenance and marine consultancy
(v) Held through DLV: MDSV 1 (L) Inc. ("MDSV")*~	Federal Territory of Labuan, Malaysia	-	51	Ship owning, operating and chartering
OLV Offshore Services (M) Sdn. Bhd. ("OLV")*	Malaysia	51	51	Ship owning, ship management, ship operation, maintenance and marine consultancy
(vi) Held through Alam JV: Wide Global (L) Inc. ("WG")*~	Federal Territory of Labuan, Malaysia	-	50	Investment holding and ship owning
(vii) Held through AHSB: Subsea Worldwide Solutions Sdn. Bhd. ("SWS")*	Malaysia	50	50	Providing offshore under water and subsea services

* Audited by an auditor other than Baker Tilly Monteiro Heng PLT.

^ Equity accounted using unaudited management financial statements as auditors' report is not available.

~ Struck off during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

10. INVESTMENT IN JOINT VENTURES (continued)

(a) Summarised financial information of material joint ventures

The following table illustrates the summarised financial information of the Group's material joint ventures, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the joint ventures:

	ALAM-PE (H)	SWS
	Group	RM
	RM	RM
Group		
2023		
Assets and liabilities		
Non-current assets	41,165,485	1,545,690
Current assets	13,317,525	85,258,370
Non-current liabilities	(7,120,782)	-
Current liabilities	(5,595,716)	(78,551,454)
Net assets	41,766,512	8,252,606
Results:		
Revenue	17,331,551	248,604,851
(Loss)/Profit for the financial year, representing total comprehensive (loss)/income	(6,286,095)	7,144,129
2022		
Assets and liabilities		
Non-current assets	49,557,330	806,335
Current assets	9,344,947	56,209,197
Non-current liabilities	(7,803,473)	-
Current liabilities	(3,046,197)	(47,907,055)
Net assets	48,052,607	9,108,477
Results:		
Revenue	12,720,840	222,079,852
(Loss)/Profit for the financial period, representing total comprehensive (loss)/income	(47,608,279)	14,994,295

NOTES TO THE FINANCIAL STATEMENTS

11. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2023 RM	2022 RM
Deferred tax assets/(liabilities)		
At beginning of the financial year/period	(164,455)	(3,382,611)
Recognised in profit or loss (Note 26)	(338,906)	3,072,673
Translation differences	(59,138)	145,483
At end of the financial year/period	(562,499)	(164,455)

(a) Presented after appropriate off-setting as follows:

	Group	
	2023 RM	2022 RM
Deferred tax assets	168,251	1,212,889
Deferred tax liabilities	(730,750)	(1,377,344)
	(562,499)	(164,455)

(b) The components of deferred tax assets/(liabilities) prior to offsetting are as follows:

	Group	
	2023 RM	2022 RM
Deferred tax assets		
Unused tax losses	499,347	1,079,285
Unabsorbed capital allowance	-	1,235,582
Differences between the carrying amounts of property, vessels and equipments and their tax base	(331,096)	(1,101,978)
	168,251	1,212,889
Deferred tax liabilities		
Differences between the carrying amounts of property, vessels and equipments and their tax base	(730,750)	(1,377,344)

NOTES TO THE FINANCIAL STATEMENTS

11. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

- (c) The estimated amount of temporary differences for which no deferred tax assets are recognised in the financial statements are as follows:

	Group	
	2023 RM	2022 RM
Deductible temporary differences	(12,939,433)	(16,718,205)
Unabsorbed capital allowance	1,588,533	1,702,129
Unused tax losses	54,766,722	49,288,072
	43,415,822	34,271,996
Potential deferred tax assets not recognised at 24% (2022: 24%)	10,419,797	8,225,279

The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under Income Tax Act, 1967 and guidelines issued by the tax authority.

The unused tax losses are available indefinitely for offset against future taxable profits of the Group except for certain unused tax losses which are available for utilisation up to the following financial years:

	Group
	2023 RM
2028	4,839,767
2029	16,308
2030	35,254,372
2031	4,649,350
2032	4,528,275
2033	5,478,650

NOTES TO THE FINANCIAL STATEMENTS

12. OTHER INVESTMENT

	Group	
	2023 RM	2022 RM
Non-current:		
Financial assets designated at fair value through other comprehensive income ("DFVOCI")		
At fair value:		
Golf club membership	350,000	350,000

13. CONTRACT ASSETS

	Group	
	2023 RM	2022 RM
Contract assets relating to construction service contracts	-	6,762,630
Contract assets relating to subsea service contracts	66,653,992	-
	66,653,992	6,762,630

(a) Significant changes in contract balances

	Group	
	2023 Contract assets increase/ (decrease) RM	2022 Contract assets increase/ (decrease) RM
Increase due to consideration received from customers, but revenue not recognised	66,653,992	6,762,630
Transfer from contract assets recognised at the beginning of the period to receivables	(6,762,630)	(6,385,531)

NOTES TO THE FINANCIAL STATEMENTS

14. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Current:					
Trade					
Third parties		76,624,542	126,358,152	-	-
Joint ventures		6,535,405	13,520,094	-	-
Associates		31,225	31,225	-	-
		83,191,172	139,909,471	-	-
Less: Impairment losses					
- third parties		(45,001,630)	(64,531,738)	-	-
- joint ventures		(4,534,685)	(13,487,618)	-	-
- associates		(31,225)	(31,225)	-	-
		(49,567,540)	(78,050,581)	-	-
	(a)	33,623,632	61,858,890	-	-
Non-trade					
Other receivables		12,140,984	29,350,990	8,691	8,691
Amounts owing by subsidiaries	(c)	-	-	328,290,013	433,011,639
Amounts owing by joint ventures	(c)	52,598,051	180,084,722	67,884	4,749,643
Amounts owing by associates	(c)	159,818	1,224,343	18,485	37,178
Deposits		166,158	110,168	-	-
Prepayments		233,675	5,594,928	-	-
		65,298,686	216,365,151	328,385,073	437,807,151
Less: Impairment losses					
- amounts owing by subsidiaries		-	-	(327,185,714)	(235,509,840)
- amounts owing by joint ventures		(37,219,712)	(144,780,665)	(67,884)	(4,713,118)
- amounts owing by associates		(159,818)	(1,224,343)	(18,485)	(37,179)
- other receivables		(13,944)	(13,944)	-	-
	(b)	(37,393,474)	(146,018,952)	(327,272,083)	(240,260,137)
		27,905,212	70,346,199	1,112,990	197,547,014
Total trade and other receivables		61,528,844	132,205,089	1,112,990	197,547,014

NOTES TO THE FINANCIAL STATEMENTS

14. TRADE AND OTHER RECEIVABLES (continued)

(a) Trade receivables

Trade receivables from third parties are non-interest bearing and the normal credit terms offered by the Group and the Company ranging from 30 to 90 days (2022: 30 to 90 days) from the date of invoices. Other credit terms are assessed and approved on a case by case basis.

Trade receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

	Group	
	2023 RM	2022 RM
At beginning of the financial year/period	78,050,581	75,834,939
Charge for the financial year/period (Note 25)	3,074,303	9,461,970
Reversal of impairment losses (Note 25)	(9,839,849)	(3,678,686)
Written off	(21,717,495)	(3,567,642)
At end of the financial year/period	49,567,540	78,050,581

The information about the credit exposures is disclose in Note 29(b)(i).(b) Other receivables

(b) Other receivables

The Group's other receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of other receivables are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At beginning of the financial year/period	146,018,952	194,729,642	240,260,137	4,750,297
Charge for the financial year/period (Note 25)	28,593,443	22,822,284	196,569,084	235,509,840
Reversal of impairment losses (Note 25)	(6,282,213)	-	(6,902,010)	-
Written off	(130,936,708)	(71,532,974)	(102,655,128)	-
At end of the financial year/period	37,393,474	146,018,952	327,272,083	240,260,137

(c) Amounts owing by subsidiaries, joint ventures and associates are unsecured, non- interest bearing and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

15. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	44,499,227	21,433,613	6,403,201	2,216,038
Short-term deposits	8,107,735	20,844,224	-	-
	52,606,962	42,277,837	6,403,201	2,216,038

For the purpose of the statements of cash flows, cash and cash equivalents comprise of the following:

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Short-term deposits		8,107,735	20,844,224	-	-
Less: Pledged deposits		(8,107,735)	(20,844,224)	-	-
		-	-	-	-
Cash and bank balances		44,499,227	21,433,613	6,403,201	2,216,038
Bank overdrafts	18	(896,552)	(896,552)	-	-
		43,602,675	20,537,061	6,403,201	2,216,038

Pledged deposits include margin deposits for bank guarantee facilities and sinking funds to secure loans and borrowings as disclosed in Note 18.

