THIS CIRCULAR TO SHAREHOLDERS OF ALAM MARITIM RESOURCES BERHAD ("AMRB" OR "COMPANY") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has approved the Proposed Regularisation Plan (as defined herein) contained in this Circular. The approval of Bursa Securities shall not be taken to indicate that Bursa Securities recommends the Proposed Regularisation Plan or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Circular. Shareholders should rely on their own evaluation to assess the merits and risks of the Proposed Regularisation Plan.

ALAM MARITIM RESOURCES BERHAD

(Registration No. 200501018734 (700849-K))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:-

(I) PROPOSED REDUCTION OF THE COMPANY'S SHARE CAPITAL PURSUANT TO SECTION 116 OF THE COMPANIES ACT, 2016 ("ACT") ("PROPOSED SHARE CAPITAL REDUCTION");

(II) PROPOSED CONSOLIDATION OF EVERY 10 EXISTING ORDINARY SHARES IN AMRB ("AMRB SHARES" OR "SHARES") INTO 1 AMRB SHARE ("CONSOLIDATED SHARE") ("PROPOSED SHARE CONSOLIDATION");

(III) PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW AMRB SHARES ("RIGHTS SHARES") TOGETHER WITH FREE DETACHABLE WARRANTS IN AMRB ("AMRB WARRANTS" OR "WARRANTS") ("RIGHTS WARRANTS") ON THE BASIS OF 3 RIGHTS SHARES FOR EVERY 4 CONSOLIDATED SHARES HELD BY ENTITLED SHAREHOLDERS OF THE COMPANY ON AN ENTITLEMENT DATE TO BE DETERMINED AND 1 RIGHTS WARRANT FOR EVERY 4 RIGHTS SHARES SUBSCRIBED ("PROPOSED RIGHTS ISSUE WITH WARRANTS");

(IV) PROPOSED SETTLEMENT OF PART OF THE AMOUNT OWING TO THE CREDITORS OF THE COMPANY VIA THE ISSUANCE OF NEW AMRB SHARES AND WARRANTS PURSUANT TO A SCHEME OF ARRANGEMENT UNDER SECTION 366 OF THE ACT ("PROPOSED SETTLEMENT"); AND

(V) PROPOSED INTERNAL RESTRUCTURING INVOLVING THE LIQUIDATION, STRIKING-OFF AND/OR DISPOSAL OF THE NON-CORE ENTITIES OF AMRB ("PROPOSED INTERNAL RESTRUCTURING")

(COLLECTIVELY REFERRED TO AS THE "PROPOSED REGULARISATION PLAN")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

INTER-PACIFIC SECURITIES SDN. BHD.
197201001092 (12738-U)
A Participating Organisation of Bursa Malaysia Securities Berhad
A Trading Participant of Bursa Malaysia Derivatives Berhad

The Notice of the Extraordinary General Meeting ("**EGM**") of the Company that will be conducted on Tuesday, 17 June 2025 at HIVE 5 (Enterprise 4), Taman Teknologi MRANTI, Lebuhraya Puchong-Sungai Besi, 57000 Bukit Jalil, Kuala Lumpur or at any adjournment thereof, for the purpose of considering the Proposed Regularisation Plan, together with the Form of Proxy are enclosed in this Circular.

A member entitled to attend, participate, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, participate, speak and vote on his/her behalf. In such event, the completed and signed Form of Proxy must be deposited at the Share Registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, deposit in the drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or by electronic lodgment via TIIH Online website at https://tiih.online, not less than forty-eight (48) hours before the time and date fixed for holding the EGM or at any adjournment thereof.

Last date and time for lodging the Form of Proxy	: Sunday, 15 June 2025 at 10:30 a.m.
Date and time of the EGM	: Tuesday, 17 June 2025 at 10:30 a.m.

This Circular is dated 26 May 2025

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

Act	-	Companies Act, 2016
AHSB	-	Alam Hidro (M) Sdn Bhd, a wholly-owned subsidiary of AMRB which owns 50.00% equity interest in SWS
AMLI	-	Alam Maritim (L) Inc., a wholly-owned subsidiary of AMRB
AMPSB	-	Alam Maritim Properties (M) Sdn Bhd, a wholly-owned subsidiary of AMSB
AMRB or the Company	-	Alam Maritim Resources Berhad
AMRB FI Creditor	-	A financial institution which is a creditor of AMRB which will participate in the AMRB Unsecured Scheme
AMRB Group or the Group	-	Collectively, AMRB and its subsidiaries
AMRB Scheme Amounts	-	Outstanding debt owing to the AMRB Scheme Creditors that will be dealt with in the AMRB Unsecured Scheme as set out in Section 1.4(ii) of this Circular comprising the following:- (i) amounts owing to the unsecured creditors of AMRB as at the Cut-off Date; and (ii) the remaining AMSB Scheme Amounts owing to the AMSB Scheme Creditors (after settlement via the AMSB Unsecured Scheme) who have the benefit of corporate guarantees from AMRB and which will be recognised as an unsecured debt of AMRB and settled via the AMRB Unsecured Scheme
AMRB Scheme Creditors	-	Creditors of AMRB that will be dealt with in the AMRB Unsecured Scheme
AMRB Shares or Shares	-	Ordinary shares in AMRB
AMRB Unsecured Scheme	-	Scheme of arrangement between AMRB and the AMRB Scheme Creditors pursuant to Section 366 of the Act comprising full and final settlement of the AMRB Scheme Creditors via the distribution of:- (i) Upfront Cash Settlement; (ii) Rights Issue Cash Settlement; and (iii) Settlement Shares pursuant to the Proposed Settlement, received by AMRB (as one of the AMSB Scheme Creditors) in the AMSB Unsecured Scheme as further explained in Section 1.4(ii) of this Circular
AMSB	-	Alam Maritim (M) Sdn Bhd, a wholly-owned subsidiary of AMRB
AMSB FI Creditors	-	Financial institutions which are the AMSB Scheme Creditors that have the benefit of corporate guarantees from AMRB and will therefore be entitled to participate in the AMRB Unsecured Scheme

AMSB Scheme Amounts	-	Outstanding debt owing to the AMSB Scheme Creditors that will be dealt with in the AMSB Unsecured Scheme as set out in Section 1.4(i) of this Circular
AMSB Scheme Creditors	-	The unsecured creditors of AMSB that will be dealt with in the AMSB Unsecured Scheme
AMSB Unsecured Scheme	-	Scheme of arrangement between AMSB and the AMSB Scheme Creditors pursuant to Section 366 of the Act comprising full and final and/or partial settlement of AMSB Scheme Creditors via:- (i) Upfront Cash Settlement; (ii) Rights Issue Cash Settlement; and (iii) Settlement Shares pursuant to the Proposed Settlement, as further explained in Section 1.4(i) of this Circular
Axcelasia or Internal Control Reviewer	-	Axcelasia Sdn Bhd (formerly known as Tricor Axcelasia Sdn Bhd)
BNM	-	Bank Negara Malaysia
Board	-	Board of Directors of the Company
Bursa Depository	-	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	-	Bursa Malaysia Securities Berhad
CCC	-	Certificate of completion and compliance
CCM	-	Court convened meeting or meetings of the creditors of AMRB and AMSB for the purpose of considering and, if thought fit, approving the Proposed Debt Restructuring
CDRC	-	Corporate Debt Restructuring Committee, a committee formed by BNM to provide a platform for debtors and creditors to work out feasible debt restructuring schemes without having to resort to legal proceedings
CEO	-	Chief executive officer
CFO	-	Certificate of fitness for occupation
Circular	-	This circular to Shareholders in relation to the Proposed Regularisation Plan
CMSA	-	Capital Markets and Services Act, 2007, as amended from time to time including any re-enactment thereof
Code	-	Malaysian Code on Take-Overs and Mergers, 2016
Consolidated Shares	-	AMRB Shares following the completion of the Proposed Share Consolidation
COVID-19	-	Coronavirus disease 2019
Cut-off Date	-	31 December 2023, being the cut-off date for the Proposed Debt Restructuring

Dato' Albert	-	Dato' Aloysius Albert Michael, an indirect major shareholder and director of SWS which is a 50%-owned subsidiary of AMRB and an existing shareholder of AMRB
Datuk Azmi	-	Datuk Azmi Bin Ahmad, the Group Managing Director / Group CEO of AMRB and a major Shareholder
Deed Poll	-	Deed poll constituting the Warrants to be executed by the Company
Directors	-	Directors of the Company, and shall have the meaning given in subsection 2(1) of the CMSA
DSV	-	Diving support vessel
DWT	-	Deadweight tonnage
EGM	-	Extraordinary general meeting
Entitled Shareholders	-	Shareholders whose names appear in the Record of Depositors of the Company on the Rights Issue Entitlement Date
EPS	-	Earnings per share
Explanatory Statement	-	Explanatory statement dated 5 July 2024 issued to the Scheme Creditors in relation to the Proposed Debt Restructuring
FOB	-	Free on board
Foreign-Addressed Shareholders	-	Shareholders who have not provided to the Company a registered address or an address for service in Malaysia for the service of documents which will be issued in connection with the Proposed Rights Issue with Warrants
FPE	-	Financial period ended
FPSO	-	Floating production and offloading
FSO	-	Floating storage and offloading
FYE	-	Financial year ended
GDP	-	Gross domestic product
GP	-	Gross profit
High Court	-	High Court of Malaya
HRF	-	Hyperbaric rescue facilities
IGSSB	-	International Gateway Services Sdn Bhd (formerly known as Alam Offshore Logistics & Services Sdn Bhd), a wholly-owned subsidiary of AMSB
IMR Report	-	Independent market research report dated 14 May 2025 prepared by Protégé Associates Sdn Bhd
Interpac or the Principal Adviser	-	Inter-Pacific Securities Sdn Bhd

IRM	-	Inspection, repair and maintenance
LAT	-	Loss after tax
LATAMI	-	Loss after tax and minority interest
LBT	-	Loss before tax
Listing Requirements	-	Main Market Listing Requirements of Bursa Securities
LNG	-	Liquefied natural gas
LPD	-	5 May 2025, being the latest practicable date prior to the printing of this Circular
LTD	-	25 July 2024, being the last Market Day prior to the date of first announcement of the Proposed Regularisation Plan
Market Day	-	Any day on which Bursa Securities is open for trading in securities
Maybank Islamic	-	Maybank Islamic Berhad
MT	-	Metric ton
MTN	-	Medium term notes
NA	-	Net assets
N/A	-	Not applicable
Non-Core Entities	-	Collectively, the non-core subsidiaries and jointly-controlled entities of AMRB which are to be liquidated, struck-off and/or disposed under the Proposed Internal Restructuring as set out in Section 6 of this Circular
Official List	-	List specifying all securities which have been admitted for listing on the Main Market of Bursa Securities and not removed
O&G	-	Oil and gas
OGSE	-	Oil and gas services and equipment
OIC	-	Offshore installation and construction
OPEC	-	Organisation of Petroleum Exporting Countries
OSV	-	Offshore support vessel
PAT	-	Profit after tax
PATAMI	-	Profit after tax and minority interest
PBT	-	Profit before tax
Petronas	-	Petroliam Nasional Berhad
PN17	-	Practice Note 17
Proposed Debt Restructuring	-	Collectively, the AMSB Unsecured Scheme and the AMRB Unsecured Scheme

Proposed Internal Restructuring	-	Proposed internal restructuring involving the liquidation, striking-off and/or disposal of the Non-Core Entities
Proposed Regularisation Plan	-	Collectively, the Proposed Share Capital Reduction, the Proposed Share Consolidation, the Proposed Rights Issue with Warrants, the Proposed Settlement and the Proposed Internal Restructuring
Proposed Rights Issue with Warrants	-	Proposed renounceable rights issue of new AMRB Shares together with free detachable Warrants on the basis of 3 Rights Shares for every 4 Consolidated Shares held by the Entitled Shareholders on the Rights Issue Entitlement Date and 1 Rights Warrant for every 4 Rights Shares subscribed
Proposed Settlement	-	Proposed settlement of part of the amount owing to the Scheme Creditors via the issuance of 177,506,735 Settlement Shares at the issue price of RM0.2783 each (i.e. giving a total of RM49.40 million) together with 44,376,683 Settlement Warrants on the basis of 1 Settlement Warrant for every 4 Settlement Shares pursuant to the Proposed Debt Restructuring
Proposed Share Capital Reduction	-	Proposed reduction of the Company's share capital pursuant to Section 116 of the Act
Proposed Share Consolidation	-	Proposed consolidation of every 10 existing AMRB Shares into 1 Consolidated Share
PVE	-	Property, vessels and equipment
Record of Depositors	-	Record of securities holders established by Bursa Depository as issued pursuant to the Rules of Bursa Depository
Restraining Order	-	Restraining order pursuant to subsection 368(1) of the Act whereby all current and further proceedings in any legal actions or proceedings against AMSB and/or AMRB (as the case may be) and/or the assets of AMSB and/or AMRB (as the case may be) shall be restrained and stayed except by leave of the High Court
Rights Issue Cash Settlement	-	Settlement of part of the amount owing to the AMSB Scheme Creditors which involves the distribution of cash amounting to RM12.00 million (via proceeds raised from the Proposed Rights Issue with Warrants) to the AMSB Scheme Creditors pursuant to the AMSB Unsecured Scheme
Rights Issue Entitlement Date	-	Date to be determined and announced later by the Board on which the Shareholders must be registered in the Record of Depositors of the Company as at 5.00 p.m. in order to be entitled to participate in the Proposed Rights Issue with Warrants
Rights Shares	-	New AMRB Shares to be issued pursuant to the Proposed Rights Issue with Warrants
Rights Warrants	-	Free Warrants to be issued to the successful applicants of the Rights Shares pursuant to the Proposed Rights Issue with Warrants
RM and sen	-	Ringgit Malaysia and sen, respectively
ROV	-	Remote operated vehicle

Rules	-	Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC
Rules of Bursa Depository	-	Rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act, 1991 including any amendments thereof issued by Bursa Depository from time to time, including the Securities Industry (Central Depositories) Amendment Act, 1998
SC	-	Securities Commission Malaysia
Scheme Creditors	-	Collectively, the AMSB Scheme Creditors and the AMRB Scheme Creditors
Settlement Shares	-	177,506,735 new AMRB Shares to be issued to the Scheme Creditors at an issue price of RM0.2783 per AMRB Share pursuant to the Proposed Settlement
Settlement Warrants	-	44,376,683 Warrants to be issued to the Scheme Creditors pursuant to the Proposed Settlement
Shareholders	-	Shareholders of AMRB
Share Consolidation Entitlement Date	-	Date to be determined and announced later by the Board on which the Shareholders must be registered in the Record of Depositors of the Company as at 5.00 p.m. in order to be entitled to participate in the Proposed Share Consolidation
Subsea	-	Collectively, provision of sub-sea engineering services, operating ROVs and saturation diving services business segment of AMRB
Sukuk	-	Islamic medium-term notes of RM500.00 million in nominal value issued by AMRB
Sukukholders	-	Holders of the Sukuk
Sukuk Vessels	-	Remaining vessels in the AMRB Group which are charged to the Sukukholders, namely Setia Emas and Setia Budi
SWS	-	Subsea Worldwide Solutions Sdn Bhd, a 50%-owned subsidiary of AHSB, which in turn is a wholly-owned subsidiary of AMRB
TERP	-	Theoretical ex-rights price
THAL	-	TH Alam Holdings (L) Inc, a 49%-owned associate company of AMRB
Tricor or Share Registrar	-	Tricor Investor & Issuing House Services Sdn Bhd
Undertakings	-	Written undertakings from the Undertaking Shareholders dated 26 July 2024 pursuant to which the Undertaking Shareholders have irrevocably undertaken, among others, to apply and subscribe for a total of 114,887,160 Rights Shares, details of which are set out in Section 4.3 of this Circular, in order to ensure that AMRB will achieve full subscription level for the Proposed Rights Issue with Warrants
Undertaking Shareholders	-	Collectively, Datuk Azmi and Dato' Albert

Upfront Cash Settlement	-	Settlement of part of the amount owing to the AMSB Scheme Creditors which involves the distribution of cash amounting to RM6.00 million (via the AMRB Group's cash and bank balances) to the AMSB Scheme Creditors pursuant to the AMSB Unsecured Scheme
USD	-	United States Dollar
UWILD	-	Underwater Inspection in Lieu of Drydocking
VWAP	-	Volume-weighted average market price
Warrants	-	New AMRB warrants to be issued pursuant to the Proposed Rights Issue with Warrants and the Proposed Settlement

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. Reference to persons shall include corporations, unless otherwise specified. All references to "you" in this Circular are to the Shareholders.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated. Any discrepancies in the tables between amounts stated and the totals in this Circular are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that AMRB's plans and objectives will be achieved.

Unless otherwise stated, the following exchange rates, being the middle rates as at 5.00 p.m. on 5 May 2025 as published by BNM, are used throughout this Circular:

USD1.00 : RM4.2120

Any exchange rate translation in this Circular is provided solely for the convenience of the Shareholders and should not be constituted as representative that the translated amount stated in this Circular could have been or would have been converted into such other amounts or vice versa.