NOTES TO THE FINANCIAL STATEMENTS

16. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amounts	
	2023 Unit	2022 Unit	2023 RM	2022 RM
Issued and fully paid up:				
At beginning of the financial year/period	1,531,828,805	1,368,882,405	442,667,403	432,981,346
Issued during the financial year/period	-	162,946,400	-	9,686,057
At end of the financial year/period	1,531,828,805	1,531,828,805	442,667,403	442,667,403

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

In the previous financial period, the Company had increased the total number of its share capital from 1,368,882,405 ordinary shares to 1,531,828,805 ordinary shares by way of:

- (i) issuance of 65,000,000 new ordinary shares through private placement at an issue price of RM0.0771 per ordinary share;
- (ii) issuance of 97,776,400 new ordinary shares through private placement at an issue price of RM0.0476 per ordinary share; and
- (iii) issuance of 170,000 new ordinary shares at an exercise price of RM0.12 per share pursuant to the exercise of warrants.

The new ordinary shares issued in previous financial period rank pari passu in all respects with the existing ordinary shares of the Company.

NOTES TO THE FINANCIAL STATEMENTS

17. OTHER RESERVES

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Premium paid on acquisition of non-controlling interest		(4,639,834)	(4,639,834)	-	-
Foreign currency translation reserve	(a)	1,556,582	2,067,875	-	-
Employee share option reserve	(b)	165,616	165,616	165,616	165,616
		(2,917,636)	(2,406,343)	165,616	165,616

(a) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(b) Employee share option reserve

The share option reserve comprises the cumulative value of directors' and employees' services received for the issue of share options. The reserve is recorded over the vesting period commencing from the grant date and is reduced by the expiry of exercise of the share options. When the option is exercised, the amount from the share option reserve is transferred to share capital. When the share options expire, the amount from the share option reserve is transferred to retained earnings.

Vesting period of the share option offered:

- (i) First 20%: Year 2019
- (ii) Remaining 80% will vest over 4 years from 2020 to 2023

Share options are granted to eligible directors and employees. The settlement of the option granted is by issuance of fully paid ordinary shares. The exercise price is determined by the ESOS committee and shall be based on the 5 days VWAMP of the Company's share immediately preceding the date of offer, with a discount, if any, of not more than 10%. The contractual term of each option granted is five years. There are no cash settlement alternatives. The options carry neither rights to dividends nor voting rights. Options may be exercised any time from the date of vesting to the date of expiry.

NOTES TO THE FINANCIAL STATEMENTS

17. OTHER RESERVES (continued)

(b) Employee share option reserve (continued)

The details of the options over ordinary shares of the Company are as follows:

Grant date	Balance as at 1.7.2022	Lapsed	Balance as at 30.6.2023	Exercisable as at 30.6.2023
22 April 2019	69,413,828	(12,860,000)	56,553,828	39,587,680

Grant date	Balance as at 1.1.2021	Lapsed	Balance as at 30.6.2022	Exercisable as at 30.6.2022
22 April 2019	110,410,742	(40,996,914)	69,413,828	48,589,680

The details of the exercisable options are as follows:

Exercise period	Exercisable options	Exercise price
22 April 2019 to 21 April 2020	11,310,766	RM0.105
30 June 2020 to 21 April 2021	28,276,914	RM0.075

Options granted which are not exercised in the respective exercise period in which they first become exercisable will be carried forward and will be exercisable in subsequent periods up to 21 April 2024. The exercise price for the carried forward options will be the exercise price of the options in the respective exercise period in which they first become exercisable.

The weighted average remaining contractual life for the share options outstanding as at 30 June 2023 is 0.81 years (2022: 1.81 years).

NOTES TO THE FINANCIAL STATEMENTS

18. LOANS AND BORROWINGS

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Non-current:					
Term loans	(a)	2,644,389	2,915,317	-	-
Lease liabilities	(b)	4,952	36,093	-	-
		2,649,341	2,951,410	-	-
Current:					
Term loans	(a)	11,180,998	10,260,499	-	-
Lease liabilities	(b)	31,141	99,406	-	-
Hire purchase payables	(c)	-	63,793	-	-
Bank overdrafts	(d)	896,552	896,552	-	-
Sukuk Ijarah MTN	(e)	52,055,248	55,818,377	52,055,248	55,818,377
Revolving credits	(f)	45,454,729	41,597,650	-	-
		109,618,668	108,736,277	52,055,248	55,818,377
		112,268,009	111,687,687	52,055,248	55,818,377
Total loans and borrowings:					
Term loans	(a)	13,825,387	13,175,816	-	-
Lease liabilities	(b)	36,093	135,499	-	-
Hire purchase payables	(c)	-	63,793	-	-
Bank overdrafts	(d)	896,552	896,552	-	-
Sukuk Ijarah MTN	(e)	52,055,248	55,818,377	52,055,248	55,818,377
Revolving credits	(f)	45,454,729	41,597,650	-	-
		112,268,009	111,687,687	52,055,248	55,818,377

NOTES TO THE FINANCIAL STATEMENTS

18. LOANS AND BORROWINGS (continued)**(a) Term loans**

- (i) First legal charge over certain building and vessels of certain subsidiaries as disclosed in Note 5;
- (ii) First preferred statutory mortgage on vessels of certain subsidiaries;
- (iii) Legal assignments of charter proceeds of certain subsidiaries;
- (iv) Debentures incorporating fixed and floating asset of certain subsidiaries;
- (v) Corporate guarantees by the Company; and
- (vi) Assignment of the insurance policy for vessels of certain subsidiaries.

(b) Lease liabilities

The interest rates implicit in the leases are at rates ranging from 4.95% to 7.67% (2022: 4.95% to 7.67%).

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group	
	2023	2022
	RM	RM
Minimum lease payments:		
Not later than one year	30,000	104,998
Later than one year and not later than five years	11,000	41,000
	41,000	145,998
Less: Future finance charges	(4,907)	(10,499)
Present value of minimum lease payments	36,093	135,499
Present value of minimum lease payments:		
Not later than one year	31,141	99,406
Later than one year and not later than five years	4,952	36,093
	36,093	135,499
Less: Amount due within 12 months	(31,141)	(99,406)
Amount due after 12 months	4,952	36,093

NOTES TO THE FINANCIAL STATEMENTS

18. LOANS AND BORROWINGS (continued)

(c) Hire purchase payables

In the previous financial period, hire purchase payables of the Group bear interest at rates ranging from 4.64% to 6.45% per annum and were secured by the Group's motor vehicles under hire purchase arrangements as disclosed in Note 5(b).

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group	
	2023 RM	2022 RM
Minimum lease payments:		
Not later than one year	-	64,563
Less: Future finance charges	-	(770)
Present value of minimum lease payments	-	63,793
Present value of minimum lease payments:		
Not later than one year	-	63,793
Less: Amount due within 12 months	-	(63,793)
Amount due after 12 months	-	-

(d) Bank overdrafts

The bank overdrafts of the Group are secured by deposits with licensed banks of the Group as disclosed in Note 15.

(e) Sukuk Ijarah MTN

The Sukuk Ijarah MTN are secured by:

- (i) a first legal charge over the designated accounts as defined in the Trust Deed;
- (ii) third party second fixed legal charge over each of the Sukuk Ijarah MTN assets and assignment of all insurance thereon and charter contracts; and
- (iii) sinking fund as disclosed in Note 15.

(f) Revolving credits

The features of revolving credits issued are as follows:

- (i) Unsecured over the non-current assets and contracts; and
- (ii) Required money pledged by way of sinking fund and corporate guarantee.

NOTES TO THE FINANCIAL STATEMENTS

19. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Current:					
Trade					
Third parties	(d)	73,164,506	82,662,575	-	-
Joint ventures		61,603,718	85,152,580	-	-
	(a)	134,768,224	167,815,155	-	-
Non-trade					
Other payables		1,053,263	3,356,278	453,237	551,247
Accruals		19,062,426	10,491,329	11,805,282	8,189,031
Amount owing to immediate holding company	(b)	29,855	29,855	-	-
Amounts owing to joint ventures	(b)	9,101,636	42,502,657	320,304	149,011
Amounts owing to associates	(b)	11,256,127	5,090,409	-	-
		40,503,307	61,470,528	12,578,823	8,889,289
Total trade and other payables		175,271,531	229,285,683	12,578,823	8,889,289

- (a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranging from 30 to 60 days (2022: 30 to 60 days).
- (b) Amounts owing to immediate holding company, joint ventures, and associates are unsecured, non-interest bearing and repayable upon demand.
- (c) For explanations on the Group's and the Company's liquidity risk management processes, refer to Note 29(b)(ii).
- (d) In light of the proposed restructuring plan, the completeness of the trade payables, including any interests or penalties, has not been reliably determined by the directors.

NOTES TO THE FINANCIAL STATEMENTS

20. REVENUE

	Group	
	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM
Revenue from contract customers: Over time:		
Charter hire	28,244,927	36,763,574
Offshore installation and construction	22,130,357	36,461,747
Diving and subsea services	245,254,438	207,219,694
Other shipping related income	4,577,656	5,963,496
Vessel's management fees	5,735,179	8,946,863
Ship catering	3,287,192	3,241,920
	309,229,749	298,597,294
Revenue from other source:		
Rental income	1,373,670	1,673,798
	310,603,419	300,271,092

21. COST OF SALES

Cost of sales represents cost of services provided, labour cost related overheads, development cost, cost of goods sold, and cost of operation.

The following employee benefits expenses have been included in arriving at cost of sales:

	Group	
	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM
Salaries, bonuses and allowances	3,923,732	10,228,742
Defined contribution plans	325,449	812,286
Other staff related expenses	46,632	94,826
	4,295,813	11,135,854

NOTES TO THE FINANCIAL STATEMENTS

22. OTHER INCOME

	Company		Group	
	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM
Bad debt recovered	100,000	-	-	-
Gain on disposal of property, vessels and equipments	1,399,416	3,048,891	-	-
Gain on lease modification	-	2,498	-	-
Interest income	457,886	257,296	44,588	67,130
Interest recharged to subsidiaries	-	-	3,349,170	4,507,268
Net realised gain on foreign exchange	975,417	-	-	-
Net unrealised gain on foreign exchange	-	1,375,676	-	-
Rental income	203,977	430,915	-	-
Reversal of accruals	-	8,418,684	-	-
Waiver of debts	-	4,355,876	-	97,925,072
Others	61,224,639	1,819,560	-	-
	64,361,335	19,709,396	3,393,758	102,499,470

Included in others is an amount of RM60,619,083 being other income recognised arising from the Group's exercise on reconciling major balances in the financial position of the Group.

NOTES TO THE FINANCIAL STATEMENTS

23. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM
Salaries, bonuses and allowances	10,906,524	18,646,777	336,446	502,195
Defined contribution plans	1,110,554	1,836,383	-	-
Other staff related expenses	1,353,442	2,180,389	-	-
	13,370,520	22,663,549	336,446	502,195
Cost of sales	4,295,813	11,135,854	-	-
	17,666,333	33,799,403	336,446	502,195
Included in employee benefits expenses are:				
Executive directors:				
- fees	-	300,000	-	-
- other emoluments	2,161,593	3,446,816	-	-
	2,161,593	3,746,816	-	-
Non-executive directors:				
- fees	243,337	459,428	243,337	459,428
- other emoluments	93,109	42,767	93,109	42,767
	336,446	502,195	336,446	502,195
Total directors' remuneration	2,498,039	4,249,011	336,446	502,195

NOTES TO THE FINANCIAL STATEMENTS

24. FINANCE COSTS

	Group		Company	
	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM
Interest expense on:				
- lease liabilities	7,479	18,422	-	-
- hire purchase payables	573	16,431	-	-
- revolving credit	3,857,079	1,971,028	-	-
- sukuk ijarah MTN	3,349,169	4,507,267	3,349,170	4,507,268
- term loans	451,374	880,460	-	-
- others	-	164,937	-	-
	7,665,674	7,558,545	3,349,170	4,507,268

25. PROFIT/(LOSS) BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been (charged)/credited in arriving at profit/(loss) before tax:

	Note	Group		Company	
		Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM
Auditors' remuneration					
- auditors of the Company					
- statutory audit					
- current year		452,000	392,000	160,000	140,000
- under provision in prior year		-	19,000	-	15,500
- non-statutory audit		8,000	8,000	8,000	8,000
- component auditors of the Group					
- statutory audit					
- current year		5,547	14,145	-	-
- over provision in prior year		(5,769)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

25. PROFIT/(LOSS) BEFORE TAX (continued)

Other than disclosed elsewhere in the financial statements, the following items have been (charged)/credited in arriving at profit/(loss) before tax: (continued)

	Note	Group		Company	
		Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM
Depreciation of property, vessels and equipments	5	9,271,613	35,790,584	-	-
Depreciation of investment property	6	12,964	-	-	-
Expenses relating to short-term leases		1,848,333	3,944,543	-	-
Expenses relating to lease of low value assets		95,542	315,662	-	-
Impairment losses on:					
- property, vessels and equipment	5	4,325,708	109,500,239	-	-
- investment in subsidiaries	8	-	-	-	66,558,440
- trade receivables	14	3,074,303	9,461,970	-	-
- other receivables	14	28,593,443	22,822,284	196,569,084	235,509,840
Property, vessels and equipment written off	5	598,905	35,247	-	-
Reversal of impairment losses on trade receivables	14	(9,839,849)	(3,678,686)	-	-
Reversal of impairment losses on other receivables	14	(6,282,213)	-	(6,902,010)	-
Net realised loss on foreign exchange		-	189,134	-	1,434
Net unrealised loss on foreign exchange		473,781	-	-	664,373
Other receivables written off		12,186,639	8,174,123	-	-

NOTES TO THE FINANCIAL STATEMENTS

26. TAX EXPENSE/(CREDIT)

The major components of income tax expense/(credit) for the financial year/period ended 30 June 2023 and 30 June 2022 are as follows:

	Group		Company	
	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM
Statements of comprehensive income				
Current income tax:				
- Current income tax charge	105,612	415,560	-	-
- Adjustment in respect of prior years	218,898	5,083	-	-
	324,510	420,643	-	-
Deferred tax (Note 11):				
- Origination of temporary differences	710,027	(597,929)	-	-
- Adjustment in respect of prior years	(371,121)	(2,474,744)	-	-
	338,906	(3,072,673)	-	-
Tax expense/(credit)	663,416	(2,652,030)	-	-

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2022: 24%) of the estimated assessable profit for the financial year/period.

NOTES TO THE FINANCIAL STATEMENTS

26. TAX EXPENSE/(CREDIT) (continued)

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense/(credit) are as follows:

	Group		Company	
	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM
Profit/(Loss) before tax	14,851,119	(212,150,663)	(192,173,266)	(207,631,249)
Taxation at applicable statutory tax rate of 24%	3,564,269	(50,916,159)	(46,121,584)	(49,831,500)
Effect of tax rates in other tax jurisdiction	(1,138,153)	(11,442,578)	-	-
Share of results of joint ventures	(857,295)	3,912,407	-	-
Non-taxable income	(19,761,791)	(28,693,596)	(1,656,482)	(23,502,017)
Non-deductible expenses	16,814,091	77,540,171	47,778,066	73,333,517
Deferred tax assets not recognised	2,194,518	9,417,386	-	-
Under/(Over) provision in prior years:				
- income tax	218,898	5,083	-	-
- deferred tax	(371,121)	(2,474,744)	-	-
Tax expense/(credit)	663,416	(2,652,030)	-	-

NOTES TO THE FINANCIAL STATEMENTS

27. EARNINGS/(LOSS) PER SHARE**Basic earnings/(loss) per ordinary share**

Basic earnings/(loss) per share is based on the profit/(loss) for the financial year/period attributable to owners of the Company and the weighted average number of ordinary shares during the financial year/period, calculated as follows:

	Group	
	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM
Profit/(Loss) attributable to owners of the Company		
Profit/(Loss) for the financial year/period	15,169,091	(209,151,862)
Weighted average number of ordinary shares for basic loss per share	1,531,828,805	1,476,248,750
Basic earnings/(loss) per ordinary share (sen)	0.99	(14.17)

Diluted earnings/(loss) per ordinary share

The diluted earnings/(loss) per ordinary share of the Group for the financial year ended 30 June 2023 and financial period ended 30 June 2022 are same as the basic earnings/(loss) per ordinary share of the Group as the Company has no dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

28. RELATED PARTIES

(a) Identity of related parties

Parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

- (i) Company's holding company;
- (ii) Subsidiaries;
- (iii) Associates;
- (iv) Joint ventures;
- (v) Entities in which directors have substantial financial interests; and
- (vi) Key management personnel of the Group's and the Company's holding company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM
Sales of goods				
Joint ventures:				
- Vessel's management fees	1,780,000	2,760,000	-	-
Subsidiaries:				
- Interest recharged to subsidiaries	-	-	3,349,170	4,507,268
- Waiver of debts	-	-	-	97,925,072
	1,780,000	2,760,000	3,349,170	102,432,340

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Notes 14 and 19.

NOTES TO THE FINANCIAL STATEMENTS

28. RELATED PARTIES (continued)

(c) Key management personnel compensation

	Group		Company	
	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.1.2021 to 30.6.2022 RM
Executive directors:				
- Fees	-	300,000	-	-
- Other emoluments	2,161,593	3,446,816	-	-
	2,161,593	3,746,816	-	-
Non-executive directors:				
- Fees	243,337	459,428	243,337	459,428
- Other emoluments	93,109	42,767	93,109	42,767
	336,446	502,195	336,446	502,195
Total directors' remuneration	2,498,039	4,249,011	336,446	502,195
Other key management personnel				
Short-term employee benefits	3,350,295	2,798,171	-	-
Post employment benefits	286,752	300,541	-	-
	3,637,047	3,098,712	-	-
	6,135,086	7,347,723	336,446	502,195

NOTES TO THE FINANCIAL STATEMENTS

29. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

- (i) Amortised cost
- (ii) Designated fair value through other comprehensive income ("DFVOCI")

	Carrying amount RM	Amortised cost RM	DFVOCI RM
At 30 June 2023			
Financial assets			
Group			
Other investment	350,000	-	350,000
Trade and other receivables, net of prepayments	61,295,169	61,295,169	-
Cash and short-term deposits	52,606,962	52,606,962	-
	114,252,131	113,902,131	350,000
Company			
Trade and other receivables, net of prepayments	1,112,990	1,112,990	-
Cash and short-term deposits	6,403,201	6,403,201	-
	7,516,191	7,516,191	-
Financial liabilities			
Group			
Loans and borrowings	112,268,009	112,268,009	-
Trade and other payables	175,271,531	175,271,531	-
	287,539,540	287,539,540	-
Company			
Loans and borrowings	52,055,248	52,055,248	-
Trade and other payables	12,578,823	12,578,823	-
	64,634,071	64,634,071	-