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ALAM MARITIM RESOURCES BERHAD
(Registration No. 200501018734 (700849-K))
(Incorporated in Malaysia)

Registered Office

38F, Level 3, Jalan Radin Anum
Bandar Baru Sri Petaling
57000 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
Malaysia

26 May 2025

Board of Directors

Fina Norhizah binti Haji Baharu Zaman (Chairman / Independent Non-Executive Director)
Datuk Azmi bin Ahmad (Group Managing Director / Group CEO / Non-Independent Executive Director)
Ahmad Ruhaizad bin Hashim (Independent Non-Executive Director)
Yap Shuh Jian (Independent Non-Executive Director)

To: Shareholders of Alam Maritim Resources Berhad

Dear Sir / Madam,

(I) PROPOSED SHARE CAPITAL REDUCTION;
(II) PROPOSED SHARE CONSOLIDATION;
(III) PROPOSED RIGHTS ISSUE WITH WARRANTS;
(IV) PROPOSED SETTLEMENT; AND
(V) PROPOSED INTERNAL RESTRUCTURING

(COLLECTIVELY REFERRED TO AS THE "PROPOSED REGULARISATION PLAN")

1. INTRODUCTION

1.1 Sequence of events in relation to the Proposed Debt Restructuring and the Proposed Regularisation Plan

On 31 October 2022, the Board announced that AMRB has triggered the prescribed criteria pursuant to Paragraph 8.04 and Paragraph 2.1(d) of PN17 of the Listing Requirements as the external auditors of the Company have expressed a disclaimer of opinion in the Company's audited financial statements for the 18-month FPE 30 June 2022.

Subsequently, AMRB had also triggered the prescribed criteria pursuant to Paragraphs 2.1(a), 2.1(e) and 2.1(f) of PN17 of the Listing Requirements due to the following:-

Prescribed criteria of PN17	Reasons for triggering
Paragraph 2.1(a) The shareholders' equity of the listed issuer on a consolidated basis is 25% or less of the share capital (excluding treasury shares) of the listed issuer and such shareholders' equity is less than RM40.00 million.	The shareholders' equity of AMRB as at 30 June 2024 (audited) and 31 December 2024 (unaudited) stood at a deficiency of RM25.46 million and RM93.64 million respectively whereas the share capital of AMRB as at 30 June 2024 (audited) and 31 December 2024 (unaudited) both stood at RM442.67 million.

Prescribed criteria of PN17	Reasons for triggering
Paragraph 2.1(e) The auditors have highlighted a material uncertainty related to going concern or expressed a qualification on the listed issuer's ability to continue as a going concern in the listed issuer's latest audited financial statements and the shareholders' equity of the listed issuer on a consolidated basis is 50% or less of share capital (excluding treasury shares) of the listed issuer.	The shareholders' equity of AMRB as at 30 June 2024 (audited) and 31 December 2024 (unaudited) stood at a deficiency of RM25.46 million and RM93.64 million respectively whereas the share capital of AMRB as at 30 June 2024 (audited) and 31 December 2024 (unaudited) both stood at RM442.67 million. In addition, the auditors have expressed a material uncertainty related to going concern in the financial statements of AMRB for the FYE 30 June 2024 in view that, amongst others, the Group's and the Company's current liabilities exceed their current assets by RM47.20 million and RM49.50 million respectively.
Paragraph 2.1(f) A default in payment by a listed issuer, its major subsidiary or major associated company, as the case may be, as announced by a listed issuer pursuant to Paragraph 9.19A of the Listing Requirements and the listed issuer is unable to provide a solvency declaration to Bursa Securities.	The Group had defaulted in its payments to its creditors, further details of which are set out in Section 5(i) of Appendix VII of this Circular. In addition, AMRB is deemed insolvent in view that its shareholders' equity as at 30 June 2024 (audited) and 31 December 2024 (unaudited) stood at a deficiency of RM25.46 million and RM93.64 million respectively.

On 11 January 2023, the Board announced that the High Court had, amongst others, granted AMRB and AMSB the following:-

(i) an order pursuant to Section 366(1) of the Act to summon the CCM for the Proposed Debt Restructuring within 3 months from 11 January 2023; and

(ii) a Restraining Order for AMSB for a period of 3 months from 11 January 2023.

On 10 April 2023, the Board announced that the High Court had, amongst others, granted AMRB and AMSB an extension of time of 6 months from 11 April 2023 to summon the CCM for the Proposed Debt Restructuring and an extension of the Restraining Order for AMSB for a period of 6 months from 11 April 2023.

On 17 October 2023, AMRB had submitted an application to Bursa Securities for an extension of time of 6 months until 30 April 2024 for AMRB to submit its regularisation plan to the regulatory authorities. Subsequently, Bursa Securities had vide its letter dated 1 November 2023 resolved to grant AMRB an extension of time of 6 months until 30 April 2024 to submit its regularisation plan to the regulatory authorities.

On 25 October 2023, the Board announced that the High Court had granted AMRB and AMSB the following orders:-

(i) an order pursuant to Section 366(1) of the Act to summon the CCM for the Proposed Debt Restructuring within 3 months from 25 October 2023; and

(ii) a Restraining Order for AMSB for a period of 3 months from 25 October 2023.

On 27 December 2023, the Company appointed Interpac as its Principal Adviser to assist the Company in formulating its regularisation plan.

On 24 January 2024, the Board announced that the High Court had granted AMRB and AMSB an extension of time of 9 months from 25 January 2024 to summon the CCM for the Proposed Debt Restructuring and an extension of the Restraining Order for AMSB for a period of 9 months from 25 January 2024.

On 23 April 2024, AMRB had submitted an application to Bursa Securities for an extension of time of 6 months until 31 October 2024 for AMRB to submit its regularisation plan to the regulatory authorities. Subsequently, Bursa Securities had vide its letter dated 30 May 2024 resolved to grant AMRB an extension of time of 6 months until 31 October 2024 to submit its regularisation plan to the regulatory authorities.

On 29 April 2024, the Board announced that the High Court had granted a Restraining Order for AMRB for a period of 3 months from 29 April 2024.

On 5 July 2024, the Board announced that both AMRB and AMSB will convene the CCM for the Proposed Debt Restructuring on 26 July 2024 and that the notice of CCM, the proxy forms and the Explanatory Statement have been issued to the Scheme Creditors.

On 25 July 2024, the Board announced that the High Court has granted an extension of the Restraining Order for AMRB until 31 December 2024.

On 26 July 2024, the Board announced that the Company had obtained the approval of the requisite majority in value of the Scheme Creditors to undertake the Proposed Debt Restructuring during the CCM held on even date.

On 26 July 2024, Interpac had, on behalf of the Board, announced that the Company proposes to undertake the Proposed Regularisation Plan which, at that point in time, shall comprise the Proposed Share Capital Reduction, the Proposed Share Consolidation, the Proposed Rights Issue with Warrants and the Proposed Settlement.

On 19 August 2024, Interpac had, on behalf of the Board, announced that the application in relation to the Proposed Regularisation Plan (comprising the Proposed Share Capital Reduction, the Proposed Share Consolidation, the Proposed Rights Issue with Warrants and the Proposed Settlement) had been submitted to Bursa Securities on 16 August 2024.

On 4 September 2024, the High Court had granted an order to sanction the Proposed Debt Restructuring to be binding upon AMSB, AMRB and the Scheme Creditors.

On 28 March 2025, Interpac had, on behalf of the Board, announced that the Company proposes to undertake the Proposed Internal Restructuring, which shall be included as part of the Proposed Regularisation Plan.

On 20 May 2025, Interpac had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 20 May 2025 approved the Proposed Regularisation Plan as well as the following:-

(i) admission of the Warrants to the Official List; and

(ii) listing and quotation of the following securities on the Main Market of Bursa Securities:-

    (a) 114,887,160 Rights Shares and 28,721,790 Rights Warrants to be issued pursuant to the Proposed Rights Issue with Warrants;

    (b) 177,506,735 Settlement Shares and 44,376,683 Settlement Warrants to be issued pursuant to the Proposed Settlement; and

    (c) up to 73,098,473 new Shares to be issued arising from the exercise of the Warrants.

The approval of Bursa Securities is subject to the conditions as set out in Section 12 of this Circular.

1.2 Sequence of events that led AMRB to be an affected listed issuer pursuant to PN17

Between 2014 and 2017, the O&G industry experienced a down-cycle which saw a period of decline in oil prices that have led to the cut-back of capital expenditure by O&G upstream companies. As a result, the AMRB Group experienced a drop in secured work orders on the back of reduced O&G activities and its financial performance was further impacted by lower charter rates and utilisation rates for its OSV vessels. From the FYE 31 December 2014 to the FYE 31 December 2017, the AMRB Group's revenue decreased from RM391.58 million to RM161.07 million and its NA decreased from RM830.64 million to RM593.64 million.

In view of its declining financial performance and anticipation of a worsening industry outlook, the AMRB Group undertook a debt restructuring exercise in 2017 under the mediation of CDRC to facilitate the restructuring of its existing borrowings facilities and repayment terms ("**First Restructuring**"). The First Restructuring was completed on 6 September 2018.

In 2019, oil prices stabilised at the range of USD55.00 to USD61.06 per barrel. O&G upstream companies began to increase capital expenditure which led to a gradual recovery in OSV charter and utilisation rates. In 2019, the AMRB Group's business activities gradually improved. However, it was not enough for the AMRB Group to return to profitability having recorded net losses during the year as vessel operating expenses such as repair and maintenance costs remained high. In addition, the AMRB Group continued to incur further impairment losses on its vessels.

In 2020, the O&G industry experienced another downturn with the emergence of the COVID-19 pandemic which caused a significant decline in oil prices to the range of USD40.32 to USD65.65 per barrel and reduced O&G activities. As a result, the AMRB Group's financial condition further deteriorated, again on the back of lower charter rates and utilisation rates for its OSV vessels which has adversely affected its operating cashflow.

As at 31 December 2020, the AMRB Group had cash and cash equivalents of RM54.24 million and current liabilities of RM239.84 million which exceeded its current assets of RM211.16 million. Based on its financial position and the industry outlook, the AMRB Group was facing increasing challenges in meeting its short-term borrowings amounting to RM101.44 million and other financial commitments.

In view of the above, the AMRB Group commenced a second debt restructuring exercise in 2021 under the mediation of CDRC to facilitate, amongst others, the disposal of the AMRB Group's assets, raise funds from potential investors and restructure its debts under 2 schemes of arrangement ("**Second Restructuring**").

As at the end of 2022, the AMRB Group had secured approximately approval-in-principle from 78% and 100% of the secured and unsecured creditors respectively at the CDRC level for the Second Restructuring. However, CDRC had vide a letter dated 24 February 2023 discharged AMRB from its purview on the basis that AMRB was unable to provide conclusive proof of a potential investor's readily available funds to be invested in AMRB within the specified deadline requested by CDRC. As a result, the Second Restructuring could not be completed then.

Subsequently, the Group embarked on a third round of debt restructuring with the aim of restructuring the Group's debts on its own without relying on a white knight investor. This ultimately led to the Proposed Debt Restructuring to be undertaken in conjunction with the Proposed Regularisation Plan.

Meanwhile, the external auditors of AMRB had expressed a disclaimer of opinion in AMRB's financial statements for the 18-month FPE 30 June 2022, FYE 30 June 2023 and FYE 30 June 2024, which were released on 31 October 2022, 30 October 2023 and 30 October 2024 respectively.

As part of the disclaimer of opinion, the external auditors had highlighted, amongst others, a material uncertainty on the ability of the Group and the Company to continue as going concerns.

For the latest financial statements of AMRB for the FYE 30 June 2024 which was released on 30 October 2024, the external auditors of AMRB had also expressed a disclaimer of opinion. The basis for the disclaimer of opinion by the external auditors are set out below:-

No.	Basis for disclaimer of opinion
1.	<u>Going concern</u> During the FYE 30 June 2024, the Group's and the Company's current liabilities exceeded their current assets by RM47,197,406 and RM49,502,664 respectively and recorded a capital deficiency of RM25,459,282 and RM49,502,664 respectively. The Group and Company also recorded a negative operating cash flow of RM14,524,679 and RM15,462,680 respectively during the FYE 30 June 2024. On 31 October 2022, the Company announced that it became an affected listed issuer pursuant to PN17 of the Listing Requirements. These events or conditions indicate existence of material uncertainties that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. Nevertheless, the financial statements of the Group and the Company have been prepared by the directors on a going concern basis, the validity of which is highly dependent on the successful implementation of the Proposed Regularisation Plan and the Proposed Debt Restructuring by the directors in responding to the conditions above. In view of the matters set out above, there are material uncertainties involving the approvals by various parties and successful implementation of the Proposed Regularisation Plan and the Proposed Debt Restructuring, 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 the Company to continue as a going concern. Accordingly, the external auditors 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 the Company on a going concern basis.
2.	<u>Opening balances for FYE 30 June 2024</u> Crowe Malaysia PLT were appointed as auditors of the Group and the Company on 12 July 2024 for the FYE 30 June 2024. In accordance with International Auditing Standards 510 Initial Audit Engagements – Opening Balances, the external auditors are required to determine whether the opening balances contain misstatements that materially affect the current period's financial statements. The financial statements of the Group and the Company for the FYE 30 June 2023 and the 18-month FPE 30 June 2022 were audited by another firm of chartered accountants. Their reports dated 28 October 2022 and 18 October 2023 included disclaimer opinions. These opinions highlighted that the predecessor auditors 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, revenue, cost of sales, other income, non-controlling interests, amounts owing from subsidiaries, inter-company balances and consolidated and equity accounted unaudited subsidiaries, associates and joint ventures.

No.	Basis for disclaimer of opinion
	The external auditors were unable to obtain sufficient and appropriate audit evidence to verify the accuracy, existence and completeness and determine whether the following accounting balances as at 30 June 2023 and 30 June 2022/1 July 2022 respectively, and for the respective corresponding financial years then ended contain material misstatements: (i) As disclosed in Note 13 to the financial statements, the Group's trade and other receivables amounted to RM62,069,250 (1 July 2022: RM132,429,500). • Included in these balances are other receivables balance of RM11,821,068 and RM29,494,567 as at 30 June 2023 and 30 June 2022/1 July 2022, respectively, for which external auditors have not received sufficient and appropriate evidence on the recoverable amount determined, and unreconciled balances arising from inter-company reconciliation that have not been eliminated, amounted to RM3,886,963 as at 30 June 2022/1 July 2022. • The amount due from joint ventures amounted to RM17,379,059 and RM35,336,533 as at 30 June 2023 and 30 June 2022/1 July 2022, respectively. (ii) As disclosed in Note 19 to the financial statements, the Group's trade and other payables amounted to RM177,955,783 (1 July 2022: RM230,225,585). • The trade payables amounted to RM25,299,903 and RM80,530,661 as at 30 June 2023 and 30 June 2022/1 July 2022, respectively. • The amount due to joint ventures amounted to RM71,188,884 and RM130,521,460 as at 30 June 2023 and 30 June 2022/1 July 2022, respectively. • The amount due to associates amounted to RM11,256,127 and RM5,090,409 as at 30 June 2023 and 30 June 2022/1 July 2022, respectively. (iii) The cash and bank balances of the Group as at 30 June 2022/1 July 2022 amounted to RM42,277,837. As at the date of the report, the external auditors have not received sufficient and appropriate evidence on the bank reconciliation items on the bank balances amounted to RM9,215,747. (iv) As disclosed in Note 21 to the financial statements, the Group's costs of sales for the FYE 30 June 2023 amounted to RM302,181,198 in which the external auditors have not been able to obtain sufficient and appropriate audit evidence concerning the amount. (v) As disclosed in Note 22 to the financial statements, included in other income for the FYE 30 June 2023 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 in which the appropriateness, nature and validity cannot be reliably determined. (vi) As disclosed in Note 5 and Note 13 to the financial statements, the costs of investment in subsidiaries and amount due from subsidiaries of the Company as at 30 June 2022/1 July 2022 amounted to RM Nil and RM197,501,799, respectively, as at the end of the financial period. The Company has impaired the cost of investment in subsidiaries but has not yet completed its impairment assessment to determine the recoverability of the amount due from subsidiaries. (vii) The truth and fairness of accumulated losses balance as at 30 June 2022/1 July 2022 of the Group and the Company amounted to RM509,392,163 and RM308,926,271 respectively. (viii) The truth and fairness of accumulated losses balance as at 30 June 2023 of the Group and the Company amounted to RM489,963,575 and RM500,880,027 respectively. Accordingly, the external auditors have not been able to obtain sufficient and appropriate audit evidence concerning these balances. Therefore, the external auditors could not determine the effect of adjustment, if any, on the financial statements of the Group and of the Company as at 30 June 2023 and 30 June 2022/1 July 2022 respectively or on its financial performance for the corresponding financial years then ended respectively.