NOTES TO THE FINANCIAL STATEMENTS

29. FINANCIAL INSTRUMENTS (continued)

(a) Categories of financial instruments (continued)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned: (continued)

	Carrying amount RM	Amortised cost RM	DFVOCI RM
At 30 June 2022			
Financial assets			
Group			
Other investment	350,000	-	350,000
Trade and other receivables, net of prepayments	126,610,161	126,610,161	-
Cash and short-term deposits	42,277,837	42,277,837	-
	169,237,998	168,887,998	350,000
Company			
Trade and other receivables, net of prepayments	197,547,014	197,547,014	-
Cash and short-term deposits	2,216,038	2,216,038	-
	199,763,052	199,763,052	
Financial liabilities			
Group			
Loans and borrowings	111,687,687	111,687,687	-
Trade and other payables	229,285,683	229,285,683	-
	340,973,370	340,973,370	-
Company			
Loans and borrowings	55,818,377	55,818,377	-
Trade and other payables	8,889,289	8,889,289	-
	64,707,666	64,707,666	-

NOTES TO THE FINANCIAL STATEMENTS

29. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk, interest rate risk and market price risk. The Group and the Company have formulated a financial risk management framework whose principal objective is to minimise the Group's and the Company's exposure to risk and/or costs associated with the financing, investing and operating activities of the Group and of the Company.

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

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from their operating activities (primarily trade receivables) and from their financing activities, including deposits with banks and financial institutions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position.

The carrying amount of trade receivables and contracts assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group and the Company consider any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the segment profits of its trade receivables on an ongoing basis.

As at 30 June 2023, the Group has significant concentration of credit risk arising from three (2022: three) customers constituting 61% (2022: 67%) of total trade receivables.

The Group and the Company apply the simplified approach to providing for impairment losses prescribed by MFRS 9 Financial Instruments, which permits the use of the lifetime expected credit losses provision for all trade receivables and contracts assets. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information.

NOTES TO THE FINANCIAL STATEMENTS

29. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

The information about the credit risk exposure on the Group's and the Company's trade receivables and contracts assets are as follows:

	Gross carrying amount at default RM
Group	
At 30 June 2023	
Contract assets	66,653,992
Trade receivables	
Current	26,200,781
1-30 days past due	216,322
31-60 days past due	2,489,696
61-90 days past due	73,273
91-120 days past due	13,754
>120 days past due	4,629,806
	33,623,632
Impaired - individually	49,567,540
	149,845,164
At 30 June 2022	
Contract assets	6,762,630
Trade receivables	
Current	44,249,286
1-30 days past due	1,558,922
31-60 days past due	1,957,060
61-90 days past due	2,247,521
91-120 days past due	11,562,807
>120 days past due	283,294
	61,858,890
Impaired - individually	78,050,581
	146,672,101

NOTES TO THE FINANCIAL STATEMENTS

29. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Other receivables and other financial assets

For other receivables and other financial assets (including cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, expected credit losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

Other than the credit-impaired amounts owing by subsidiaries and other receivables, the Group and the Company consider these financial assets to be of low credit risk, for which no material loss allowance is required.

Refer to Note 3.11(a) for the Group's and the Company's other accounting policies for impairment of financial assets.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from differences of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

NOTES TO THE FINANCIAL STATEMENTS

29. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(ii) Liquidity risk (continued)

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows:

	← Contractual cash flows →				Total RM
	Carrying amount RM	Within 1 Year RM	Between 1 to 5 years RM	More than 5 years RM	
At 30 June 2023					
Financial liabilities Group					
Trade and other payables	175,271,531	175,271,531	-	-	175,271,531
Loans and borrowings	112,268,009	109,780,076	1,893,302	1,354,127	113,027,505
	287,539,540	285,051,607	1,893,302	1,354,127	288,299,036
Company					
Trade and other payables	12,578,823	12,578,823	-	-	12,578,823
Loans and borrowings	52,055,248	52,055,248	-	-	52,055,248
	64,634,071	64,634,071	-	-	64,634,071
At 30 June 2022					
Financial liabilities Group					
Trade and other payables	229,285,683	229,285,683	-	-	229,285,683
Loans and borrowings	111,687,687	108,954,088	1,715,666	1,588,112	112,257,866
	340,973,370	338,239,771	1,715,666	1,588,112	341,543,549
Company					
Trade and other payables	8,889,289	8,889,289	-	-	8,889,289
Loans and borrowings	55,818,377	55,818,377	-	-	55,818,377
	64,707,666	64,707,666	-	-	64,707,666

NOTES TO THE FINANCIAL STATEMENTS

29. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(iii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when sales, purchases, cash and short-term deposits and loans and borrowings that are denominated in a foreign currency). The foreign currency in which these transactions are denominated is mainly United States Dollar ("USD").

The Group does not use any forward contracts to hedge against its exposure to foreign currency risk as the foreign exchange exposure in transactional currencies other than functional currency of the Group are kept to an acceptable level.

The Group's unhedged financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows:

	Group USD RM
30 June 2023	
Cash and short-term deposits	568,338
Trade and other receivables	2,985,407
Trade and other payables	(3,785,352)
Loans and borrowings	(10,883,925)
	(11,115,532)
30 June 2022	
Cash and short-term deposits	266,474
Trade and other receivables	2,667,430
Trade and other payables	(2,934,626)
Loans and borrowings	(9,921,094)
	(9,921,816)

NOTES TO THE FINANCIAL STATEMENTS

29. FINANCIAL INSTRUMENTS (continued)**(b) Financial risk management** (continued)**(iii) Foreign currency risk** (continued)Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the USD, with all the variables held constant on the Group's loss for the financial year.

		Group	
		Effect on profit/(loss) for the financial year/period	
		2023	2022
		RM	RM
USD/RM	- strengthen by 3%		
	(2022: 3%)	(253,434)	(226,217)
	- weaken by 3%		
	(2022: 3%)	253,434	226,217

(iv) Interest rate risk

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

The Group's exposure to interest rate risk arises primarily from:

(i) Interest bearing financial assets

Cash deposits are short-term in nature and are not held for speculative purposes. The Group manages its interest rate yield by prudently placing deposits with varying maturity periods.

(ii) Interest bearing financial liabilities

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating borrowings. The Group actively review its debt portfolio, taking into account the investment holding period and the nature of its assets. This strategy allows them to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

Sensitivity analysis for interest rate risk

As at the reporting date, if interest rates had been 100 basis points lower/higher, with all other variables held constant, the Group's profit/(loss) net of tax would have been RM105,073 (2022: RM100,136) higher/lower respectively, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the current observable market environment.

NOTES TO THE FINANCIAL STATEMENTS

29. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurement

The carrying amounts of cash and short-term deposits, short-term receivables and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

The carrying amounts of long-term and short-term floating rate borrowings are reasonable approximation of fair values as the loans will be re-priced to market interest rate on or near reporting date.

There have been no transfers between Level 1 and Level 2 during the financial year (2022: no transfer in either directions).

The following table provides the fair value measurement hierarchy of the Group's financial instruments:

	Carrying amount RM	Fair value of financial instruments carried at fair value			Total RM
		Level 1 RM	Level 2 RM	Level 3 RM	
Group					
30 June 2023					
Financial asset					
Other investment					
- golf club membership	350,000	-	350,000	-	350,000
30 June 2022					
Financial asset					
Other investment					
- golf club membership	350,000	-	350,000	-	350,000

Level 2 fair value

Fair value of financial instruments carried at fair value

The fair value of the golf club membership is determined by reference to its market value.

NOTES TO THE FINANCIAL STATEMENTS

29. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurement (continued)

The following table provides the fair value measurement hierarchy of the Group's financial instruments: (continued)

	Carrying amount RM	Fair value of financial instruments not carried at fair value			Total RM
		Level 1 RM	Level 2 RM	Level 3 RM	
Group					
30 June 2022					
Financial liabilities					
Hire purchase payables	63,793	-	-	63,465	63,465

Level 3 fair value

Fair value of financial instruments not carried at fair value

The fair value of hire purchase payables is determined using the discounted cash flows method based on discount rates that reflects the issuer's borrowing rate as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

30. SEGMENT INFORMATION

(a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group comprises the following two main business segments:

(i) Offshore support vessels and services

Provision of vessels for charter hire, assisting seismic operators in seismic survey related activities, transportation of crew and supplies, towing and mooring of rigs offshore, anchor-handling services and other support, repair and maintenance services for the oil and gas industry.

(ii) Subsea services

Provision of offshore facilities construction and installation services such as marine construction related services, subsea engineering services and offshore pipeline construction related services and designing, manufacturing and operating of remotely operated vehicles.

(b) Business segments

Other business segments include investment holding and provision of transportation, ship forwarding and agent and ship handling to the subsidiaries, none of which are of a sufficient size to be reported separately.

All inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

(c) Geographical segments

Segmental reporting by geographical segments has not been prepared as the Group's operations are carried out predominantly in Malaysia.

(d) Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

30. SEGMENT INFORMATION (continued)

	Offshore support and services RM	Subsea services RM	Others RM	Adjustments RM	Total RM
At 30 June 2023					
Revenue					
Sales to external customers	60,342,700	246,236,798	4,023,921	-	310,603,419
Inter segment sales	1,780,000	-	3,222,451	(5,002,451)	-
Total revenue	62,122,700	246,236,798	7,246,372	(5,002,451)	310,603,419
Results					
Segment results	32,416,755	20,455,386	(211,992,993)	178,065,580	18,944,728
Finance costs	(7,565,766)	(1,887)	(3,453,923)	3,355,902	(7,665,674)
Share of results of joint ventures	-	3,572,065	-	-	3,572,065
Profit/(Loss) before tax	24,850,989	24,025,564	(215,446,916)	181,421,482	14,851,119
Tax expense	-	(386,439)	(276,977)	-	(663,416)
Profit/(Loss) for the financial year	24,850,989	23,639,125	(215,723,893)	181,421,482	14,187,703

NOTES TO THE FINANCIAL STATEMENTS

30. SEGMENT INFORMATION (continued)

	Offshore support and services RM	Subsea services RM	Others RM	Adjustments RM	Total RM
At 30 June 2023					
Assets					
Segment assets	35,159,335	2,463,921	1,411,894	3,937,663	42,972,813
Investment in joint ventures	-	500,000	-	3,626,302	4,126,302
Unallocated assets	299,027,879	78,723,285	11,064,995	(206,850,287)	181,965,872
Total assets	334,187,214	81,687,206	12,476,889	(199,286,322)	229,064,987
Total liabilities	701,245,189	73,622,297	77,608,445	(564,089,807)	288,386,124
Other segment information:					
Depreciation:					
- property, vessels and equipment	7,458,614	1,613,790	440,091	(240,882)	9,271,613
Other significant non-cash expenses:					
Impairment losses on:					
- trade and other receivables	34,704,741	16,734	197,459,338	(200,513,067)	31,667,746
- property, vessels and equipment	-	4,325,708	-	-	4,325,708
Other receivables written off	12,045,336	51,037	90,266	-	12,186,639
Property, vessels and equipment written off	-	598,905	-	-	598,905

NOTES TO THE FINANCIAL STATEMENTS

30. SEGMENT INFORMATION (continued)

	Offshore support and services RM	Subsea services RM	Others RM	Adjustments RM	Total RM
At 30 June 2022					
Revenue					
Sales to external customers	81,925,133	208,142,934	10,203,025	-	300,271,092
Inter segment sales	4,332,089	2,921,801	864,000	(8,117,890)	-
Total revenue	86,257,222	211,064,735	11,067,025	(8,117,890)	300,271,092
Results					
Segment results	(323,682,156)	3,078,452	(228,916,385)	361,229,666	(188,290,423)
Finance costs	(7,485,070)	-	(4,601,946)	4,528,471	(7,558,545)
Share of results of joint ventures	(23,818,842)	7,517,147	-	-	(16,301,695)
(Loss)/Profit before tax	(354,986,068)	10,595,599	(233,518,331)	365,758,137	(212,150,663)
Tax credit/(expense)	-	886,294	(341,136)	2,106,872	2,652,030
(Loss)/Profit for the financial period	(354,986,068)	11,481,893	(233,859,467)	367,865,009	(209,498,633)

NOTES TO THE FINANCIAL STATEMENTS

30. SEGMENT INFORMATION (continued)

	Offshore support and services RM	Subsea services RM	Others RM	Adjustments RM	Total RM
At 30 June 2022					
Assets					
Segment assets	54,652,991	9,686,550	1,625,483	5,574,563	71,539,587
Investment in joint ventures	-	500,000	-	14,319,480	14,819,480
Unallocated assets	261,788,885	33,027,746	224,897,990	(336,377,417)	183,337,204
Total assets	316,441,876	43,214,296	226,523,473	(316,483,374)	269,696,271
Total liabilities	804,675,612	54,388,661	77,545,303	(594,122,707)	342,486,869
Other segment information:					
Capital expenditure	2,095,890	-	318,572	-	2,414,462
Depreciation:					
- property, vessels and equipment	31,830,432	3,825,051	608,732	(473,631)	35,790,584
Other significant non-cash expenses:					
Impairment losses on:					
- trade and other receivables	53,444,969	579,590	237,111,452	(258,851,757)	32,284,254
- property, vessels and equipment	108,851,671	648,568	-	-	109,500,239
Other receivables written off	7,829,584	216,963	127,576	-	8,174,123
Property, vessels and equipment written off	34,666	2	579	-	35,247

NOTES TO THE FINANCIAL STATEMENTS

31. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximises shareholder value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year ended 30 June 2023 and 30 June 2022.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's and the Company's policy is to keep the gearing ratio not exceeding 75%. The Group and the Company include within net debt, borrowings, trade and other payables, less cash and short-term deposits. Capital includes equity attributable to the owners of the Company.

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade and other payables	175,271,531	229,285,683	12,578,823	8,889,289
Loans and borrowings	112,268,009	111,687,687	52,055,248	55,818,377
Less: Cash and short-term deposits	(52,606,962)	(42,277,837)	(6,403,201)	(2,216,038)
Net debts	234,932,578	298,695,533	58,230,870	62,491,628
Equity attributable to the owners of the Company	(59,321,137)	(72,790,598)	(57,117,880)	135,055,386
Capital and net debts	175,611,441	225,904,935	1,112,990	197,547,014
Gearing ratio	134%	132%	5232%	32%

NOTES TO THE FINANCIAL STATEMENTS

32. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

- (i) On 31 October 2022, the Company announced that it had triggered the prescribed criteria pursuant to Paragraph 8.04 and Paragraph 2.1(d) of Practice Note 17 (“PN17”) of the Main Market Listing Rules (“MMLR”) of Bursa Securities. Hence, on even date, the Company is considered as a PN17 listed issuer. The Company has 12 months to submit the regularisation plan to the relevant authorities for approval.

On 17 October 2023, the Company has submitted the application to Bursa Securities for extension of time for the Company to submit its proposed regularisation plan in relation to PN17 of the MMLR of Bursa Securities.

- (ii) On 28 February 2023, the Company announced that the Company had received a letter dated 24 February 2023 from Corporate Debt Restructuring Committee (“CDRC”) of Bank Negara Malaysia stating that the Company has been discharged from the purview CDRC.
- (iii) On 10 April 2023, the High Court of Malaya at Kuala Lumpur granted the Company and its wholly owned subsidiary, Alam Maritim (M) Sdn. Bhd. (collectively “Applicants”) the following Orders pursuant to Sections 366 and 368 of the Companies Act 2016 for, among others:
 - (i) An extension of time for leave to summon meetings of the creditors of the Applicants or any class of them for the purpose of considering and, if thought fit, approving the scheme of arrangement and compromise between the Applicants and the creditors within six (6) months from 11 April 2023; and
 - (ii) An extension of time for the restraining order dated 11 January 2023, pursuant to Section 368(1) of the Companies Act 2016, whereby all current and further proceedings in any legal actions or proceedings against AMSB and/or the assets of AMSB be restrained and stayed except by leave of Court for a period of six (6) months from 11 April 2023.

The Orders granted by the High Court were obtained as part of the Company’s overall restructuring and rehabilitation plan by way of a proposed scheme of arrangement with its creditors.

The extension of time has since expired on 11 October 2023. As the Applicants are still in discussions with parties to potentially participate in the proposed scheme of arrangement, the Applicants had on 17 October 2023 made a fresh application to the High Court for orders to hold the scheme creditors meetings and for a restraining order in relation to AMSB.

STATEMENT BY DIRECTORS

Pursuant to section 251(2) of the Companies Act 2016

We, **AHMAD RUHAIZAD BIN HASHIM** and **DATUK AZMI BIN AHMAD**, being two of the directors of Alam Maritim Resources Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 114 to 208 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

AHMAD RUHAIZAD BIN HASHIM

Director

DATUK AZMI BIN AHMAD

Director

Kuala Lumpur

Date: 18 October 2023

STATUTORY DECLARATION

Pursuant to Section 251(1) of the Companies Act 2016

I, **SITI SARAH BINTI ABDULLAH**, being the officer primarily responsible for the financial management of Alam Maritim Resources Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 114 to 208 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

SITI SARAH BINTI ABDULLAH
(MIA Membership No: 31650)

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 18 October 2023.

Before me,

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALAM MARITIM RESOURCES BERHAD

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Alam Maritim Resources Berhad, which comprise the statements of financial position as at 30 June 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 114 to 208.

We do not express an opinion on the accompanying financial statements of the Group and of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. *Going Concern*

As disclosed in Note 2.6 to the financial statements, during the financial year ended 30 June 2023, the Company incurred a net loss of RM192,173,266, and as of that date, the Group's and the Company's current liabilities exceeded their current assets by RM103,558,412 and RM57,117,880 respectively and recorded a capital deficiency of RM59,321,137 and RM57,117,880 respectively. The Group and Company also recorded a negative operating cash flows of RM17,593,324 and RM2,381,709 respectively during the financial year ended 30 June 2023.