No.	Basis for disclaimer of opinion
	Since the opening amount of the above balances affects the determination of the results of operations, the external auditors are unable to determine whether any adjustment to the results of the operations and retained earnings might be necessary for the previous FYE 30 June 2023 and FPE 30 June 2022/1 July 2022. The external auditors' 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.
3.	<u>Current period's account balance</u> The external auditors were unable to obtain sufficient and appropriate audit evidence to verify the accuracy, existence and completeness and determine whether the following accounting balances as at 30 June 2024 and for the financial year then ended contain material misstatements: (i) As disclosed in Note 13 to the financial statements, the Group's trade and other receivables as at 30 June 2024 amounted to RM92,110,315. • Included in these balances are other receivables balance of RM8,322,045 as at 30 June 2024, for which the external auditors have not received sufficient and appropriate evidence on the recoverable amount determined, and unreconciled balances arising from inter-company reconciliation that have not been eliminated, amounted to RM1,600,162 as at 30 June 2024. • The amount due from joint ventures amounted to RM31,671,098 as at 30 June 2024. (ii) As disclosed in Note 19 to the financial statements, the Group's trade and other payables as at 30 June 2024 amounted to RM174,350,692. • The trade payables amounted to RM18,509,305 as at 30 June 2024. • The amount due to joint ventures amounted to RM54,107,202 as at 30 June 2024. • The amount due to associates amounted to RM10,739,650 as at 30 June 2024. (iii) As disclosed in Note 21 to the financial statements, the Group's costs of sales for the FYE 30 June 2024 amounted to RM324,611,310 in which the external auditors have not been able to obtain sufficient and appropriate audit evidence concerning the amount. (iv) As disclosed in Note 22 to the financial statements, included in other income for the FYE 30 June 2024 is an amount of RM2,195,440 being other income recognised arising from the Group's exercise on reconciling major balances in the financial position of the Group in which the appropriateness, nature and validity cannot be reliably determined. (v) The truth and fairness of accumulated losses balance as at 30 June 2024 of the Group and the Company amounted to RM468,998,368 and RM492,170,067 respectively. Accordingly, the external auditors have not been able to obtain sufficient and appropriate audit evidence concerning these balances. Therefore, the external auditors could not determine the effect of adjustment, if any, on the financial statements of the Group as at 30 June 2024 or on its financial performance for the year then ended. Any adjustments or additional disclosures that may be necessary in respect of the above matters, including any related tax impact, may have a consequential significant impact on the financial position of the Group and the Company as at 30 June 2024 and the financial results and cash flows of the Group and the Company for the financial year then ended.

No.	Basis for disclaimer of opinion
4.	<u>Limitation of scope on the audit of subsidiaries, associates entities and jointly controlled entities</u> The list of subsidiaries, associates and joint ventures and of which the external auditors have not acted as auditors is disclosed in Notes 5, 6 and 7 to the financial statements respectively. The associates and joint ventures had been consolidated and equity accounted for in the Group's financial statement. The external auditors were unable to carry out the audit procedures per ISA 600, Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors). Consequently, the external auditors were unable to determine whether any adjustments to these amounts were necessary.

The basis for the disclaimer of opinion by the external auditors as set out above can be summarised as follows:-

(a) there are material uncertainties that may cast significant doubt on the Group's and the Company's ability to continue as a going concern, in view of its insolvent financial position, negative operating cash flow and PN17 condition ("**Going Concern Matter**"); and

(b) the external auditors of AMRB were unable to obtain sufficient and appropriate audit evidence to verify the accuracy, existence and completeness of certain accounting balances, as well as limitation of their scope on the audit of subsidiaries, associates and jointly controlled entities of AMRB of which the external auditors of AMRB have not acted as auditors ("**Accounting Balances Matter**").

In order to address the Going Concern Matter and the Accounting Balances Matter, the Group has undertaken the following:-

(i) Proposed Debt Restructuring and the Proposed Regularisation Plan

In relation to the Going Concern Matter, the Group is in the midst of undertaking the Proposed Debt Restructuring and the Proposed Regularisation Plan to regularise its financial position and return it to solvency. Upon completion of the Proposed Debt Restructuring and the Proposed Regularisation Plan:-

(a) the Group's current liabilities are expected to be lower than its current assets; and

(b) the Group is expected to be in a positive net asset position instead of its current net liabilities / capital deficient position.

Further details on the effects of the Proposed Debt Restructuring and the Proposed Regularisation Plan are set out in Section 10 of this Circular.

In addition, based on the latest unaudited interim financial report for the 6-month FPE 31 December 2024, the Group recorded net cash generated from operating activities of RM57.59 million.

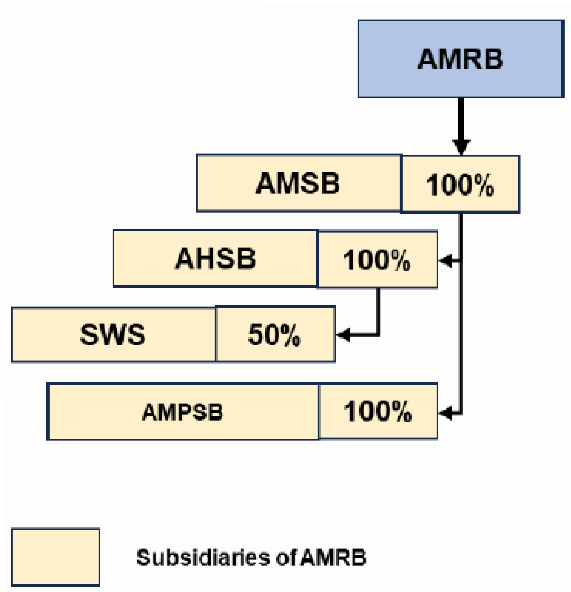
Given the above, the external auditors' disclaimer of opinion pertaining to the Going Concern Matter is expected to be resolved upon the completion of the Proposed Debt Restructuring and the Proposed Regularisation Plan.

(ii) Addressing the queries from the external auditors

The basis for disclaimer of opinion pertaining to the Accounting Balances Matter resulted mainly due to the Company being unable to meet the timeline to address all the queries from the external auditors pertaining to various accounting balances before the deadline for the issuance of its audited financial statements for the FYE 30 June 2024 i.e. by 31 October 2024.

Nevertheless, the Company continued to address the queries from the external auditors with the aim of resolving the matter in time for the issuance of its next audited financial statements for the FYE 30 June 2025. In order to accelerate its efforts, the Company had on 18 December 2024 appointed a new Group Chief Financial Officer to lead the Group's finance and accounts department.

In the meantime, Interpac had on 28 March 2025 announced, on behalf of the Board, that the Company proposes to undertake the Proposed Internal Restructuring, which shall be included as part of the Proposed Regularisation Plan. Under the Proposed Internal Restructuring, the Company plans to liquidate, strike-off and/or dispose the Non-Core Entities, which would then result in the deconsolidation of the financial results and positions of these Non-Core Entities from the AMRB Group. Upon completion of the Proposed Internal Restructuring, the AMRB Group shall comprise AMRB, AMSB, AHSB, SWS and AMPSB as illustrated below:-



Further details on the Proposed Internal Restructuring are set out in Section 6 of this Circular.

Thus, given that the Non-Core Entities would no longer be part of the AMRB Group moving forward as a consequence of the Proposed Internal Restructuring, the Company focused its efforts to address the queries from the external auditors pertaining to the core subsidiaries of AMRB that would remain in the AMRB Group moving forward, namely AMSB, AHSB and AMPSB. Meanwhile, the statutory audit for SWS (being a 50%-owned subsidiary of AHSB) had already been completed earlier on 24 October 2024 without any qualified opinion by the external auditors.

Subsequently:-

(a) the statutory audits for AHSB and AMPSB were completed on 14 March 2025; and

(b) the statutory audit for AMSB was completed on 26 March 2025,

with the external auditors no longer highlighting any disclaimer of opinion pertaining to the Accounting Balances Matter.

Given the above, the external auditors' disclaimer of opinion pertaining to the Going Concern Matter and the Accounting Balances Matter is expected to be resolved upon the completion of the Proposed Internal Restructuring and the release of the Company's next audited financial statements for the FYE 30 June 2025 (tentatively by end of October 2025).

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1.3 Current status of AMRB's PN17 condition

The current status of AMRB in relation to the prescribed criteria pursuant to Paragraph 2.1 of PN17 of the Listing Requirements is as follows:-

Prescribed criteria		Status and steps taken / to be taken
(a)	The shareholders' equity of the listed issuer on a consolidated basis is 25% or less of the share capital (excluding treasury shares) of the listed issuer and such shareholders' equity is less than RM40.00 million.	The shareholders' equity of AMRB as at 30 June 2024 (audited) and 31 December 2024 (unaudited) stood at a deficiency of RM25.46 million and RM93.64 million respectively whereas the share capital of AMRB as at 30 June 2024 (audited) and 31 December 2024 (unaudited) both stood at RM442.67 million. Nevertheless, upon completion of the Proposed Regularisation Plan and the Proposed Debt Restructuring, the shareholders' equity and share capital of AMRB are expected to be RM53.37 million and RM87.78 million respectively. In turn, the shareholders' equity of AMRB would then be 60.80% of its share capital. Please refer to Section 10.2 of this Circular for the effects of the Proposed Regularisation Plan and the Proposed Debt Restructuring on the shareholders' equity and the share capital of AMRB. Premised on the above, AMRB is not expected to trigger Paragraph 2.1(a) of PN17 of the Listing Requirements upon completion of the Proposed Regularisation Plan and the Proposed Debt Restructuring.
(b)	Receivers or managers, or judicial managers have been appointed over the asset of the listed issuer, its subsidiary or associated company which asset accounts for at least 50% of the total assets employed of the listed issuer on a consolidated basis.	Not applicable as no receiver or manager was appointed over the assets of the Company, its subsidiaries or associated companies which asset accounts for at least 50% of the total assets employed of the Group as at the LPD. AMRB will not trigger Paragraph 2.1(b) of PN17 of the Listing Requirements upon completion of the Proposed Regularisation Plan and the Proposed Debt Restructuring.
(c)	A winding up of a listed issuer's subsidiary or associated company which accounts for at least 50% of the total assets employed of the listed issuer on a consolidated basis.	Not applicable as there are no winding-up proceedings of the Company's subsidiaries or associated companies which asset accounts for at least 50% of the total assets employed of the Group as at the LPD. AMRB will not trigger Paragraph 2.1(c) of PN17 of the Listing Requirements upon completion of the Proposed Regularisation Plan and the Proposed Debt Restructuring.

Prescribed criteria		Status and steps taken / to be taken
(d)	The auditors have expressed an adverse or disclaimer opinion in the listed issuer's latest audited financial statements.	As explained in Section 1.2 of this Circular, the Company's next audited financial statements for the FYE 30 June 2025 are expected to be issued without any disclaimer of opinion pertaining to accounting balances[(1)]. As for the disclaimer of opinion pertaining to material uncertainties on the Group's and the Company's ability to continue as a going concern, this is expected to be resolved upon completion of the Proposed Regularisation Plan and the Proposed Debt Restructuring. Thus, AMRB is not expected to trigger Paragraph 2.1(d) of PN17 of the Listing Requirements upon completion of the Proposed Regularisation Plan and the Proposed Debt Restructuring. <u>Note:-</u> (1) For the avoidance of doubt, the material uncertainty related to the going concern of the AMRB Group can only be resolved upon completion of the Proposed Regularisation Plan and the Proposed Debt Restructuring. In that regard, if the Proposed Regularisation Plan and the Proposed Debt Restructuring are completed within the FYE 30 June 2025, the audited financial statements for the FYE 30 June 2025 are expected to be issued without a qualified opinion. However, if the Proposed Regularisation Plan and the Proposed Debt Restructuring are completed within the FYE 30 June 2026 i.e. after the FYE 30 June 2025, the audited financial statements for the FYE 30 June 2025 are expected to still be issued with a qualified opinion. Nevertheless, the subsequent audited financial statements for the FYE 30 June 2026 are expected to be issued without a qualified opinion.
(e)	The auditors have highlighted a material uncertainty related to going concern or expressed a qualification on the listed issuer's ability to continue as a going concern in the listed issuer's latest audited financial statements and the shareholders' equity of the listed issuer on a consolidated basis is 50% or less of share capital (excluding treasury shares) of the listed issuer.	The shareholders' equity of AMRB as at 30 June 2024 (audited) and 31 December 2024 (unaudited) stood at a deficiency of RM25.46 million and RM93.64 million respectively whereas the share capital of AMRB as at 30 June 2024 (audited) and 31 December 2024 (unaudited) both stood at RM442.67 million. In addition, the auditors have expressed a material uncertainty related to going concern in the financial statements of AMRB for the FYE 30 June 2024 in view that:- (i) the Group's and the Company's current liabilities exceed their current assets by RM47.20 million and RM49.50 million respectively; (ii) the Group and the Company recorded capital deficiencies of RM25.46 million and RM49.50 million respectively; (iii) the Group and the Company recorded negative operating cash flows of RM14.52 million and RM15.46 million respectively; and (iv) on 31 October 2022, the Company announced that it became an affected listed issuer pursuant to PN17 of the Listing Requirements.

Prescribed criteria		Status and steps taken / to be taken
		Nevertheless, upon completion of the Proposed Regularisation Plan and the Proposed Debt Restructuring, the shareholders' equity and share capital of AMRB are expected to be RM53.37 million and RM87.78 million respectively. In turn, the shareholders' equity of AMRB would then be 60.80% of its share capital. Furthermore, in the latest FYE 30 June 2024, the Group has recorded a net profit of RM26.31 million. Further to that, upon completion of the Proposed Debt Restructuring and the Proposed Regularisation Plan:- (i) the Group's current liabilities are expected to be lower than its current assets; and (ii) the Group is expected to be in a positive net asset position instead of its current net liabilities / capital deficient position. Thus, based on the above as well as discussions with the external auditors, the material uncertainty related to going concern classification is expected to be resolved upon completion of the Proposed Debt Restructuring and the Proposed Regularisation Plan. Please refer to Section 10.2 of this Circular for the effects of the Proposed Regularisation Plan on the shareholders' equity and the share capital of AMRB.
(f)	A default in payment by a listed issuer, its major subsidiary or major associated company, as the case may be, as announced by a listed issuer pursuant to Paragraph 9.19A of the Listing Requirements and the listed issuer is unable to provide a solvency declaration to Bursa Securities.	The Group had defaulted in its payments to its creditors, further details of which are set out in Section 5(i) of Appendix VII of this Circular. In summary, RHB Islamic had filed legal suits against the Company and AMLI (a wholly-owned subsidiary of the Company) to claim for a sum of USD2.35 million. In addition, 2 other creditors, namely Bendera Shipping Agencies Sdn Bhd ("**BSASB**") and Eastern Distinction Sdn Bhd ("**EDSB**"), had filed legal suits against AMSB (a wholly-owned subsidiary of the Company) claiming for a total sum of RM2.43 million. In addition, AMRB is deemed insolvent in view that its shareholders' equity as at 30 June 2024 (audited) and 31 December 2024 (unaudited) stood at a deficiency of RM25.46 million and RM93.64 million respectively. Nevertheless, the Proposed Debt Restructuring and the Proposed Regularisation Plan are expected to settle the outstanding amounts due and owing by the Group to its creditors so that the Group would no longer be in default of its payments to its creditors.

Prescribed criteria		Status and steps taken / to be taken
		On 26 July 2024, the Company had obtained the approval of the requisite majority in value of the Scheme Creditors to undertake the Proposed Debt Restructuring during the CCM held on even date. Furthermore, upon completion of the Proposed Regularisation Plan and the Proposed Debt Restructuring, AMRB is expected to return to a solvent position in view that its shareholders' equity is expected to turn positive at RM53.37 million. Accordingly, AMRB will not trigger Paragraph 2.1(f) of PN17 of the Listing Requirements upon completion of the Proposed Regularisation Plan and the Proposed Debt Restructuring. In addition, the Board does not foresee AMRB defaulting in its payments moving forward based on the strengthened financial position of the Group after completion of the Proposed Regularisation Plan, the improved financial performance of the Group with its return to profitability in FYE 30 June 2024 as well as the prospects and future plans of the Group as set out in Section 8.3 of this Circular.

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1.4 Details of the Proposed Debt Restructuring

On 26 July 2024, the Board announced that the Company had obtained the approval of the requisite majority in value of the Scheme Creditors to undertake the Proposed Debt Restructuring during the CCM held on even date.

On 4 September 2024, the High Court had granted an order to sanction the Proposed Debt Restructuring to be binding upon AMSB, AMRB and the Scheme Creditors.

As set out in the Explanatory Statement, in the event that the Proposed Debt Restructuring does not come into effect within 12 months from the date of the High Court's sanction of the same ("**Long Stop Date**")[(1)], the Proposed Debt Restructuring shall be automatically terminated and the terms under the Explanatory Statement shall lapse. As such, this means that if the Proposed Debt Restructuring does not come into effect by 4 September 2025, the Proposed Debt Restructuring shall be automatically terminated.

Note:-

(1) Nevertheless, the Long Stop Date may be extended by an additional 6 months each time when 75% in value of the total scheme debts in each of the AMSB Unsecured Scheme and the AMRB Unsecured Scheme agree in writing to the extension prior to the expiry of the Long Stop Date or to any extended Long Stop Date.

However, there is no certainty that at least 75% in value of the total scheme debts in each of the AMSB Unsecured Scheme and the AMRB Unsecured Scheme will agree to such an extension.

For information, based on the Company's understanding from its engagement with the Scheme Creditors, the debt restructuring exercise has been ongoing for several years and following the High Court's sanction of the Proposed Debt Restructuring, most of the Scheme Creditors wish to complete the Proposed Debt Restructuring without further delay. As the extension of the Long Stop Date requires the approval of the Scheme Creditors with at least 75% in value of the total scheme debts in each of the AMSB Unsecured Scheme and the AMRB Unsecured Scheme, the Company is uncertain if the Long Stop Date can be successfully extended.