The Group is currently in the process of discussing with parties on a potential debt restructuring scheme which may include:

- (i) Participation of a white knight, together with provision of rescue funding;
- (ii) Settlement of amounts owing to financial institutions and creditors; and
- (iii) Capital reduction of the issued share capital of the Company.

The ability of the Group and the Company to continue as going concerns are also dependent upon the Group's ability to secure significant contracts from oil and gas segment, their successful profitable operations in the foreseeable future.

The directors have concluded that the combination of the circumstances highlighted above indicate material uncertainties that may cast significant doubt over the ability of the Group and the Company to continue as going concerns and therefore, may be unable to realise their assets and discharge their liabilities in the normal course of business.

Therefore, the going concern basis used in preparing the financial statements of the Group and the Company is significantly dependent on:

- (i) Approval being obtained from all the relevant parties on the proposed restructuring plan;
- (ii) Timely and successful implementation of the key components of the proposed restructuring plan; and
- (iii) The ability of the Group to achieve sustainable and viable operations so as to generate sufficient cash flows to enable them to meet their obligations as and when they fall due.

In the event that these are not forthcoming, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business. Accordingly, the financial statements may require adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary should the Group and the Company be unable to continue as going concerns.

In view of the matters set out above, there are material uncertainties involving the approval by various parties and successful implementation of the proposed debt restructuring scheme, including sufficiency of funding support and possible monetisation of assets of the Group that may cast significant doubt on the ability of the Group and of the Company to continue as going concerns. Accordingly, we have not been able to obtain sufficient and appropriate audit evidence to ascertain the appropriateness of the preparation of the financial statements of the Group and of the Company on a going concern basis.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALAM MARITIM RESOURCES BERHAD

(Incorporated in Malaysia)

Basis for Disclaimer of Opinion (continued)

2. *Recoverability of other receivables*

As disclosed in Note 14 to the financial statements, the trade and other receivables of the Group amounted to RM61,528,844. Included in the trade and other receivables balances is a total amount of other receivables amounted to RM11,667,890 that the directors could not determine the recoverable amount.

Accordingly, we have not been able to obtain sufficient and appropriate audit evidence concerning these balances. Therefore, we could not determine the effect of adjustment, if any, on the financial statements of the Group as at 30 June 2023 or on its financial performance for the year then ended.

3. *Unverified trade payables*

As disclosed in Note 19(d) to the financial statements, the trade payables of the Group as at end of the financial year amounted to RM73,164,506. In light of the proposed restructuring plan, the completeness of the trade payables, including any interests or penalties, has not been reliably determined by the directors.

Accordingly, we have not been able to obtain sufficient and appropriate audit evidence concerning these balances. Therefore, we could not determine the effect of adjustment, if any, on the financial statements of the Group as at 30 June 2023 or on its financial performance for the year then ended.

4. *Unaudited subsidiaries, jointly controlled entities and associates*

The list of subsidiaries, associates and jointly ventures and of which we have not acted as auditors is disclosed in Notes 8, 9 and 10 to the financial statements respectively.

The unaudited associates and joint ventures had been consolidated and equity accounted in the Group's financial statement. We were unable to carry out our audit procedures per *ISA 600, Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)*. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

5. *Non-controlling Interests*

We have not been able to obtain sufficient and appropriate audit evidence concerning the balance of non-controlling interest of the Group amounted to RM6,349,953. Therefore, we could not determine the effect of adjustment, if any, on the financial statements of the Group and the Company as at 30 June 2023 or on its financial performance for the year then ended.

6. *Other income*

As disclosed in Note 22 to the financial statements, included in other income for the financial year ended 30 June 2023 is other income amounting to RM60,619,083 being other income recognised arising from the Group's exercise on reconciling major balances in the financial position of the Group in which the nature and amount cannot be reliably determined.

Accordingly, we have not been able to obtain sufficient and appropriate audit evidence concerning this other income. Therefore, we could not determine the effect of adjustment, if any, on the financial statements of the Group as at 30 June 2023 or on its financial performance for the year then ended.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALAM MARITIM RESOURCES BERHAD

(Incorporated in Malaysia)

Basis for Disclaimer of Opinion (continued)

7. *Disclaimer of opinion in previous financial year's auditors' report*

Our auditors' report on the financial statements for the financial period ended 30 June 2022 included disclaimer of opinion which includes matters that we were unable to obtain sufficient and appropriate audit evidence on property, vessels and equipment, contract assets, other receivables, bank balances, trade and other payables, investment in joint ventures, loans and borrowings, non-controlling interests, amounts owing from subsidiaries, intercompany balances and consolidated and equity accounted unaudited subsidiaries, associates and joint ventures.

Since the opening amount of the above balances affect the determination of the results of operations, we are unable to determine whether any adjustment to the results of the operations and retained earnings might be necessary for the previous financial period ended 30 June 2022.

Our opinion on the current year's financial statements is also modified because of the possible effect of these matters on the comparability of the current year's figures and the corresponding figures.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALAM MARITIM RESOURCES BERHAD

(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Group's and the Company's financial statements in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, and to issue an auditors' report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By -Laws and the IESBA Code.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that in our opinion:

- (i) the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.
- (ii) the accounting and other records for the matters as described in the *Basis for Disclaimer of Opinion* section have not been properly kept by the Company in accordance with the provision of the Companies Act 2016 in Malaysia.
- (iii) we have not obtained all the information and explanations that we required.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Kenny Yeoh Khi Khen
No. 03229/09/2024 J
Chartered Accountant

Kuala Lumpur

Date: 18 October 2023

ANALYSIS OF SHAREHOLDINGS

As at 30 September 2023

Authorised Share Capital	: -
Issued and Paid-Up Share Capital	: RM 442,667,403.38
Class of Shares	: Ordinary Shares
Voting Rights	: On a poll – One vote for every ordinary share held
No. of Voting Shares	: 1,531,828,805

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	144	1.144	5,606	0.000
100 - 1,000	876	6.961	519,509	0.033
1,001 - 10,000	4,337	34.467	26,622,696	1.737
10,001 - 100,000	5,451	43.320	240,874,209	15.724
100,001 - 76,591,439 ^(*)	1,774	14.098	933,391,349	60.933
76,591,440 and above ^(**)	1	0.007	330,415,436	21.569
Total	12,583	100.000	1,531,828,805	100.000

Notes:

^(*) Less than 5% of issued shares

^(**) 5% and above of issued shares

DIRECTORS' SHAREHOLDING

Name of Directors	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
DATUK AZMI BIN AHMAD	2,292,748	0.150	330,581,061 ⁽¹⁾	0.010
AHMAD HASSANUDIN BIN AHMAD KAMALUDDIN	0	0.000 ^(*)	123,750 ⁽²⁾	0.008
FINA NORHIZAH BINTI HJ BAHARU ZAMAN	34,000	0.002 ^(*)	0	0.000
AHMAD RUHAIZAD BIN HASHIM	0	0.000	0	0.000
YAP SHUH JIAN	0	0.000	0	0.000

ANALYSIS OF SHAREHOLDINGS

As at 30 September 2023

SUBSTANTIAL SHAREHOLDERS

Name of Directors	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SAR VENTURE HOLDINGS (M) SDN. BHD.	330,415,436	21.581	-	-
DATUK AZMI BIN AHMAD	2,292,748	0.150	330,581,061 ⁽¹⁾	21.581

Notes:

^(*) Shareholding of less than 0.01%

⁽¹⁾ Deemed interested by virtue of his shareholding in SAR Venture Holdings (M) Sdn Bhd and the shareholding of his spouse in AMRB pursuant to Section 8(4) and 59(11)(c) of the Act respectively.

⁽²⁾ Deemed interested by virtue of his spouse's shareholding in AMRB pursuant to Section 59(11)(c) of the Act.