The details of the Proposed Debt Restructuring as set out in this Circular are for information purposes only. The Proposed Debt Restructuring is not subject to the approval of the Shareholders. Nevertheless, the Proposed Settlement, which forms part of the Proposed Debt Restructuring, is subject to the approval of the Shareholders.

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As detailed in the Explanatory Statement dated 5 July 2024 issued pursuant to the Proposed Debt Restructuring, AMRB will undertake, amongst others, the following:-

(i) AMSB Unsecured Scheme

The AMSB Unsecured Scheme is a scheme of arrangement pursuant to Section 366 of the Act which involves the settlement of the AMSB Scheme Amounts.

The mode of settlement pursuant to the AMSB Unsecured Scheme is set out below:-

	AMSB Scheme Amounts	Upfront Cash Settlement[1]	Rights Issue Cash Settlement[1]	Settlement Shares[1]	Total proposed payment to each AMSB Scheme Creditor	Remaining AMSB Scheme Amounts
	A	B	C	D	E = B + C + D	F = A - E
	(RM'million)	(RM'million)	(RM'million)	(RM'million)	(RM'million)	(RM'million)
AMSB FI Creditors[2]	72.64	2.35	4.68	19.29	26.32	46.33[2]
Trade and other creditors[3][4]	11.79	0.38	0.76	3.13	4.27	7.52[3]
AMRB[3]	101.61	3.28[5]	6.55[5]	26.98[5][6]	36.81	64.80[3]
Total	**186.04**	**6.00**	**12.00**	**49.40**	**67.40**	**118.64**

Notes:-

(1) The Upfront Cash Settlement, the Rights Issue Cash Settlement and the Settlement Shares amounting to RM6.00 million, RM12.00 million and RM49.40 million respectively will be distributed to the AMSB Scheme Creditors in proportion to the AMSB Scheme Amounts owing to them. For the avoidance of doubt, the Upfront Cash Settlement of RM6.00 million will be sourced from the Group's internally generated funds.

(2) These creditors have the benefit of corporate guarantees from AMRB. As such, the remaining AMSB Scheme Amounts owing to them after the AMSB Unsecured Scheme (amounting to RM46.33 million) will be recognised as an unsecured debt and settled via the AMRB Unsecured Scheme as explained in Section 1.4(ii) of this Circular.

(3) These creditors do not have the benefit of any corporate guarantee from AMRB. As such, the remaining AMSB Scheme Amounts owing to them after the AMSB Unsecured Scheme (amounting to RM72.32 million) will be waived.

(4) These comprise mainly creditors of AMSB who are owed more than RM10,000 as at the Cut-off date. Other creditors of AMSB which are excluded from the AMSB Unsecured Scheme will be settled in the ordinary course of business. For information, as at the Cut-off date, the total amount of debts owed to other creditors of AMSB which are not included in the AMSB Unsecured Scheme is RM9.15 million.

(5) The Upfront Cash Settlement, the Rights Issue Cash Settlement and the Settlement Shares that AMRB is entitled to pursuant to the AMSB Unsecured Scheme amounting to RM3.28 million, RM6.55 million and RM26.98 million respectively will be re-distributed to the AMRB Scheme Creditors pursuant to the AMRB Unsecured Scheme as set out in Section 1.4(ii) of this Circular.

(6) For the avoidance of doubt, AMRB will not issue any Settlement Shares to itself. Instead, AMRB will issue the Settlement Shares directly to the AMRB Scheme Creditors who are entitled to receive the re-distributed Settlement Shares pursuant to the AMRB Unsecured Scheme.

(7) Difference in summation is due to rounding.

(ii) AMRB Unsecured Scheme

The AMRB Unsecured Scheme is a scheme or arrangement pursuant to Section 366 of the Act which involves the settlement of the AMRB Scheme Amounts which comprise:-

(i) amounts owing to the unsecured creditors of AMRB as at the Cut-off Date; and

(ii) the balance AMSB Scheme Amounts (after settlement via the AMSB Unsecured Scheme) owing to the AMSB Scheme Creditors who have the benefit of corporate guarantees from AMRB.

The mode of settlement pursuant to the AMRB Unsecured Scheme is set out below:-

	AMRB Scheme Amounts	Re-distribution of Upfront Cash Settlement received by AMRB in the AMSB Unsecured Scheme[1]	Re-distribution of Rights Issue Cash Settlement received by AMRB in the AMSB Unsecured Scheme[1]	Re-distribution of Settlement Shares received by AMRB in AMSB Unsecured Scheme[1]	Total proposed payment to each AMRB Scheme Creditor	Remaining amount to be waived
	A	B	C	D	E = B + C + D	F = A - E
	(RM'million)	(RM'million)	(RM'million)	(RM'million)	(RM'million)	(RM'million)
AMSB FI Creditors[2]	46.33[2]	1.51	3.02	12.44	16.97	29.35
Sukuk	43.31	1.41	2.83	11.63	15.87	27.44
AMRB FI Creditor	10.84	0.35	0.71	2.91	3.97	6.87
Total	**100.48**	**3.28**	**6.55**	**26.98**	**36.81**	**63.67**

Notes:-

(1) The Upfront Cash Settlement, the Rights Issue Cash Settlement and the Settlement Shares received by AMRB pursuant to the AMSB Unsecured Scheme amounting to RM3.28 million, RM6.55 million and RM26.98 million respectively will be distributed to the AMRB Scheme Creditors in proportion to the AMRB Scheme Amounts owing to them.

(2) These creditors have the benefit of corporate guarantees from AMRB. As such, the AMRB Scheme Amounts owing to them to be settled under the AMRB Unsecured Scheme comprises the remaining AMSB Scheme Amounts owing to them after the AMSB Unsecured Scheme as explained in Section 1.4(i) of this Circular.

(3) Difference in summation is due to rounding.

The salient terms of the AMSB Unsecured Scheme and the AMRB Unsecured Scheme are summarised as follows:-

Issue price of Settlement Shares	:	The Settlement Shares will be issued to the Scheme Creditors based on the issue price of RM0.2783 each, which is equivalent to the TERP of AMRB Shares after completion of the Proposed Share Consolidation and the Proposed Rights Issue with Warrants.
Ranking of Settlement Shares	:	The Settlement Shares shall, upon allotment and issuance, rank equally in all respects with the then-existing issued Shares, save and except that the holders of the Settlement Shares shall not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of the Settlement Shares.
Issue price of Settlement Warrants	:	The Settlement Warrants will be issued for free to the Scheme Creditors on the basis of 1 Settlement Warrant for every 4 Settlement Shares issued.
Ranking of Settlement Warrants	:	The Settlement Warrants shall rank equally in all respects with the Rights Warrants as they form the same series of the Warrants to be constituted by the Deed Poll and are subject to the same terms and conditions as set out in the Deed Poll.
Tenure and exercise period of Settlement Warrants	:	The Settlement Warrants may be exercised at any time within a period of 3 years commencing from and including the date of issuance of the Settlement Warrants to the close of business at 5.00 p.m. (Malaysia time) on the Market Day immediately preceding the date which is the 3rd anniversary from the date of issuance of the Settlement Warrants. Any Settlement Warrants not exercised during this period will thereafter lapse and cease to be valid for any purpose.
Exercise price of Settlement Warrants	:	The exercise price of the Settlement Warrants shall be fixed at RM0.30.
Listing	:	The Settlement Shares and the Settlement Warrants will be listed and traded on the Main Market of Bursa Securities.
Issue / listing date	:	The Settlement Shares and the Settlement Warrants will be issued and listed simultaneously with the Rights Shares and Rights Warrants.
Timeline for payment of Upfront Cash Settlement and Rights Issue Cash Settlement	:	(i) The Upfront Cash Settlement is proposed to be paid to the AMSB Scheme Creditors within 5 Market Days after the Proposed Regularisation Plan is approved by Bursa Securities. (ii) The Rights Issue Cash Settlement is proposed to be paid to the AMSB Scheme Creditors within 3 Market Days after the Proposed Rights Issue with Warrants is completed with the listing and quotation of the Rights Shares with Rights Warrants.
Termination of securities / charges	:	All securities provided to the Scheme Creditors, including charges, mortgages and corporate guarantees (if any), shall be terminated and/or released upon completion of the Proposed Debt Restructuring.

Please refer to Appendix VI of this Circular for further details on the salient terms of the Warrants (which include the Settlement Warrants and the Rights Warrants).

Further details on the number of Settlement Shares and Settlement Warrants to be issued to the Scheme Creditors are set out in Section 5 of this Circular.

The purpose of this Circular is to provide you with the relevant information on the Proposed Regularisation Plan and to set out the views and recommendation of the Board as well as to seek your approval for the resolutions pertaining to the Proposed Regularisation Plan which will be tabled at the forthcoming EGM. The Notice of EGM and together with the Form of Proxy are enclosed in this Circular.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSED REGULARISATION PLAN AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED SHARE CAPITAL REDUCTION

The Proposed Share Capital Reduction entails the reduction of RM440.00 million of the issued share capital of the Company by cancellation of the issued share capital which is lost or unrepresented by available assets pursuant to Section 116 of the Act.

The credit arising from the Proposed Share Capital Reduction shall be utilised to set off the accumulated losses of the Company as permitted by the relevant and applicable laws as well as the Listing Requirements and the constitution of the Company.

For the avoidance of doubt, the Proposed Share Capital Reduction:-

(i) will not result in any adjustment to the reference share price of the Company; and

(ii) will not give rise to any change in the total number of issued AMRB Shares held by the Shareholders.

For illustrative purposes, the pro forma effects of the Proposed Share Capital Reduction on the accumulated losses of the Company and the Group are as follows:-

	Company		**Group**	
	Unaudited as at 31 December 2024	**Audited as at 30 June 2024**	**Unaudited as at 31 December 2024**	**Audited as at 30 June 2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Accumulated losses	(513,463)	(492,170)	(537,182)	(468,998)
Add:- Credit arising from the Proposed Share Capital Reduction	440,000	440,000	440,000	440,000
Resultant accumulated losses	**(73,463)**	**(52,170)**	**(97,182)**	**(28,998)**

An order of the High Court will be sought to confirm the Proposed Share Capital Reduction pursuant to Section 116 of the Act upon the approval being obtained from the Shareholders for the Proposed Share Capital Reduction at the forthcoming EGM.

The effective date of the Proposed Share Capital Reduction will be the date of lodgement of the sealed court order of the High Court for the Proposed Share Capital Reduction with the Registrar of Companies.

As at the LPD, the Company does not hold any treasury shares and does not have any outstanding convertible securities in issue.

3. DETAILS OF THE PROPOSED SHARE CONSOLIDATION

3.1 Basis and number of Consolidated Shares

The Proposed Share Consolidation entails the consolidation of every 10 existing AMRB Shares held by Shareholders, whose names appear in the Record of Depositors of the Company at the close of business on the Share Consolidation Entitlement Date, into 1 Consolidated Share. The Company intends to implement the Proposed Share Consolidation before the implementation of the Proposed Rights Issue with Warrants and the Proposed Settlement.

As at the LPD, the Company has a total of 1,531,828,805 issued AMRB Shares and none of the Shares is held by the Company as treasury shares. For the avoidance of doubt, the Proposed Share Consolidation will not have any effect on the total issued share capital of the Company.

For illustration purposes, assuming there are no fractional entitlements, the 1,531,828,805 AMRB Shares in issue will be consolidated into 153,182,880 Consolidated Shares pursuant to the Proposed Share Consolidation.

Fractional entitlements arising from the Proposed Share Consolidation in respect of the Consolidated Shares, if any, shall be disregarded and/or dealt with by the Board in such manner and on such terms and conditions as the Board in its absolute discretion may deem fit or expedient and in the best interests of the Company.

3.2 Theoretical adjusted reference price of the Shares

The Proposed Share Consolidation will result in an adjustment to the reference price of AMRB Shares as quoted on the Main Market of Bursa Securities but theoretically shall not have any impact on the total market value of AMRB Shares held by the Shareholders.

For illustration purposes, based on the last transacted market price of AMRB Shares as at the LPD of RM0.030, the theoretical adjusted reference price of the Shares upon completion of the Proposed Share Consolidation will be as follows:-

	No. of Shares	**Closing market price / theoretical adjusted reference price per Share (RM)**	**Market capitalisation of AMRB(1) (RM)**
As at the LPD	1,531,828,805	0.030 (Last transacted market price as at the LPD)	45,954,864
After the Proposed Share Consolidation	153,182,880	0.300 (Theoretical adjusted reference price after the Proposed Share Consolidation)	45,954,864

Notes:-

(1) The market capitalisation of AMRB was arrived at by multiplying the number of Shares in issue with the closing market price / theoretical adjusted reference price per Share.

(2) The theoretical adjusted reference price is arrived at based on the following formula:-

$$\text{Theoretical adjusted reference price} = \text{Market price per Share} \times \frac{\text{Number of Shares before the Proposed Share Consolidation}}{\text{Number of Shares after the Proposed Share Consolidation}}$$

3.3 Ranking of the Consolidated Shares

The Consolidated Shares shall rank equally in all respects with each other.

3.4 Suspension of trading

No suspension will be imposed on the trading of AMRB Shares on the Main Market of Bursa Securities pursuant to the Proposed Share Consolidation.

3.5 Listing and notices of allotment

The Consolidated Shares will be quoted and listed on the Main Market of Bursa Securities on the next Market Day after the Share Consolidation Entitlement Date.

The notices of allotment of the Consolidated Shares will be issued and despatched to the Entitled Shareholders within 4 Market Days after the listing and quotation of the Consolidated Shares on the Main Market of Bursa Securities, or such other period as may be prescribed by Bursa Securities.

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4. DETAILS OF THE PROPOSED RIGHTS ISSUE WITH WARRANTS

4.1 Basis and number of Rights Shares and Rights Warrants to be issued

The Proposed Rights Issue with Warrants involves the issuance of 114,887,160 Rights Shares together with 28,721,790 Rights Warrants and is to be implemented on a renounceable basis of 3 Rights Shares for every 4 Consolidated Shares held by the Entitled Shareholders on the Rights Issue Entitlement Date at an issue price of RM0.12 per Rights Share and 1 Rights Warrant for every 4 Rights Shares subscribed.

For the avoidance of doubt, the Proposed Rights Issue with Warrants shall only be implemented after completion of the Proposed Share Consolidation.

The basis of 3 Rights Shares for every 4 Consolidated Shares together with 1 Rights Warrant for every 4 Rights Shares subscribed was arrived at after taking into consideration, amongst others, the amount of proceeds to be raised from the subscription of the Rights Shares which is to be channelled mainly towards the Rights Issue Cash Settlement as set out in Section 4.5 of this Circular.

As at the LPD, there are 1,531,828,805 AMRB Shares in issue. In addition, the Company does not hold any treasury shares and does not have any outstanding convertible securities in issue.

Upon completion of the Proposed Share Consolidation, the 1,531,828,805 AMRB Shares in issue will be consolidated into 153,182,880 Consolidated Shares (assuming there are no fractional entitlements).

In addition, the Proposed Rights Issue with Warrants will be fully subscribed in view of the Undertakings obtained from the Undertaking Shareholders, further details of which are set out in Section 4.3 of this Circular.

Thus, based on the entitlement basis of 3 Rights Shares for every 4 Consolidated Shares held and 1 Rights Warrant for every 4 Rights Shares subscribed, the Proposed Rights Issue with Warrants would entail the issuance of 114,887,160 Rights Shares together with 28,721,790 Rights Warrants (assuming there are no fractional entitlements).

The total number of Rights Shares and Rights Warrants to be issued under the Proposed Rights Issue with Warrants (together with the Settlement Shares and the Settlement Warrants which shall be issued simultaneously with the Rights Shares and the Rights Warrants is illustrated below:-

		No. of Shares
Total number of AMRB Shares as at the LPD		1,531,828,805
Total number of Consolidated Shares after the Proposed Share Consolidation		**153,182,880**
Rights Shares to be issued(1)		114,887,160
Settlement Shares to be issued(1)		177,506,735
Enlarged total number of AMRB Shares after the Proposed Regularisation Plan	**[A]**	**445,576,775**

		No. of Shares
Rights Warrants to be issued(1)		28,721,790
Settlement Warrants to be issued(1)		44,376,683
Total number of Warrants after the Proposed Regularisation Plan	**[B]**	**73,098,473**
Percentage of [B] against [A]		(2)**16.41%**

Notes:-

(1) The Rights Shares, the Settlement Shares, the Rights Warrants and the Settlement Warrants will all be issued and listed simultaneously on the same day.

(2) Based on this percentage, the 50% threshold under Paragraph 6.50 of the Listing Requirements would not be breached as a result of the Proposed Rights Issue with Warrants. As such, the Proposed Rights Issue with Warrants would be in compliance with Paragraph 6.50 of the Listing Requirements.

The Rights Shares and the Rights Warrants will be provisionally allotted and issued to the Entitled Shareholders. The Rights Issue Entitlement Date shall be determined by the Board after obtaining all requisite approvals for the Proposed Rights Issue with Warrants.

The Rights Warrants are attached to the Rights Shares without any cost and will be issued only to the Entitled Shareholders and/or their renouncee(s) who subscribe for the requisite number of Rights Shares. Each Rights Warrant will entitle its holder to subscribe for 1 new Share at the exercise price of RM0.30. The Rights Warrants will be immediately detached from the Rights Shares upon the issuance and will be traded separately. The Rights Warrants will be issued in registered form and constituted by the Deed Poll.

The entitlements for the Rights Shares together with the Rights Warrants are renounceable in full or in part. Accordingly, the Entitled Shareholders may fully or partially renounce their entitlements under the Proposed Rights Issue with Warrants.

However, the Rights Shares and the Rights Warrants cannot be renounced separately and only the Entitled Shareholders and/or their renouncee(s) who successfully subscribe for the Rights Shares will be entitled to the Rights Warrants. As such, the Entitled Shareholders who renounce all of their Rights Shares entitlements shall be deemed to have renounced all the accompanying entitlements to the Rights Warrants to be issued together with the Rights Shares. If the Entitled Shareholders accept only part of their Rights Shares entitlements, they shall be entitled to the Rights Warrants in proportion to their acceptance of their Rights Share entitlements.

Any Rights Shares which are not validly taken up shall be offered to other Entitled Shareholders and/or their renouncee(s) under excess Rights Shares applications. It is the intention of the Board to reduce the incidence of odd lots and to allocate excess Rights Shares in a fair and equitable manner and on a basis to be determined by the Board later.

Fractional entitlements arising from the Proposed Rights Issue with Warrants, if any, will be disregarded and/or dealt with by the Board in such manner and on such terms and conditions as the Board in its absolute discretion may deem fit or expedient and in the best interests of the Company.

4.2 Salient terms of the Rights Warrants

Please refer to Appendix VI of this Circular for the salient terms of the Warrants (which include the Rights Warrants and the Settlement Warrants).

4.3 Undertakings

The Proposed Rights Issue with Warrants will be undertaken on a full subscription basis. To achieve this, the Company has obtained the Undertakings from the Undertaking Shareholders whereby:-

(i) Datuk Azmi has undertaken to apply and subscribe in full for his entitlement of Rights Shares and additional Rights Shares not taken up by other Entitled Shareholders by way of excess Rights Shares application up to a maximum of 55,000,000 Rights Shares; and

(ii) Dato' Albert has undertaken to apply and subscribe in full for his entitlement of Rights Shares and additional Rights Shares not taken up by other Entitled Shareholders by way of excess Rights Shares application up to a maximum of 59,887,160 Rights Shares.

Assuming none of the Rights Shares are subscribed by other Entitled Shareholders, all the 114,887,160 Rights Shares available for subscription pursuant to the Proposed Rights Issue with Warrants will be subscribed by the Undertaking Shareholders as shown below:-

Undertaking Shareholders	Shareholding as at the LPD		Shareholding after the Proposed Share Consolidation		Rights Shares with Rights Warrants to be subscribed for pursuant to the Undertakings			Shareholding after the Proposed Regularisation Plan	
	No. of Shares	%[(2)]	No. of Shares	%[(3)]	Rights Shares	Rights Warrants	%[(4)]	No. of Shares	%[(5)]
Datuk Azmi	[(1)]332,873,809	21.73	33,287,380	21.73	55,000,000	13,750,000	47.87	88,287,380	19.81
Dato' Albert	1,000,000	0.07	100,000	0.07	59,887,160	14,971,790	52.13	59,987,160	13.46
Total	**333,873,809**	**21.80**	**33,387,380**	**21.80**	**114,887,160**	**28,721,790**	**100.00**	**148,274,540**	**33.28**

Notes:-
(1) This comprises his direct shareholding of 2,292,748 Shares and indirect shareholding of 330,581,061 Shares by virtue of his shareholding in SAR Venture Holdings (M) Sdn Bhd and his spouse's shareholding in AMRB pursuant to subsections 8(4) and 59(11)(c) of the Act respectively.
(2) Based on the issued share capital of 1,531,828,805 Shares as at the LPD.
(3) Based on the issued share capital of 153,182,880 Shares after the Proposed Share Consolidation.
(4) Based on the total number of 114,887,160 Rights Shares and 28,721,790 Rights Warrants to be issued.
(5) Based on the issued share capital of 445,576,775 Shares after the Proposed Regularisation Plan which entails the simultaneous issuance of 114,887,160 Rights Shares and 177,506,735 Settlement Shares.

Further to the above, the Company does not need to procure any underwriting arrangement for the remaining Rights Shares not subscribed for by other Entitled Shareholders.

Pursuant to their Undertakings, the Undertaking Shareholders have also:-

(i) irrevocably and unconditionally undertaken that they shall not sell or in any other way dispose of or transfer their existing equity interest in the Company or any part thereof during the period commencing from the date of their Undertakings up to the Rights Issue Entitlement Date; and

(ii) confirmed that they have sufficient financial means and resources to fulfill their obligations under their respective Undertakings.

Interpac has verified the sufficiency of financial resources of the Undertaking Shareholders for the purpose of subscribing for the Rights Shares and excess Rights Shares pursuant to their Undertakings.

The Undertaking Shareholders have confirmed that their subscription for the Rights Shares will not give rise to any mandatory take-over offer obligation under the Code and the Rules immediately after the completion of the Proposed Rights Issue with Warrants.

In the event that the Undertaking Shareholders trigger an obligation to undertake a mandatory take-over offer under the Code and the Rules pursuant to the Undertakings, a separate announcement will be made. Nonetheless, the Undertaking Shareholders have undertaken to at all times observe and ensure compliance with the provisions of the Code and the Rules and will seek from the SC the necessary exemptions from undertaking such mandatory take-over offer, if required.

The Undertaking Shareholders have also confirmed that they are not persons acting in concert with each other. The Undertaking Shareholders will also not be controlling shareholders of the Company.

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The Undertakings are not expected to result in any breach in the public shareholding spread requirement by the Company under Paragraph 8.02(1) of the Listing Requirements, which stipulates that a listed issuer must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders. As at the LPD, the Company does not hold any treasury shares.

The pro forma effects of the Proposed Rights Issue with Warrants on the public shareholding spread of the Company assuming full subscription of the Rights Shares by the Undertaking Shareholders are as follows:-

	As at the LPD		(I) After the Proposed Share Consolidation		(II) After (I) and the Proposed Regularisation Plan		(III) After (II) and assuming full exercise of the Warrants	
	No. of Shares	**%[1]**	**No. of Shares**	**%[2]**	**No. of Shares**	**%[3]**	**No. of Shares**	**%[4]**
Issued share capital	1,531,828,805	100.00	153,182,880	100.00	445,576,775	100.00	518,675,248	100.00
Less: Directors, substantial Shareholders and their associates[5]								
- Datuk Azmi	[7]332,873,809	21.73	33,287,380	21.73	88,287,380	19.81	102,037,380	19.67
- Dato' Albert	1,000,000	0.07	100,000	0.07	59,987,160	13.46	74,958,950	14.45
- Fina Norhizah binti Hj Baharu Zaman	34,000	[8]-	3,400	[8]-	3,400	[8]-	3,400	[8]-
- Bank A[6]	-	-	-	-	79,824,087	17.91	99,780,108	19.24
- Alvin Ch'ng Yi Ming	1,200,000	0.08	120,000	0.08	120,000	0.03	120,000	0.02
Public shareholding spread	**1,196,597,246**	**78.12**	**119,659,725**	**78.12**	**217,342,373**	**48.78**	**241,763,035**	**46.61**

Notes:-

(1) Based on the issued share capital of 1,531,828,805 Shares as at the LPD.

(2) Based on the issued share capital of 153,182,880 Shares after the Proposed Share Consolidation.

(3) Based on the issued share capital of 445,576,775 Shares after the Proposed Regularisation Plan which entails the simultaneous issuance of 114,887,160 Rights Shares and 177,506,735 Settlement Shares.

(4) Based on the issued share capital of 518,675,248 Shares after the Proposed Regularisation Plan and assuming full exercise of the Warrants.

(5) Includes directors of the subsidiaries of the Company. For information, apart from Datuk Azmi, Dato' Albert and Alvin Ch'ng Yi Ming, none of the directors of the subsidiaries of the Company hold any Shares as at the LPD.

(6) Bank A, being part of the AMSB FI Creditors, will emerge as the substantial Shareholders of AMRB after the Proposed Regularisation Plan following the issuance of the Settlement Shares pursuant to the Proposed Debt Restructuring. Due to the sensitivity of information, the Company has not been given consent to disclose the names of these banks.

(7) This comprises his direct shareholding of 2,292,748 Shares and indirect shareholding of 330,581,061 Shares by virtue of his shareholding in SAR Venture Holdings (M) Sdn Bhd and his spouse's shareholding in AMRB pursuant to subsections 8(4) and 59(11)(c) of the Act respectively.

(8) Less than 0.01%.

4.4 Basis and justification of determining the issue price of the Rights Shares and the exercise price of the Rights Warrants

4.4.1 Issue price of the Rights Shares

The issue price of the Rights Shares is fixed at RM0.12 per Rights Share and was determined after taking into consideration, amongst others, the following:-

(i) the terms of the Proposed Debt Restructuring as set out in Section 1.4 of this Circular whereby the Rights Issue Cash Settlement shall be funded via proceeds from the Proposed Rights Issue with Warrants; and

(ii) the need of the Company to price the Rights Shares at an issue price deemed sufficiently attractive to encourage subscription of the Rights Shares to enable the Group to raise the necessary funds required.

The issue price of RM0.12 per Rights Share represents a discount of RM0.1583 or 56.88% to the TERP of the Shares of RM0.2783, calculated based on the 5-day VWAP of AMRB Shares up to and including 25 July 2024, being the LTD of RM0.0397, the exercise price of RM0.30 per Rights Warrant and the effects of the Proposed Share Consolidation.

4.4.2 Exercise price of the Rights Warrants

The exercise price of the Rights Warrants is fixed at RM0.30 per Rights Warrant and was determined by the Board after taking into consideration, amongst others, the current market price of the Shares and the future prospects of the AMRB Group.

The exercise price of RM0.30 per Rights Warrant represents a premium of RM0.0217 or 7.80% to the TERP of the Shares of RM0.2783, calculated based on the 5-day VWAP of the Shares up to and including the LTD of RM RM0.0397, the issue price of RM0.12 per Rights Share and the effects of the Proposed Share Consolidation.

4.5 Utilisation of proceeds

Based on the issue price of RM0.12 per Rights Share, the gross proceeds to be raised from the Proposed Rights Issue with Warrants of RM13.79 million are intended to be utilised in the following manner:-

Utilisation of proceeds	Expected timeframe for utilisation from completion of the Proposed Rights Issue with Warrants	RM'000
(i) Rights Issue Cash Settlement	Immediate	12,000
(ii) Estimated expenses in relation to the Proposed Regularisation Plan	Immediate	1,786
Total		**13,786**

(i) Rights Issue Cash Settlement

The AMRB Group intends to utilise proceeds of RM12.00 million from the Proposed Rights Issue with Warrants towards the Rights Issue Cash Settlement which forms part of the Proposed Debt Restructuring.

Further details on the Proposed Debt Restructuring are set out in Section 1.4 of this Circular.

(ii) Estimated expenses for the Proposed Regularisation Plan

The breakdown of the estimated expenses for the Proposed Regularisation Plan is set out below:-

Estimated expenses	Amount RM'000
Professional fees[(1)]	2,290
Fees to relevant authorities	170
Miscellaneous expenses (printing, advertising and contingencies)	120
Total	**[(2)]2,580**

Notes:-

(1) These include, amongst others, professional fees of the Principal Adviser, financial adviser, reporting accountants, solicitors, independent market researcher, financial consultant and Share Registrar.

(2) As the balance proceeds to be raised from the Proposed Rights Issue with Warrants is not enough to defray the estimated expenses for the Proposed Regularisation Plan, the Group intends to meet the shortfall via internally generated funds.

The exact quantum of proceeds that may be raised by the Company from the exercise of the Warrants would depend on the actual number of Warrants exercised during the tenure of the Warrants. The proceeds from the exercise of the Rights Warrants will be received on an "as and when" basis over the tenure of the Warrants.

For illustrative purpose, based on the exercise price of RM0.30 per Warrant, the maximum gross proceeds that may be raised from the exercise of Warrants (i.e. both Rights Warrants and Settlement Warrants) is RM21.93 million. Such proceeds shall be used for the Group's working capital requirements (e.g. operating and administrative expenses such as utilities, rental costs, transportation costs, marketing costs and professional fees). The exact breakdown of the utilisation of proceeds for each component of working capital are subject to the actual requirements of the Group at the relevant time and the timeframe for full utilisation from the date of receipt of the proceeds cannot be determined at this juncture.

For information, AMRB has not undertaken any equity fund raising exercises in the past 12 months before the first announcement of the Proposed Regularisation Plan.

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4.6 Ranking of the Rights Shares, the Rights Warrants and the new Shares to be issued arising from the exercise of the Rights Warrants

4.6.1 Rights Shares

The Rights Shares shall, upon allotment, issuance and full payment of the issue price of the Rights Shares, rank equally in all respects with the then existing issued Shares, save and except that the holders of such Rights Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such Rights Shares.

4.6.2 Rights Warrants

The Rights Warrants shall rank equally in all respects with the Settlement Warrants as they form the same series of the Warrants to be constituted by the Deed Poll and are subject to the same terms and conditions as set out in the Deed Poll.

For information, the Rights Warrants will be issued simultaneously with the Settlement Warrants pursuant to the Proposed Regularisation Plan.

4.6.3 New Shares to be issued arising from the exercise of the Rights Warrants

The new Shares to be issued arising from the exercise of the Rights Warrants shall, upon allotment, issuance and full payment of the exercise price of the Rights Warrants, rank equally in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares.

4.7 Listing and quotation for the Rights Shares, the Rights Warrants and the new Shares to be issued arising from the exercise of the Rights Warrants

The Rights Shares, the Rights Warrants and new Shares to be issued pursuant to the exercise of the Rights Warrants will be listed on the Main Market of Bursa Securities.

4.8 Foreign-Addressed Shareholders

An abridged prospectus together with its accompanying documents or any other documents to be issued in connection with the Proposed Rights Issue with Warrants are not intended to comply with the laws of any jurisdiction other than Malaysia and will not be lodged, registered or approved under applicable securities legislation of any jurisdiction other than Malaysia. Accordingly, the Proposed Rights Issue with Warrants will not be offered for subscription in any countries or jurisdictions other than Malaysia.

The abridged prospectus together with its accompanying documents or any other documents relating to the Proposed Rights Issue with Warrants will only be sent to Entitled Shareholders who have a registered address or an address for service in Malaysia as registered in the Company’s Record of Depositors on the Rights Issue Entitlement Date and will not be sent to Foreign-Addressed Shareholders as at the Rights Issue Entitlement Date.

Foreign-Addressed Shareholders who wish to provide Malaysian addresses should inform their respective stockbrokers as well as the Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia to effect the change of address prior to the Rights Issue Entitlement Date.

Alternatively, such Foreign-Addressed Shareholders may collect the abridged prospectus from the Share Registrar, who will be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the abridged prospectus.

The Company will not make or be bound to make any enquiry as to whether the Entitled Shareholders have a registered address other than as stated in the Company's Record of Depositors as at the Rights Issue Entitlement Date and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith.

Foreign-Addressed Shareholders may only exercise their rights in respect of the Proposed Rights Issue with Warrants to the extent that it would be lawful to do so and the Company and/or any of its advisers would not, in connection with the Proposed Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which the Foreign-Addressed Shareholders may be subject to.

Foreign-Addressed Shareholders will be responsible for payment of any issue or transfer fees or costs, and any taxes or requisite payments due in such jurisdiction and the Company shall be entitled to be fully indemnified and held harmless by such foreign applicants for any issue, transfer or any other taxes or duties as such persons may be required to pay. Foreign-Addressed Shareholders will have no claims whatsoever against the Company, its Share Registrar and/or any of its advisers in respect of their rights or entitlements under the Proposed Rights Issue with Warrants. Such applicants should also consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to exercise their rights in respect of the Proposed Rights Issue with Warrants.

The Foreign-Addressed Shareholders shall be solely responsible to seek advice as to the laws of any jurisdiction to which they may be subject, and participation by the applicants in the Proposed Rights Issue with Warrants shall be on the basis of a warranty by the applicants that they are allowed to do so lawfully without the Company and/or the advisers being in breach of the laws of any jurisdiction.

Neither the Company nor any of its advisers to the Proposed Rights Issue with Warrants shall accept any responsibility or liability in the event that any acceptance by a Foreign-Addressed Shareholder of his/her/its rights in respect of the Proposed Rights Issue with Warrants is or shall become illegal, unenforceable, voidable or void in any country or jurisdiction.

Foreign-Addressed Shareholders who do not provide an address in Malaysia or who are not entitled to subscribe for the Rights Shares under the laws and jurisdiction to which they are subject, will have no claims whatsoever against the Company and/or any of its advisers in respect of their rights entitlements or any net proceeds arising from the Proposed Rights Issue with Warrants.

The Company reserves the right in its absolute discretion to treat any subscription of the Rights Shares as being invalid if it believes or has reason to believe that such subscription for the Rights Shares may violate applicable legal or regulatory requirements.