LIST OF TOP 30 HOLDERS

(Without aggregating securities from different securities accounts belonging to the same registered holder)

No	Name	Holdings	%
1	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SAR VENTURE HOLDINGS (M) SDN. BHD.	330,415,436	21.569
2	TAY HOCK SOON	44,114,800	2.879
3	ONG BENG KEE	15,569,400	1.016
4	NING SAI PIEW	11,326,200	0.739
5	IFAST NOMINEES (TEMPATAN) SDN BHD WONG CHOONG SUN	11,000,000	0.718
6	TING CHEE MING	10,000,000	0.652
7	CHOONG KEAN LEANG	9,500,000	0.620
8	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AZMI BIN MUHAMMAD (MY2422)	8,040,600	0.524
9	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FONG LOONG TUCK (CEB)	7,000,000	0.456
10	JOYCELYNN KHO FEI FEI	6,995,000	0.456
11	AFFIN HWANG INVESTMENT BANK BERHAD IVT (JRY) JEREMY HIEW JIAN CHANG	6,595,600	0.430
12	TEO CHIN SIONG	6,425,000	0.419
13	AZNIZAN BIN HUSSEIN	6,200,000	0.404
14	TING TIU KIONG	6,014,500	0.392
15	MAYBANK NOMINEES (TEMPATAN) SDN BHD NGE TIONG CHEE @ GOH TIONG CHEE	6,000,000	0.391
16	AZMI BIN MUHAMMAD	5,670,800	0.370
17	ENG LEE CHOO	5,510,000	0.359
18	CHONG KIM FOO	5,500,000	0.359

ANALYSIS OF SHAREHOLDINGS

As at 30 September 2023

No	Name	Holdings	%
19	MOHD FADIR BIN EMBONG	5,500,000	0.359
20	FOO LEE FEI	5,000,000	0.326
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR STUART SAW TEIK SIEW	5,000,000	0.326
22	SUN CHU TIAM @ SOON CHU TIAM	5,000,000	0.326
23	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG TAK MING	5,000,000	0.326
24	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG CHIEW KEE	5,000,000	0.326
25	YUE TECK SIONG	5,000,000	0.326
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ROSLAN BIN OTHMAN	4,750,000	0.310
27	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAY MOY KOH (SEGAMAT-CL)	4,500,000	0.293
28	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AZLI BIN MOHAMED (8089084)	4,262,600	0.278
29	LIM YEE HOE	4,000,000	0.261
30	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIA KIE KING (E-LBG)	4,000,000	0.261

NOTICE OF 18TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighteenth Annual General Meeting (“18th AGM”) of Alam Maritim Resources Berhad (“the Company” or “AMRB”) will be conducted fully virtual meeting from the broadcast venue at Boardroom, No. 38F, Level 3, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur (“Broadcast Venue”) on Wednesday, 6 December 2023 at 10.00 a.m. via Remote Participation and Voting facilities (“RPV”) which are available at Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”)’s TIIH Online website at <https://tiah.online>, for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

- | | | |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the financial period ended 30 June 2023 (“FY2022-23”) together with the Reports of the Directors and Auditors thereon. | <i>Please refer to Explanatory Note (i)</i> |
| 2. | To re-elect the following Directors who retire pursuant to Article 100 and Article 101 of the Company’s Constitution and being eligible, have offered themselves for re-election: | <i>Please refer to Explanatory Note (ii)</i> |
| | (i) Encik Ahmad Hasanuddin Bin Ahmad Kamaluddin; and | Ordinary Resolution 1 |
| | (ii) Mr Yap Shuh Jian. | Ordinary Resolution 2 |
| 3. | To approve the payment of Directors’ fees and remuneration to the Non-Executive Directors amounting to RM267,337.36 for the FY2022-23. | Ordinary Resolution 3 |
| 4. | To approve the payment of Directors’ fees and remuneration based on the remuneration structure as disclosed in Explanatory Note (iii) for the period from 1 July 2023 until the next Annual General Meeting of the Company to be held in 2024. | <i>Please refer to Explanatory Note (iii)</i>
Ordinary Resolution 4 |
| 5. | To re-appoint Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to determine their remuneration. | Ordinary Resolution 5 |

AS SPECIAL BUSINESS

To consider and, if thought fit, with or without modification, to pass the following resolutions which will be proposed as Ordinary Resolutions:

- | | | |
|----|--|------------------------------|
| 6. | Authority for Puan Fina Norhizah binti Haji Baharu Zaman to continue in office as Independent Non-Executive Director of the Company
“ THAT authority be and is hereby given for Puan Fina Norhizah binti Haji Baharu Zaman who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM, in accordance with the Malaysia Code on Corporate Governance.” | Ordinary Resolution 6 |
|----|--|------------------------------|

NOTICE OF 18TH ANNUAL GENERAL MEETING

7. **Authority to Issue Shares Pursuant to Section 75 and Section 76 of the Companies Act, 2016** **Ordinary Resolution 7**

"**THAT** pursuant to Section 75 and Section 76 of the Companies Act, 2016, the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia Securities") and the approvals of the relevant governmental and/or regulatory authority (if any), the Directors be and are hereby empowered to issue shares in the Company at any time at such price and upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares so issued does not exceed 10% of the issued capital of the Company for the time being and the Directors be and are also empowered to obtain the approval of the Bursa Malaysia Securities for listing of and quotation for the additional shares so issued and that such authority shall continue in force until the conclusion of the next AGM of the Company."

8. **Proposed Renewal of Authority for The Company to Purchase Its Own Shares of Up to 10% of The Issued And Paid-Up Share Capital of The Company.** **Ordinary Resolution 8**

"**THAT** subject to the Companies Act, 2016, the Company's Constitution, the Bursa Malaysia Securities and the approvals of the relevant governmental and/or regulatory authority (if any), the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company from time to time through Bursa Securities subject to the following:

- i. the maximum number of shares which may be purchased and/or held by the Company shall be equivalent to 10% of the issued and paid-up share capital of the Company (Shares) for the time being;
- ii. the maximum fund to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the aggregate retained profits of the Company;
- iii. the authority conferred by this resolution will commence immediately upon the passing of this ordinary resolution and shall be in force until:
 - (a) at the conclusion of the next AGM of the Company; or
 - (b) upon the expiration of the period within which the next AGM is required by the law to be held; or
 - (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,whichever is earlier; and
- iv. upon the completion of the purchase(s), the Directors are authorized to deal with the Shares so purchased in the manner they may deem fit in the best interest of the Company;

NOTICE OF 18TH ANNUAL GENERAL MEETING

AND THAT the Directors of the Company be and are hereby authorized to take necessary steps to fully implement the purchase(s) of the Shares with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to do all such acts and things as they may deem fit in the best interest of the Company.”

9. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016 and the Company’s Constitution.

BY ORDER OF THE BOARD

Nur Aznita binti Taip, ACIS (MAICSA 7067607)
(SSM PC No. 202008003466)
Company Secretary

Kuala Lumpur
31 October 2023

EXPLANATORY NOTES:-

- (i) **Agenda Item No. 1** – Audited Financial Statements for the FY2022-23 is meant for discussion only as the provision of Section 340(1) (a) of the Companies Act, 2016 does not require the formal approval of shareholders for the Audited Financial Statements. As such, this item is not put forward for voting.
- (ii) **Ordinary Resolutions 1 and 2 – Re-election of Directors who retire by rotation pursuant to Article 100 and Article 101 of the Company’s Constitution**
Encik Ahmad Hasanuddin bin Ahmad Kamaluddin and Mr Yap Shuh Jian are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election.
- (iii) **Ordinary Resolution 3 – Payment of Directors’ Remuneration to the Non-Executive Directors for the period from 1 July 2023 until the next Annual General Meeting of the Company to be held in 2024**

Board/Board Committee	Chairperson (RM/Year)	Member (RM/Year)
Board of Directors	RM90,000	RM75,000
Board Audit Committee	RM19,000	RM12,000
Board Risk Management Committee	RM6,000	RM5,000
Board Nomination & Remuneration Committee	RM6,000	RM5,000
Allowance: Meeting Attendance	RM1,000/day	RM1,000/day

NOTICE OF 18TH ANNUAL GENERAL MEETING

EXPLANATORY NOTES ON SPECIAL BUSINESSES:-

- (i) **Ordinary Resolutions 6 – Proposed Continuation in Office as Independent Non-Executive Directors resolution** is in line with the recommendation under the **Malaysian Code on Corporate Governance 2021**.

Puan Fina Norhizah binti Haji Baharu Zaman (“Puan Fina”) was appointed as an Independent Non- Executive Director of the Company on 22 October 2010 and has reached more than the nine (9) years term limit prescribed by the Malaysian Code on Corporate Governance 2021 (“MCCG”). In accordance with the MCCG, the Nomination and Remuneration Committee and Board of Directors of the Company, after having assessed the independence of Puan Fina, consider her to be independent based on amongst others, the following justifications and recommend that Puan Fina be retained as an Independent Director of the Company: -

- (i) She has confirmed and declared that she is an Independent Director as defined under Paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- (ii) She does not have any conflict of interest with the Company and has not been entering/is not expected to enter into a contract especially material contract(s) with the Company and/or its subsidiary companies;
- (iii) She actively participates in the Board’s and Board Committees’ deliberations and decision-making in an objective manner, exercises due care in all undertakings of the Group and carries out her fiduciary duties in the interest of the Company; and
- (iv) The Board of Directors of the Company is of the opinion that Puan Fina is an important Independent Director in view of his many years on the Board with incumbent knowledge of the Company and the Group’s activities and corporate history and has provided invaluable contributions to the Board in his role as an Independent Director.

Pursuant to the latest revised MCCG effective on 28 April 2021, the Company would adopt a two-tier voting process in seeking the annual shareholders’ approval to retain an Independent Director beyond nine (9) years for best practice of corporate governance.

- (ii) **Ordinary Resolution 7** is to seek a renewal of the general authority pursuant to Section 75 and Section 76 of the Companies Act, 2016 and the MMLR for the issuance and allotment of new ordinary shares in the Company.

Proposed **Ordinary Resolution 7**, if passed, will enable Directors to issue and allot new ordinary shares up to an amount not exceeding twenty per centum (20%) of the Company’s issued share capital from time to time pursuant to the exercise of any options under the Company’s ESOS as well as provide them the flexibility to raise funds, including but not limited to further placement of shares for purposes of funding future investment project(s), working capital and/or acquisitions without convening a general meeting which will be both time and cost consuming. This authority, unless revoked or varied at a general meeting, will expire at the next annual general meeting of the Company.