5. DETAILS OF THE PROPOSED SETTLEMENT

5.1 Basis and number of Settlement Shares and Settlement Warrants to be issued

The Proposed Settlement entails the settlement of part of the amount owing to the Scheme Creditors as part of the Proposed Debt Restructuring via the issuance of the Settlement Shares at an issue price of RM0.2783 each and the Settlement Warrants on the basis of 1 Settlement Warrant for every 4 Settlement Shares.

The total number of Settlement Shares and Settlement Warrants to be issued pursuant to the Proposed Settlement is as follows:-

	Amount to be settled via Settlement Shares (RM)	No. of Settlement Shares to be issued	No. of Settlement Warrants to be issued
Scheme Creditors	49,400,124	177,506,735	44,376,683

Further details on the Proposed Debt Restructuring are set out in Section 1.4 of this Circular.

5.2 Basis and justification of determining the issue price of the Settlement Shares and the exercise price of the Settlement Warrants

5.2.1 Issue price of the Settlement Shares

The issue price of RM0.2783 per Settlement Share was determined after taking into consideration, amongst others, the TERP of the Shares and the terms of the Proposed Debt Restructuring as set out in Section 1.4 of this Circular.

The issue price of the Settlement Shares is equivalent to the TERP of the Shares of RM0.2783, calculated based on the 5-day VWAP of the Shares up to and including the LTD of RM0.0397, the issue price of RM0.12 per Rights Share, the exercise price of RM0.30 per Rights Warrant and the effects of the Proposed Share Consolidation.

5.2.2 Exercise price of the Settlement Warrants

The exercise price of the Settlement Warrants is fixed at RM0.30 per Settlement Warrant and was determined by the Board after taking into consideration, amongst others, the current market price of the Shares and the future prospects of the AMRB Group.

The exercise price of RM0.30 per Settlement Warrant represents a premium of RM0.0217 or 7.80% to the TERP of the Shares of RM0.2783, calculated based on the 5-day VWAP of the Shares up to and including the LTD of RM0.0397, the issue price of RM0.12 per Rights Share and the effects of the Proposed Share Consolidation.

5.3 Ranking of the Settlement Shares and the Settlement Warrants

5.3.1 Settlement Shares

The Settlement Shares shall, upon allotment and issuance, rank equally in all respects with the then existing issued Shares, save and except that the holders of such Settlement Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such Settlement Shares.

5.3.2 Settlement Warrants

The Settlement Warrants shall rank equally in all respects with the Rights Warrants as they form the same series of the Warrants to be constituted by the Deed Poll and are subject to the same terms and conditions as set out in the Deed Poll.

For information, the Settlement Warrants will be issued simultaneously with the Rights Warrants pursuant to the Proposed Regularisation Plan.

5.4 Listing of and quotation for the Settlement Shares and the Settlement Warrants

The Settlement Shares and the Settlement Warrants will be listed on the Main Market of Bursa Securities.

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6. **DETAILS OF THE PROPOSED INTERNAL RESTRUCTURING**

The Company intends to undertake the Proposed Internal Restructuring to streamline its operations by liquidating, striking-off and/or disposing the Non-Core Entities which have been inactive or dormant and are no longer part of its future plans.

Moving forward, post-regularisation, the Company will focus on its core operating subsidiaries, namely AMSB, AHSB, AMPSB and SWS.

The Proposed Internal Restructuring shall entail the following:-

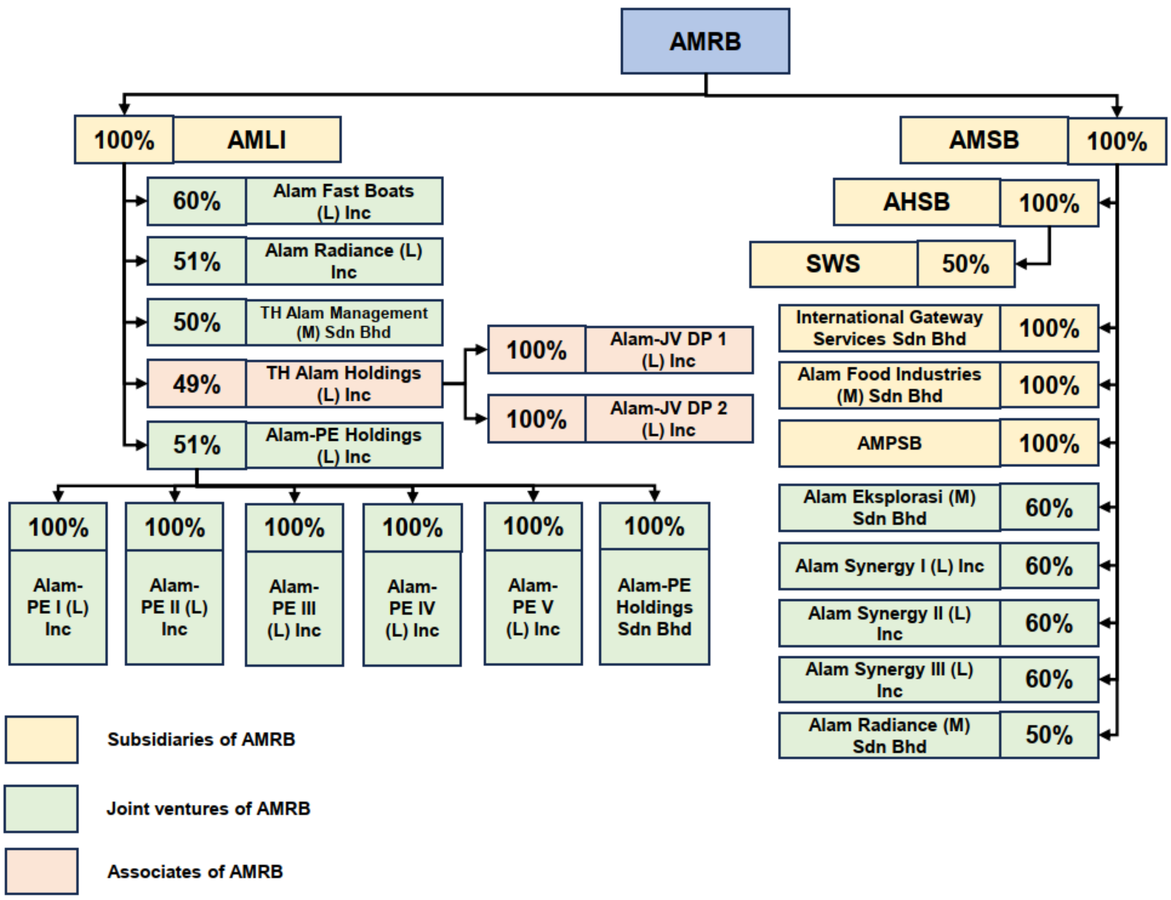
(i) liquidation and/or striking-off of the following companies:-

(a) AMLI;
(b) Alam Food Industries (M) Sdn Bhd;
(c) Alam Eksplorasi (M) Sdn Bhd;
(d) Alam Synergy I (L) Inc;
(e) Alam Synergy II (L) Inc
(f) Alam Synergy III (L) Inc;
(g) Alam Radiance (M) Sdn Bhd; and

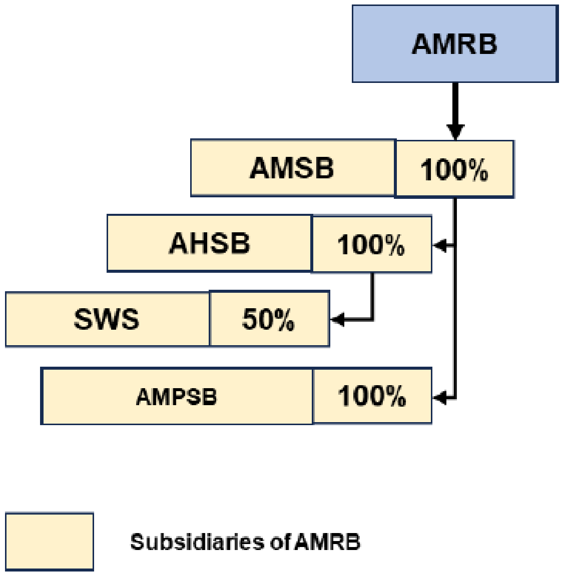
(ii) disposal of IGSSB to a potential third party.

The subsidiaries, jointly-controlled entities and associates of AMRB before and after the Proposed Internal Restructuring are illustrated below:-

Before the Proposed Internal Restructuring (i.e. as at the LPD)



After the Proposed Internal Restructuring



Details of the Non-Core Entities are set out below:-

Non-Core Entities	Principal activities	Total assets as at 31 December 2024[1] (RM'000)
To be liquidated and/or struck-off		
AMLI	Inactive (previously: Labuan leasing business)	[2]11,065
Alam Food Industries (M) Sdn Bhd	Dormant (previously: supplying of foods for offshore vessels)	[3]1,476
Alam Eksplorasi (M) Sdn Bhd	Dormant (previously: ship owning, ship-operating, ship agency, chartering and other related to the shipping industry)	[4]12,942
Alam Synergy I (L) Inc	Dormant (previously: ship owning, operating and chartering)	[5]10,111
Alam Synergy II (L) Inc	Dormant (previously: ship owning, operating and chartering)	[6]-
Alam Synergy III (L) Inc	Dormant (previously: ship owning, operating and chartering)	[7]100
Alam Radiance (M) Sdn Bhd	Dormant (previously: ship owning, ship management, ship operation, maintenance and consultancy)	[8]6,328
To be disposed		
IGSSB	Transportation, ship forwarding and agent, ship chandelling and other related activities	[9]2,211

Notes:-

(1) Based on the management accounts of the respective Non-Core Entities.

(2) Represents 4.10% of the unaudited consolidated total assets of the AMRB Group of RM269.65 million as at 31 December 2024.

(3) Represents 0.55% of the unaudited consolidated total assets of the AMRB Group of RM269.65 million as at 31 December 2024.

(4) Equivalent to 4.80% of the unaudited consolidated total assets of the AMRB Group of RM269.65 million as at 31 December 2024. For the avoidance of doubt, the financial results and position of Alam Eksplorasi (M) Sdn Bhd are not consolidated with the AMRB Group as it is only a jointly-controlled entity. Thus, the percentage disclosed here is solely for comparison purposes only.

(5) Equivalent to 3.75% of the unaudited consolidated total assets of the AMRB Group of RM269.65 million as at 31 December 2024. For the avoidance of doubt, the financial results and position of Alam Synergy I (L) Inc are not consolidated with the AMRB Group as it is only a jointly-controlled entity. Thus, the percentage disclosed here is solely for comparison purposes only.

(6) Negligible. For the avoidance of doubt, the financial results and position of Alam Synergy II (L) Inc are not consolidated with the AMRB Group as it is only a jointly-controlled entity. Thus, the percentage disclosed here is solely for comparison purposes only.

(7) Equivalent to 0.04% of the unaudited consolidated total assets of the AMRB Group of RM269.65 million as at 31 December 2024. For the avoidance of doubt, the financial results and position of Alam Synergy III (L) Inc are not consolidated with the AMRB Group as it is only a jointly-controlled entity. Thus, the percentage disclosed here is solely for comparison purposes only.

(8) Equivalent to 2.35% of the unaudited consolidated total assets of the AMRB Group of RM269.65 million as at 31 December 2024. For the avoidance of doubt, the financial results and position of Alam Radiance (M) Sdn Bhd are not consolidated with the AMRB Group as it is only a jointly-controlled entity. Thus, the percentage disclosed here is solely for comparison purposes only.

(9) Represents 0.82% of the unaudited consolidated total assets of the AMRB Group of RM269.65 million as at 31 December 2024.

Upon the appointment of liquidator for / striking-off of AMLI and Alam Food Industries (M) Sdn Bhd as well as upon the completion of the disposal of IGSSB, the financial results and positions of these subsidiaries will be deconsolidated from the AMRB Group. For the avoidance of doubt, the following companies earmarked to be liquidated are jointly-controlled entities and therefore their financial results and positions had not been consolidated with the AMRB Group:-

(i) Alam Eksplorasi (M) Sdn Bhd, a 60%-owned jointly-controlled entity[(1)] of AMSB;
(ii) Alam Synergy I (L) Inc, a 60%-owned jointly-controlled entity[(1)] of AMSB;
(iii) Alam Synergy II (L) Inc, a 60%-owned jointly-controlled entity[(1)] of AMSB;
(iv) Alam Synergy III (L) Inc, a 60%-owned jointly-controlled entity[(1)] of AMSB; and
(v) Alam Radiance (M) Sdn Bhd, a 50%-owned jointly-controlled entity[(2)] of AMSB.

Notes:-

(1) For information, AMSB had entered into a Master Joint Venture Agreement dated 8 December 2000 with its joint venture partner, Synergy Sparkle Sdn Bhd (now known as GMV-Alam Sdn Bhd) ("**SSSB**") ("**MJVA**") in respect of Alam Eksplorasi (M) Sdn Bhd, Alam Synergy I (L) Inc, Alam Synergy II (L) Inc and Alam Synergy III (L) Inc.

Under the terms of the MJVA:-

(i) a quorum for a board meeting requires 2 directors (or their alternates) present in person, and the 2 directors must include 1 representative each from SSSB and AMSB; and

(ii) all matters at a board meeting require a unanimous vote of 2 directors or their alternates, and the 2 directors must include 1 representative each from SSSB and AMSB.

In view that neither AMSB nor SSSB may unilaterally direct or control board decisions, and all board resolutions require the unanimous vote of both parties irrespective of shareholding, these companies (namely Alam Eksplorasi (M) Sdn Bhd, Alam Synergy I (L) Inc, Alam Synergy II (L) Inc and Alam Synergy III (L) Inc) are deemed jointly controlled entities.

(2) For information, AMSB had entered into a Shareholders' Agreement dated 1 July 2011 with its joint venture partner, Pacific Crest Pte Ltd ("**Pacific Crest**") ("**SA**") in respect of Alam Radiance (M) Sdn Bhd.

Under the terms of the SA:-

(i) a quorum for a board meeting shall require at least 1 director each from Pacific Crest and AMSB; and

(ii) all board resolutions must be passed by a simple majority of the votes cast by the directors, of which at least 1 vote must be that of a director from AMSB and 1 vote must be that of a director from Pacific Crest.

In view that neither AMSB nor Pacific Crest may unilaterally direct or control board decisions, and all board resolutions require the express approval from both parties irrespective of shareholding, Alam Radiance (M) Sdn Bhd is deemed a jointly controlled entity.

Further details on the effects of the Proposed Internal Restructuring are set out in Section 10 of this Circular.

Subject to all relevant approvals being obtained for the Proposed Regularisation Plan as set out in Section 12 of this Circular, the tentative timeline for the Proposed Internal Restructuring is set out below:-

Non-Core Entities	Status and tentative timeline
<u>To be liquidated and/or struck-off</u>	
AMLI Alam Food Industries (M) Sdn Bhd Alam Eksplorasi (M) Sdn Bhd Alam Synergy I (L) Inc Alam Synergy II (L) Inc Alam Synergy III (L) Inc Alam Radiance (M) Sdn Bhd	The formal process to appoint a liquidator will commence immediately after Shareholders' approval is obtained for the Proposed Regularisation Plan at the forthcoming EGM and is expected to take approximately 2 weeks. Thus, the liquidator is expected to be appointed by the end of June 2025. Nevertheless, if any of the companies herein were to be struck-off instead of liquidated, the process to strike-off will commence immediately after Shareholders' approval is obtained for the Proposed Regularisation Plan at the forthcoming EGM and is expected to be completed between 1 to 3 months.
<u>To be disposed</u>	
IGSSB	The terms for disposal to a potential third party are in the midst of being negotiated. The disposal is expected to be completed by the end of June 2025.

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7. RATIONALE FOR THE PROPOSED REGULARISATION PLAN

The Proposed Regularisation Plan has been formulated to regularise the financial condition of the AMRB Group in order to address and uplift the PN17 status of the Company. The Proposed Regularisation Plan is a comprehensive plan that also aims to rationalise and strengthen the capital structure of the Company while at the same time providing a lifeline in terms of additional equity funding via the Proposed Rights Issue with Warrants to address the immediate debt obligations of the AMRB Group via the Proposed Debt Restructuring.

The successful implementation of the Proposed Regularisation Plan will enable AMRB to not only meet the criteria to uplift itself from being classified as a PN17 company, but also to return the AMRB Group to solvency with a net asset position as compared to its current net liabilities position. In turn, this would enhance the future prospects and confidence towards the AMRB Group which would bode well for all its various stakeholders.

Specifically, the rationale for each of the individual proposals that constitute the Proposed Regularisation Plan is set out in the ensuing subsections herein. For the avoidance of doubt, these individual proposals are inter-conditional and therefore the Shareholders will have to approve each of these proposals in order for the Proposed Regularisation Plan to be approved as a whole.

7.1 Proposed Share Capital Reduction

The Proposed Share Capital Reduction will provide the Company with the opportunity to rationalise its financial positions by cancelling part of its paid-up share capital which is lost or unrepresented by available assets to reduce its accumulated losses. The reduction of accumulated losses in the statements of financial position of the Company and the Group is expected to enhance their credibility with bankers, customers, suppliers, investors and other stakeholders and also provide a better financial platform for the Group's future growth.

7.2 Proposed Share Consolidation

The Proposed Share Consolidation is part of the Company's plan to improve its capital structure as well as to facilitate the Proposed Rights Issue with Warrants after taking into consideration that the total number of Shares in issue will increase further following the completion of the Proposed Rights Issue with Warrants.

Consolidating the Shares would reduce the total number of Shares in issue and correspondingly increase the reference / trading prices of the Shares. Accordingly, this has allowed the Company to set a higher issue price for the Rights Shares at RM0.12 (instead of RM0.012 without the Proposed Share Consolidation), which is more practical from a subscription perspective.

7.3 Proposed Rights Issue with Warrants

The Proposed Rights Issue with Warrants will enable the Company to raise funds and channel them towards the proposed utilisation as set out in Section 4.5 of this Circular.

After due consideration of the various options available, the Proposed Rights Issue with Warrants is the most suitable means of fund raising for the following reasons:-

(i) Opportunity for Entitled Shareholders to participate in equity offering on a pro rata basis

The Proposed Rights Issue with Warrants provides an opportunity for the Entitled Shareholders to participate in the equity offering of the Company on a pro-rata basis. It involves the issuance of new Shares without diluting the Entitled Shareholders' shareholdings in the Company provided that they subscribe in full for their respective entitlements under the Proposed Rights Issue with Warrants and exercise their Rights Warrants subsequently.

(ii) Option for Entitled Shareholders to increase or maintain their equity participation at a discount or to monetise their rights issue entitlements in the open market

The Proposed Rights Issue with Warrants provides the Entitled Shareholders with the option to either increase or maintain their equity participation in the Company by subscribing for the Rights Shares at a discount or to monetise their rights issue entitlements in the open market.

(iii) Other alternative means of fund-raising such as private placements are smaller in scale and dilutive

By virtue of a rights issue being a pro rata equity offering, rights issues can be implemented on a larger scale as compared to conventional private placements, which are limited in scale by virtue of the dilutive impact to existing Shareholders.

(iv) Rights issues do not tie down the Group with bank borrowings principal repayment and interests servicing

The Proposed Rights Issue with Warrants will enable the Group to raise the requisite funds without incurring additional interest expense from other means of funding such as bank borrowings, thereby minimising any potential cash outflow.

In any case, it would be difficult for the Group to obtain new borrowings in view of its current financial condition and PN17 status as well as its intention to embark on the Proposed Debt Restructuring.

The free Rights Warrants which are attached to the Rights Shares are intended to provide an added incentive to the Entitled Shareholders to subscribe for the Rights Shares. In addition, the free Rights Warrants will provide the Entitled Shareholders with an opportunity to increase their equity participation in the Company at a pre-determined exercise price during the tenure of the Rights Warrants and will allow the Entitled Shareholders to further participate in the future growth of the Company as and when the Rights Warrants are exercised.

The exercise of the Rights Warrants in the future will allow the Company to obtain additional funds without incurring additional interest expenses from borrowings. Furthermore, the exercise of the Rights Warrants will increase Shareholders' funds, thereby strengthening the financial position of the Company and providing the Company with flexibility in terms of the options available to meet its funding requirements.

7.4 Proposed Settlement

The Proposed Settlement is an integral part of the Proposed Debt Restructuring which:-

(i) enables the AMRB Group to address part of its outstanding debt obligations via issuance of equity securities instead of cash and arrive at a debt structure which is sustainable; and

(ii) strengthens the financial position of the AMRB Group and allows the AMRB Group to continue its business activities.

A failure by the AMRB Group to restructure its debts via the Proposed Debt Restructuring will precipitate a potential liquidation of the AMRB Group.

For information, upon completion of the Proposed Debt Restructuring, AMRB is expected to recognise a one-off net gain of RM50.63 million as a result of the waiver of debts owed to the Scheme Creditors pursuant to the Proposed Debt Restructuring.

7.5 Proposed Internal Restructuring

The Proposed Internal Restructuring is undertaken in order to streamline the operations of the AMRB Group by liquidating, striking-off and/or disposing the Non-Core Entities which have been inactive or dormant and are no longer part of its future plans. This would allow AMRB to focus on the core operating subsidiaries that would remain in the AMRB Group upon completion of the Proposed Internal Restructuring, namely AMSB, AHSB, AMPSB and SWS.

Further to that, the Proposed Internal Restructuring would result in the deconsolidation of the financial results and positions of the Non-Core Entities. In view that the Non-Core Entities are inactive or dormant and no longer contribute significantly to the financial results and position of the consolidated AMRB Group, the deconsolidation of the Non-Core Entities would result in a group structure that is leaner and more reflective of the current operations and future prospects of the AMRB Group.

7.6 Impact of the Proposed Regularisation Plan to the Company and its Shareholders

The Proposed Share Capital Reduction is expected to result in a substantial reduction in the accumulated losses of AMRB. Although AMRB's share capital would initially be reduced by 99% upon completion of the Proposed Share Capital Reduction, the subsequent issuance of new Shares pursuant to the Proposed Rights Issue with Warrants and the Proposed Settlement will partially restore some of the share capital that has been reduced pursuant to the Proposed Share Capital Reduction.

Despite the dilution in the equity interests of existing Shareholders upon the issuance of new Shares pursuant to the Proposed Rights Issue with Warrants (if not fully subscribed by the Entitled Shareholders based on their respective entitlements) and the Proposed Settlement, the Proposed Regularisation Plan is expected to result in the AMRB Group returning to solvency with a net asset position as compared to its current net liabilities position as outlined in Section 10.2 of this Circular.

In addition, the Proposed Regularisation Plan is expected to result in a one-off net gain of RM50.63 million as a result of the waiver of debts owed to the Scheme Creditors pursuant to the Proposed Debt Restructuring. Apart from that, a rationalised capital structure coupled with improved financial standing upon completion of the Proposed Regularisation Plan is expected to create conditions that are conducive for the AMRB Group to conduct its business activities, including to secure more contracts for its Subsea segment. The Group's subsea segment is involved in the provision of sub-sea engineering services, ROVs and saturation diving services (collectively, "**Subsea**"). This is in line with the AMRB Group's intention to focus on the Subsea segment moving forward which is currently its main revenue and earnings driver. Further details on the prospects and future plans of the Group are set out in Section 8.3 of this Circular.

The Proposed Internal Restructuring would result in a leaner group structure thus allowing AMRB to focus its efforts and resources in managing its OSV and Subsea segments via the core operating subsidiaries that would remain in the AMRB Group moving forward, namely AMSB, AHSB, AMPSB and SWS.

Further details on the effects of the Proposed Regularisation Plan are set out in Section 10 of this Circular.

7.7 Value creation to the Company and its Shareholders

The Proposed Regularisation Plan is required to be undertaken to regularise the Group's financial condition which in turn will aid the turnaround of the Group's business performance and profitability.

Upon completion of the Proposed Debt Restructuring which would be facilitated by the Proposed Rights Issue with Warrants and the Proposed Settlement, AMRB is expected to recognise a one-off net gain of RM50.63 million in relation to the waiver of debts owed to the Scheme Creditors pursuant to the Proposed Debt Restructuring.

Upon completion of the Proposed Share Capital Reduction, the Company is expected to significantly reduce the accumulated losses of the Group. The Company would also be in a better position to retain profits and enhance its ability to pay dividends in the future, as and when appropriate, following the elimination of the accumulated losses. The Directors will take into consideration the present and future funding needs of the Company and Group before declaring any dividends.

Upon successful implementation of the Proposed Regularisation Plan, the improved financial condition of the AMRB Group is expected to boost stakeholders' confidence in the AMRB Group's ability to carry out the contracts that it has been awarded, and generate positive cashflows and earnings moving forward. AMRB will also no longer be distracted from the continuous attention that is required to address its urgent debt obligations, and would thereafter be able to fully focus on its business performance moving forward. Thereafter, upon recording two consecutive financial quarters of profits, AMRB will apply to Bursa Securities for an upliftment of its PN17 status.

7.8 Steps undertaken to improve the financial condition of the Group

The Group has recorded consecutive LAT of between RM80.28 million and RM226.73 million during the period from the FYE 31 December 2018 to the 18-month FPE 30 June 2022, before turning profitable again in the FYE 30 June 2023 and FYE 30 June 2024 with consecutive PAT of RM18.45 million and RM26.28 million respectively.

To address its financial condition, the Group had undertaken the following steps:-

(i) Disposal of assets

Since the FYE 30 June 2023 up to the LPD, the Group has embarked on the disposal of the following vessels as part of its business rationalisation plan to scale down the OSV segment in order to focus on the Subsea segment:-

(a) In October 2023, AMRB executed a memorandum of agreement with AME Subsea Management Sdn Bhd for the disposal of Setia Wira (a tug vessel) for a cash consideration of USD0.46 million (approximately RM1.94 million). The transaction was completed in March 2024.

(b) In April 2024, AMRB executed memorandums of agreement with Ruhm Mazu Sdn Bhd for the disposals of Setia Rentas (a supply vessel), Setia Yakin (a tug vessel) and Setia Zaman (a tug vessel) for a total cash consideration of RM9.87 million. The transactions were completed in March 2025, following which the Group recorded a gain on disposal amounting to RM2.30 million.

(c) In October 2024, AMSB executed memorandum of agreement with Sapor Shipbuilding Industries Sdn Bhd for the disposal of Setia Budi (a tug / platform support vessel) for a cash consideration of RM2.00 million. The transaction was completed in October 2024, following which the Group recorded a gain of disposal amounting to RM1.41 million.

In addition, Alam-JV DP1 (L) Inc, a wholly-owned subsidiary of THAL which in turn is a 49%-owned associate company of AMLI, had completed the disposal of 4 tug supply vessels in September 2024. Following that, a total of RM30.00 million was distributed as dividend by THAL to its shareholders (including AMLI, which received RM14.70 million) in November 2024.

Apart from the above, the Group is in the midst of searching for buyers to dispose the remaining vessel that it owns i.e. Setia Teguh (an anchor handling tug supply vessel).

The disposal of Setia Wira has allowed the Group to record a gain on disposal of RM0.05 million and the Group is expected to derive cost savings in the form of crew costs, vessel operating expenses, repair and maintenance as well as depreciation. For information, in FYE 30 June 2023, Setia Wira incurred a total of RM2.14 million for these costs.

Further to that, AMRB had on 14 July 2023 executed a sale and purchase agreement with A Plus Manufacturing Sdn Bhd for the disposal of a parcel of land in Mukim Kuala Linggi, Melaka for a cash consideration of RM5.00 million. The transaction was completed on 24 January 2024. Although AMRB recorded a loss on disposal of RM6.23 million arising from the disposal, AMRB also recorded a gain of RM19.51 million as the outstanding amount owed to a financial institution which was the chargee of the said land was waived. Thus, AMRB recorded an overall net gain of RM13.27 million arising from this disposal.

(ii) Debt restructuring

The AMRB Group undertook a debt restructuring exercise in 2017 under the mediation of CDRC to facilitate the restructuring of its existing borrowing facilities and repayment terms ("**First Restructuring**"). The First Restructuring was completed on 6 September 2018.

In 2021, the AMRB Group commenced a second debt restructuring exercise under the mediation of CDRC to facilitate, amongst others, the disposal of the AMRB Group's assets, raise funds from potential investors and restructure its debts under 2 schemes of arrangement ("**Second Restructuring**").

As at the end of 2022, the AMRB Group had secured approximately approval-in-principle from 78% and 100% of the secured and unsecured creditors respectively at the CDRC level for the Second Restructuring. However, CDRC had vide a letter dated 24 February 2023 discharged AMRB from its purview on the basis that AMRB was unable to provide conclusive proof of a potential investor's readily available funds to be invested in AMRB within the specified deadline requested by CDRC. As a result, the Second Restructuring could not be completed then.

Following the termination of the Second Restructuring, AMRB embarked on a new restructuring plan which entails the Proposed Debt Restructuring, details of which are set out in Section 1.4 of this Circular, and the Proposed Regularisation Plan, which is the subject matter of this Circular. Both proposals are intended to be implemented concurrently and completed together to regularise the AMRB Group's financial condition and PN17 status.

On 26 July 2024, the Company had obtained the approval of the requisite majority in value of the Scheme Creditors to undertake the Proposed Debt Restructuring during the CCM held on even date.

On 4 September 2024, the High Court had approved and sanctioned the schemes of arrangement in relation to the Proposed Debt Restructuring.

7.9 Adequacy of the Proposed Regularisation Plan in addressing the financial requirements of the Group

The Proposed Regularisation Plan is a comprehensive plan to address the financial condition of the AMRB Group. The Proposed Regularisation Plan works hand-in-hand with the Proposed Debt Restructuring to address and resolve AMRB's immediate debt obligations and return it to a solvent position.

Upon successful implementation of the Proposed Regularisation Plan, AMRB is expected to be able to meet the criteria prescribed under Paragraphs 2.1(a), 2.1(d), 2.1(e) and 2.1(f) of PN17 under the Listing Requirements, including recording two consecutive quarters of net profits, to allow it to be uplifted from its PN17 status.

Please refer to Section 1.3 of this Circular for the current status of AMRB's PN17 condition including the steps taken / to be taken to address the prescribed criteria under PN17.

8. INDUSTRY OVERVIEW AND PROSPECTS

8.1 Overview and outlook of the Malaysian economy

The Malaysian economy grew by 5.1% in 2024 (2023: 3.6%), due to continued expansion in domestic demand and a rebound in exports. On the domestic front, growth was mainly driven by stronger household spending reflecting favourable labour market conditions, policy measures to support households and healthy household balance sheets. In addition, strong investment approvals and further progress of multi-year projects by the private and public sectors, which includes catalytic initiatives under national master plans (i.e. New Industrial Master Plan, National Energy Transition Roadmap, and National Semiconductor Strategy) provided further impetus to investment growth. On the external front, exports recovered amid steady global growth, continued tech upcycle as well as higher tourist arrivals and spending. This provided support to the current account, leading to a continued surplus of 1.7% of GDP in 2024 (1.5% in 2023).

(Source: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2024, Bank Negara Malaysia)

The growth in 2025 is projected between 4.5% and 5.5%, supported by a resilient external sector, benefitting from improved global trade and stronger demand for electrical and electronics goods, leveraging the country's strategic position within the semiconductor supply chain. Additionally, robust domestic demand, fuelled by strong private sector expenditure, will support the expansion, through continued implementation of key national master plans and ongoing initiatives. A pertinent initiative which is Government-linked Enterprises Activation and Reform Programme (GEAR-uP), will synergise efforts across government-linked entities to catalyse growth in high growth sectors, encompassing energy transition, advanced manufacturing, food security, healthcare, Islamic finance and biopharmaceuticals. The potential investment from this initiative is expected to amount to RM120 billion over the span of five years. On the production side, most sectors are expected to expand, highlighting the resilience and agility of Malaysia's economy.

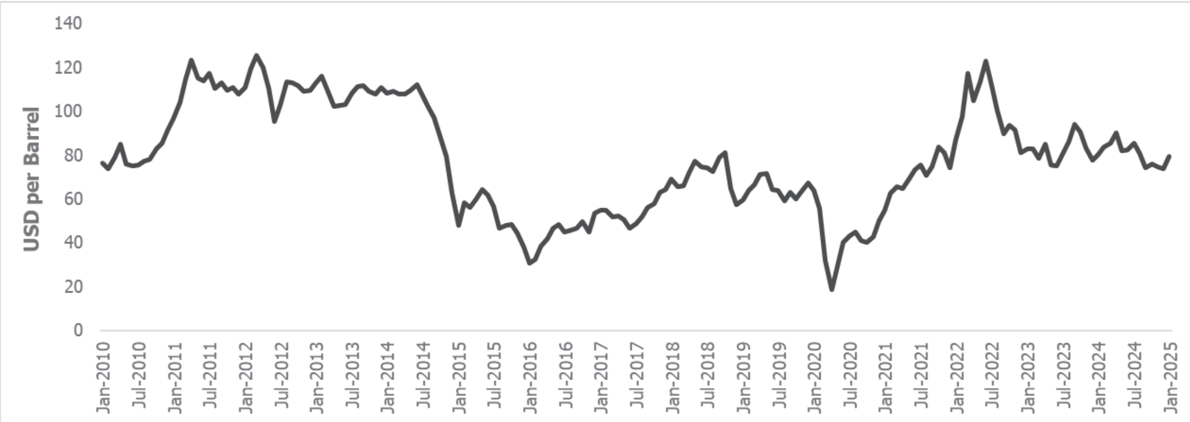
(Source: Belanjawan 2025 Malaysia Madani, Economic Outlook 2025, Ministry of Finance Malaysia)

8.2 Outlook and prospect of the O&G industry

8.2.1 Overview of the global O&G industry

Global crude oil production rose marginally by 0.58% to 73.24 million barrels per day in 2023 from 72.82 million barrels per day in 2022. In 2023, the Middle East region maintained its position as the largest crude oil producer, contributing 23.81 million barrels per day, while the Asia-Pacific region contributed 6.21 million barrels per day to global production. On a country level, the top five crude oil producing countries in the world in 2023 were the United States of America, Saudi Arabia, Russia, China, and Iraq. In the Asia-Pacific region, major crude oil producers included China, India, Indonesia, and Malaysia. Major crude oil producers in the Middle East region include Iran, Iraq, Kuwait, Oman, Saudi Arabia, and the United Arab Emirates.