- (iii) The proposed **Ordinary Resolution 8**, if passed, is to empower the Directors to purchase the Company’s shares of up to 10% of the issued and paid-up capital of the Company by utilizing the retained profits of the Company.

Information on the proposed renewal of authority for the Company to purchase its own is set out in the Statement to Shareholders dated 31 October 2023 available at <https://www.alam-maritim.com.my/AMRB2023/> and www.bursamalaysia.com.my together with the Annual Report 2023, Notice of the 18th AGM, Proxy Form and the Administrative Guide Details of the 18th AGM.

NOTICE OF 18TH ANNUAL GENERAL MEETING

Statement Accompanying Notice of Annual General Meeting PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS

The details of the Directors who are standing for re-election and the Directors' interest in the securities of the Company and/or its related companies are disclosed on pages 26 and 28 of the Company's Annual Report 2023 respectively, which available on the Company's website at <https://www.alam-maritim.com.my/AMRB2023/>

NOTES TO MEMBERS AND PROXIES

1. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act and Article 80 of the Constitution which require the Chairman of the Meeting to be present at the main venue of the 18th AGM Meeting.
2. Members/proxies **WILL NOT BE PHYSICALLY PRESENT** at the Broadcast Venue on the day of the 18th AGM.
3. Members are to attend and vote (collectively, "participate") remotely at the 18th AGM via the RPV facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd ("Tricor") through its TIIH Online website at <https://tiih.online>. Please follow the Procedures for RPV facilities provided in the Administrative Guide Details for the 18th AGM in order to participate in the Meeting remotely via RPV facilities on the 18th AGM.
4. Members may submit questions to the Company prior to the 18th AGM via email to info@alam-maritim.com.my or Tricor's TIIH Online website at <https://tiih.online> by selecting "e-Services" to login. Questions shall be submitted via email or the TIIH Online website no later than Monday, 4 December 2023 at 10.00 a.m. Alternatively, Members may use the query box to transmit questions to the Chairman/Board via RPV facilities during live streaming.

Appointment of Proxy/Proxies

1. For the purposes of determining a member who shall be entitled to participate in the forthcoming 18th AGM of the Company, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 29 November 2023. Only a depositor whose name appears in the Record of Depositors as at 29 November 2023 shall be entitled to participate in the 18th AGM or appoint proxy/proxies to participate on his/her behalf.
2. Every member including authorized nominees as defined under the Securities Industry (Central Depositories) Act 1991, and Exempt Authorised Nominees which hold ordinary shares in the Company for multiple beneficial owners in one (1) securities account, is entitled to appoint one (1) or more proxy to exercise all or any of his/her rights to participate instead of himself/herself at the 18th AGM, and that such proxy needs not to be a member.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
5. The instrument appointing a proxy shall be in writing under the hand of the Member or of his attorney duly authorized in writing or if the Member is a corporation, shall either be executed under its common seal or under the hand of two (2) authorized officers, one of whom shall be a director, or of its attorney duly authorized in writing.
5. The instrument of proxy shall be deposited at the Registered Office of the Company at No. 38F, Level 3, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur. All proxy forms submitted must be received by the Company no later than **Monday, 4 December 2023 at 10.00 a.m.**, being forty-eight (48) hours before the appointed time for holding the 18th AGM.
6. A member who has appointed a proxy or attorney or authorized representative to participate in the 18th AGM via RPV must request his/her proxy or attorney or authorized representative to register himself/herself for RPV facilities at Tricor's TIIH Online website at <https://tiih.online>. Please follow the Procedures for RPV registration in the Administrative Guide Details for the 18th AGM.

FORM OF PROXY



Registration No. 200501018734 (700849-K)
(Incorporated in Malaysia)

No. of Shares held	
CDS Account No.	
NRIC/Company No.	
Contact No.	

I/We _____
(Block Letters)

of _____

being a member of ALAM MARITIM RESOURCES BERHAD (AMRB) hereby appoint :-

	Name/CDS Account No	NRIC/Passport No	No of shares	%
Proxy 1	_____	_____	_____	_____
Proxy 2	_____	_____	_____	_____
		Total	_____	100%

failing THE CHAIRMAN OF THE MEETING as my/our* proxy(ies) to vote for me/us* and on my/our* behalf at the Eighteenth Annual General Meeting of the Company to be conducted fully virtual meeting from the broadcast venue at Boardroom, No. 38F, Level 3, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur on Wednesday, 6 December 2023 at 10.00 a.m. and at any adjournment thereof, in the manner indicated below:

No	Resolutions	For	Against
1	To re-elect Ahmad Hasanuddin bin Ahmad Kamaluddin pursuant to Article 100.		
2	To re-elect Mr Yap Shuh Jian pursuant to Article 100.		
3	To approve the payment of Directors' fees and remuneration to the Non-Executive Directors amounting to RM267,337.36 for the financial period ended 30 June 2023.		
4	To approve the payment of Directors' fee and remuneration for the period from 1 July 2023 until the next Annual General Meeting of the Company to be held in 2024.		
5	To re-appoint Messrs. Baker Tilly Monteiro Heng PLT, Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to determine their remuneration.		
6	Continuation in Office of Puan Fina Norhizah binti Haji Baharu Zaman as Independent Non-Executive Director in accordance with the Malaysian Code on Corporate Governance 2021		
7	To authorise the Directors to Issue Shares Pursuant to Section 75 and Section 76 of the Companies Act, 2016.		
8	To approve the proposed renewal of authority for the Company to purchase its own shares.		

Please indicate with a check mark ("✓") in the appropriate box against the resolution how you wish your proxy to vote. In the absence of specific instructions, the proxy will vote or abstain at his/her discretion.

Date _____

Signature/Common Seal of Shareholder _____

NOTES:

IMPORTANT NOTICE

- The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 and Article 80 of the Company's Constitution which require the Chairman of the Meeting to be present at the main venue of the 18th AGM Meeting.
- Members/proxies **WILL NOT BE PHYSICALLY PRESENT** at the Broadcast Venue on the day of the 18th AGM.
- Members are to attend and vote (collectively, "participate") remotely at the 18th AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIIH Online website at <https://tiih.online>. Please follow the Procedures for RPV provided in the Administrative Guide Details for the 18th AGM and read the notes below in order to participate remotely via RPV.
- A member who is entitled to attend and vote at the meeting via RPV is entitled to appoint at least one (1) proxy to attend and vote in his/her stead. Where a member appoints up to two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holding to be represented by each proxy. The proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
- Members may submit questions to the Board prior to the 18th AGM via Tricor's TIIH Online website at <https://tiih.online> by selecting "e-Services" to login, pose questions and submit electronically no later than Monday, 4 December 2023 at 10.00 a.m. or to use the query box to transmit questions to the Chairman/Board via RPV during live streaming.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SIDCA") and the Company's Constitution, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds to which shares in the Company standing to the credit of the said account.
- Where a member of the Company is an exempt authorised nominee as defined under the SIDCA and the Company's Constitution which holds Deposited Securities in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorized Nominee may appoint in respect of each omnibus account it holds.
- A member who has appointed a proxy or attorney or authorized representative to attend, participate and vote at this 18th AGM via RPV must request his/her proxy or attorney or authorized representative to register himself/herself for RPV at the TIIH Online website at <https://tiih.online>. Please follow the Procedures for RPV in the Administrative Details for the 18th AGM.
- The instrument of proxy shall be deposited at the Registered Office of the Company at 38F, Level 3, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur. All proxy forms submitted must be received by the Company no later than Monday, 4 December 2023 at 10.00 a.m., forty-eight (48) hours before the appointed time for holding the 18th AGM.

10. Please ensure ALL the particulars as required in the form of proxy are completed, signed and dated accordingly.
11. Last date and time for lodging the form of proxy is **Monday, 4 December 2023 at 10.00 a.m.**
12. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Registered Office of the Company at 38F, Level 3, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur. All proxy forms submitted must be received by the Company no later than Monday, 4 December 2023 at 10.00 a.m., forty-eight (48) hours before the appointed time for holding the 18th AGM. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
13. A corporate member who has appointed a representative, please deposit the **ORIGINAL** certificate of appointment at the Registered Office of the Company at 38F, Level 3, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur. All proxy forms submitted must be received by the Company no later than Monday, 4 December 2023 at 10.00 a.m., being forty-eight (48) hours before the appointed time for holding the 18th AGM. The certificate of appointment should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
14. For the purpose of determining a member who shall be entitled to attend the AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd., in accordance with Clause 77 of the Company's Constitution and Section 34(1) of the SICDA to issue a General Meeting Record of Depositors as at **29 November 2023**. Only a depositor whose name appears therein shall be entitled to attend the said AGM or appoint a proxy to attend and/or vote on his/her stead.

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AFFIX
STAMP

ALAM MARITIM RESOURCES BERHAD
(Registration No. 200501018734 (700849-K))
38F, Level 3, Jalan Radin Anum,
Bandar Baru Sri Petaling
57000 Kuala Lumpur

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ALAM MARITIM RESOURCES BERHAD

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