Figure 1: Historical crude oil prices from January 2010 to January 2025



Given the cyclical nature of crude oil prices, Protégé Associates has used the historical price movements of the Europe Brent Spot Price FOB as a proxy for the overall price trend in the global crude oil market. From 2014 to 2019, crude oil prices fluctuated within a range of USD43.64 per barrel to USD98.97 per barrel. However, crude oil prices faced heavy downward pressure in 2020 due to the price war initiated by Saudi Arabia and the sharp decline in fuel demand caused by the COVID-19 pandemic. This resulted in a significant oversupply in the market, leading to crude oil prices declining sharply from USD63.65 per barrel in January 2020 to USD18.38 per barrel in April 2020.

Nevertheless, as movement and travel restrictions eased and economic activities resumed in many countries, oil demand gradually recovered, leading to a gradual alleviation of the global oil oversupply. Furthermore, news of the availability of COVID-19 vaccines generated optimism on the recovery of oil demand. By December 2020, the price of crude oil rose to USD49.99 per barrel.

Despite a resurgence in COVID-19 cases in 2021, crude oil prices continued to recover. This was mainly due to the reluctance of many governments to reimpose lockdown measures that had resulted in a slowdown in the global economy. As economic activities rebounded, the demand for oil quickly absorbed the oil glut, leading to a situation where supply struggled to keep up with demand due to delays in restarting production by oil producers. In addition, the OPEC and its allies (together known as OPEC+) agreed to cut production in late 2020, leading to slower increase in crude oil production. This agreement aimed to support higher crude oil prices and involved limiting production increases throughout 2021. As a result, the Europe Brent Spot Price FOB trended higher, rising from USD54.77 per barrel in January 2021 to USD74.17 per barrel in December 2021. The average price for the year stood at USD70.86 per barrel.

In 2022, crude oil prices continued their ascent. In particular, the ongoing conflict between Russia and Ukraine caused disruptions to the global supply chain. As one of the world's largest oil exporters, Russia's involvement in the war raised uncertainties about the country's oil supply. From March to August 2022, crude oil prices hovered between USD100.45 and USD122.71 per barrel. Nonetheless, concerns about recessions in major economies and the economic slowdown in China led to oil prices dipping below USD100 per barrel in September 2022. To counter the decline in oil prices, OPEC+ agreed in early October 2022 to implement a production cut of 2 million barrels per day, effective from November 2022 until the end of 2023. By the end of December 2022, oil prices stood at USD80.92 per barrel.

OPEC+ made an announcement on 2 April 2023 regarding a further production cut of 1.16 million barrels per day. This decision is expected to result in an increase in crude oil prices. The production cut agreement saw Saudi Arabia pledging to voluntarily reduce its output by an additional 1 million barrels per day for the month of July, which could be extended. In November, OPEC+ agreed to extend the production cuts into the first quarter of 2024. Additionally, the economic recovery in China has also contributed to the stability of crude oil prices. As of December 2023, crude oil prices stood at USD77.63 per barrel, with an average price of USD82.47 per barrel for the year. In 2024, crude oil prices remained range-bound between USD73.86 per barrel and USD89.94 per barrel (crude oil prices averaged USD80.53 per barrel during the year). Going into 2025, crude oil prices are forecast to trend lower as global growth in production of petroleum and other liquids and slower demand growth put downward pressure on prices. Crude oil prices stood at USD79.27 per barrel in January 2025 and fell to USD68.13 per barrel in April 2025.

The world marketed production of natural gas remained almost the same for 2022 and 2023, with global production amounting to 4.256 trillion standard cubic meters and 4.283 trillion standard cubic meters, respectively. The Americas and Eurasia ranked first and second in natural gas production in 2023, with 1.309 trillion standard cubic meters and 859,106.00 million standard cubic meters, respectively. The Middle East region came next, contributing 756,577.00 million standard cubic meters in 2023, while the Asia-Pacific region followed with 723,171.00 million standard cubic meters. Notably, the top five countries with the highest marketed natural gas production in 2023 were the United States of America, Russia, Iran, China, and Qatar. In the Asia-Pacific region, major contributors to marketed natural gas production include China, Australia, Indonesia, and Malaysia.

In terms of global refinery capacity, there was a slight increase from 101.47 million barrels per calendar day in 2022 to 102.92 million barrels per calendar day in 2023. Among the regions, the Asia-Pacific region had the highest refinery capacity with 36.39 million barrels per calendar day, while the Middle East region had a capacity of 10.66 million barrels per calendar day. Countries in the Asia-Pacific and the Middle East regions with refinery capacities exceeding 2.00 million barrels per calendar day in 2023 were China, India, Japan, South Korea, Iran, and Saudi Arabia.

The global output of petroleum products rose from 90.64 million barrels per day in 2022 to 92.61 million barrels per day in 2023. The Asia-Pacific region maintained its position as the largest producer of petroleum products, with an output of 34.47 million barrels per day in 2023, while the Middle East region produced 8.58 million barrels per day. The petroleum products producing countries in the Asia-Pacific and the Middle East regions with outputs exceeding 2.00 million barrels per day in 2023 include China, India, Japan, South Korea, and Saudi Arabia.

(Source: IMR Report)

8.2.2 Overview of the Malaysian O&G industry

Since its first official oil discovery in 1882, the Malaysian O&G industry has undergone significant transformation. Initially, exploration efforts focused solely on onshore fields, but advancements in offshore petroleum technology paved the way for offshore oil exploration. The turning point came in 1962 when oil was found in two offshore areas in Sarawak. In Peninsular Malaysia, the first oilfield was discovered in 1971. Presently, the O&G industry has become a cornerstone of the Malaysian economy, forming part of the broader mining and quarrying sector.

In 2024, the mining and quarrying sector contributed RM98.41 billion or 5.97% to Malaysia's real GDP. Specifically, the activities related to crude oil, condensate, and natural gas accounted for RM88.80 billion or 5.39% of the country's real GDP.

In 2024, Malaysia is a net importer of crude petroleum (by value) with a deficit of RM37.06 billion. The export value of crude petroleum amounted to RM26.11 billion, while imports reached RM63.17 billion. During the year, Malaysia was also a net importer of petroleum products by value. The export value of petroleum products stood at RM127.37 billion, while imports amounted to RM128.57 billion during the year. The downstream capabilities of Malaysia have received a significant boost from heavy investments made in recent years, such as the Pengerang Integrated Complex and the new Integrated Aroma Ingredients Complex. Petronas has successfully ventured into specialty chemicals and increased its refining capacity which allows Malaysia to match gasoline supply and demand efficiently. In addition, Petronas is now better positioned to undertake a lot more blending of oil to meet demand for low-sulphur oil from shippers following the new fuel regulations by the International Maritime Organization.

Furthermore, Malaysia is a prominent exporter of natural gas in the Asia-Pacific region, with the country exporting LNG worth more than RM40.00 billion annually. Although the value of LNG exports experienced a dip to RM29.87 billion in 2020 due to the impact of the COVID-19 pandemic, it subsequently rebounded in 2021, reaching RM38.19 billion. In 2022, the value of LNG exports from Malaysia witnessed continuous growth, reaching RM67.99 billion, a 78.0% increase compared to the previous year. However, LNG export value fell in 2023 to RM60.23 billion as LNG average spot and futures prices fell from 2022 due to lower demand for LNG after Europe and China recording above average temperatures in winter and large stockpiles. The export value of LNG rose to RM60.84 billion in 2024. Backed by key assets such as the Petronas Floating LNG Facilities (PFLNG-1 and PFLNG-2) and the Petronas LNG Complex in Bintulu, Sarawak, Malaysia is expected to continue expanding its gas production efforts and reinforce its position as a dependable LNG supplier.

(Source: IMR Report)

8.2.3 Overview of the marine transportation and support services market in Malaysia

The marine transportation and support services market encompasses the transportation of personnel, equipment and supplies, as well as extracted O&G, and refined petroleum products across water bodies. In Malaysia, marine transportation and support services mainly involves tankers and OSVs.

Tankers are merchant vessels designed to transport liquid and gas bulks. They enable the transportation of crude oil, refined petroleum products (both clean and dirty products) and chemicals from one location to another. In addition, the liquid cargoes in these tankers are carried in numerous bulk tanks inside the vessels. This specific design bulk tanks mainly serves two reasons, ensuring safety and enabling the transport of different liquid products simultaneously.

There are four categories of tankers, namely crude oil tankers, product tankers, chemical tankers as well as other tankers (which includes bulk carriers and containerships).

On the other hand, OSVs are primarily built to aid the offshore O&G industry, specifically supporting offshore activities. The main functions of OSVs include transporting goods, supplies, equipment, or crew on a regular basis to support activities such as exploration, exploitation and production of O&G resources. OSVs are classified based on their operating characteristics or capabilities and fall into various functional classifications. They are generally highly manoeuvrable, equipped with storage space for consumables, have large open aft decks, and come with the necessary equipment for anchor handling, cargo handling, and towing operations.

Figure 2: Types and descriptions of selected OSVs

Type	Description
Anchor Handling Tug Supply	• Primarily used to place anchors for drilling rigs at locations as well as to tow mobile drilling rigs and equipment to different locations.
Barge	• Is typically a flat-bottomed vessel built mainly for transporting supplies or bulk cargo to offshore platforms.
Construction Support Vessel	• Often plays a supporting role in assisting the construction and installation of offshore platforms as well as pipelines by transporting bulk cargos of required materials and supplies.
Crewboat	• Used for fast mobilisation of crew or cargo between production platforms and rigs. • Are usually used for transporting supplies or crew on a time-sensitive basis because it is designed for speed.
DSV	• Used for providing support or to facilitate diving operations performed at the oil production platforms as well as for related installations in open water.
Drill Ship	• Is fitted with drilling equipment designed to do exploratory drilling for new oil or gas fields in deep water.
FPSO Vessel	• Is a flexible stand-alone facility with storage capacity that is capable of being relocated when required. • May also be converted to a tanker when required. • Participating in the offshore O&G production process by facilitating transportation, processing, storing and offloading of oil from the offshore fields.
Platform Supply Vessel	• Used to assist drilling and production facilities. • Providing support for offshore construction and maintenance works. • Also used for carrying supplies, equipment and crew to platforms.
ROV	• Is generally utilised to repair complex deepwater production systems. • Also used in highly specialised operations particularly tasks that are not considered suitable for humans' intervention.

Type	Description
Specialty Vessel	• Providing support to ROVs or other vessels that are involved in O&G exploration activities such as seismic data gathering. • Is also used for activities related to oil recovery and oil spill response
Standby Support Vessel	• Is typically put on station as a contingency measure to provide a safety backup particularly to offshore rigs and production facilities. • Is generally required for all manned locations and used for safety patrolling duty at specific areas. • Can also act as supply vessel if required.
Bunker Barges	• Is generally used to supply vessels with fuel while the vessels are at anchor in port or are tied up alongside in port.
Tug	• Used to tow or push other vessels such as barges. • Often works hand-in-hand with barges as single operating system.
Utility Vessel	• Used to provide support in the offshore O&G E&P activities by transporting oil field support equipment and to a lesser extent, crew as well. • Sometimes it may be used to provide standby functions.

Note:-
(1) The above list of OSVs is not exhaustive and only serves to provide a better understanding to readers.

(Source: IMR Report)

8.2.4 Overview of the subsea services market in Malaysia

Subsea services refer to O&G exploration, production, construction and maintenance operations that take place under the ocean surface. They mainly encompass the installation of subsea production systems and underwater IRM services for offshore platforms, drilling rigs, and subsea equipment. A subsea production system generally consists of the following:-

(i) wellhead to control the flow of petroleum from the oil well;

(ii) manifold that receives and distributes production fluids and hydrocarbon between the wellhead and production platform;

(iii) umbilical that consists of cables and hoses to deliver power, control signals and fluids to the subsea production system equipment; and

(iv) risers and seafloor pipelines that carry petroleum across long distance of the seafloor and flow upwards to the production platform.

Subsea production systems are used to establish multiple seafloor oil wells over a large area and are connected by risers to production platforms as opposed to building oil rigs over each oil well. This improves the utilisation of production platforms and reduces operating costs. They are also used in remote or deepwater areas that are technically challenging for floating production platforms to reach and are used to enhance marginal fields recovery rate by creating additional pressure during extraction. Subsea production systems are mostly used for the extraction of petroleum before transporting them to production platforms.

They do not process the extracted petroleum. To navigate the underwater environment, subsea operations rely on special equipment such as diving systems including saturated diving systems that enable divers to reach underwater depths of up to 300 feet, and DSVs that are designed with the safety of the divers in mind. ROVs are often used in place of human divers to minimise safety risks posed by the hazardous underwater environment.

Underwater IRM services are often conducted to ensure the integrity and operational efficiency of any permanent structure offshore. The IRM scope of work uses divers and ROVs and covers light construction, correction of defects, strengthening of structures, change-out or repair of boat landings on platforms, retrofit of anodes for platform and pipelines, sectional replacement of pipelines, change-out or repair of flowlines, inspection and repair of export facilities including FPSOs, and FSO units, pipeline tie-ins, retrofitting of risers, detailed inspection of all pipelines and any underwater work that is conducted after the installation of that offshore structure. Once the structure is installed by the barges, lay-barge or work barges, any subsequent future work until such time as the structure is removed, will be part of the IRM scope of work.

(Source: IMR Report)

8.2.5 Historical market performance and growth forecast

The potential size of the OGSE industry in Malaysia is heavily dependent on the capital expenditure committed by Petronas. As the custodian of Malaysia's petroleum resources, Petronas allocates budgets and determines upstream and downstream O&G projects that will be undertaken in Malaysia which have a positive impact on the participation rate and revenue stream of OGSE industry players. Protégé Associates has used the annual domestic capital expenditure programme of Petronas as a proxy to gauge the historical performance and future outlook of the OGSE industry in Malaysia.

Figure 3: Historical and growth forecast of the domestic capital expenditure of Petronas, 2021-2029

Year	Domestic capital expenditure (RM billion)	Growth rate (%)
2021	15.00	-
2022	18.60	24.00
2023	26.20	40.86
2024	33.06	26.18
2025(1)	32.50	-1.69
2026(1)	33.00	1.54
2027(1)	33.50	1.52
2028(1)	34.00	1.49
2029(1)	34.50	1.47

Notes:-
(1) Forecast value of Petronas' expected domestic capital expenditure.
(2) CAGR (2025-2029) (base of 2024): 0.86%

(Source: Petronas and IMR Report)

Petronas recorded a significant increase in its domestic capital expenditure by 24.0% from RM15.00 billion in 2021 to RM18.60 billion in 2022, driven by the need to boost the Malaysian O&G industry. Despite disruptions in the global oil supply chain caused by the Russian-Ukraine war and the ongoing post-pandemic economic recovery, Petronas has remained committed to strengthening its business and investing in exploration, development, and production activities to sustain and enhance production in Malaysia.

In 2023, the domestic capital expenditure of Petronas increased by 40.86% to RM26.20 billion. This increase can be mainly attributed to Petronas' investments in key projects such as the Nearshore Floating LNG project in Sabah, the development of the Kasawari Gas Field, and the establishment of carbon sequestration facilities in Sarawak. Additionally, the high average crude oil prices environment throughout the year supported Petronas' robust investments. The increased capital expenditure by Petronas is expected to generate higher demand for services from OGSE players. At the same time, Petronas' international capital expenditure for overseas (including subsea services) stood at RM26.60 billion in 2023.

In 2024, Petronas increased its domestic capital expenditure by 26.18% to RM33.06 billion, driven by upstream projects including the Kasawari Gas Field and Integrated Bekok Oil development projects. In 2025, Petronas's domestic capital expenditure is expected to slow down due to declining crude oil prices and crude oil demand amid an expected global economic slowdown arising from escalating trade tensions between the USA and its trading partners. As such, domestic capital expenditure of Petronas is forecast to fall to RM32.50 billion in 2025. The International Monetary Fund has also projected global economic growth to slow to 2.80% in 2025 from 3.30% in 2024.

Petronas has also outlined its commitment on sustaining and growing Malaysia's O&G production in its 2025-2027 activity outlook. Over the next three years, approximately 367 facilities improvement plans will be implemented annually to ensure optimal production of the producing fields and facilities. These plans include rejuvenation projects, replacements of gas turbines and generators, and other significant maintenance works. Moreover, around 153 matured assets will undergo decommissioning activities, while disused assets will be assessed for potential reuse or repurposing.

According to the Petronas Activity Outlook 2025-2027, the local O&G industry will require 118 OSVs to support activities between 2025 and 2027. The 118 vessels requirement is to support current production operations and does not include requirement for drilling and maintenance. The estimated number of vessels required to support drilling and maintenance projects in the next three years stood at 220, 234, and 222 vessels respectively. The local OSV sector may experience a shortage of vessels in coming years due to insufficient new builds and an ageing fleet. It is estimated that there will be a critical shortage of anchor handling tug supply vessels below 80 tonnes beyond 2030 unless owners acquire new vessels. This demand-supply gap is expected to drive the addition of new vessels in the coming years, presenting growth opportunities for the local OGSE industry.

(Source: IMR Report)

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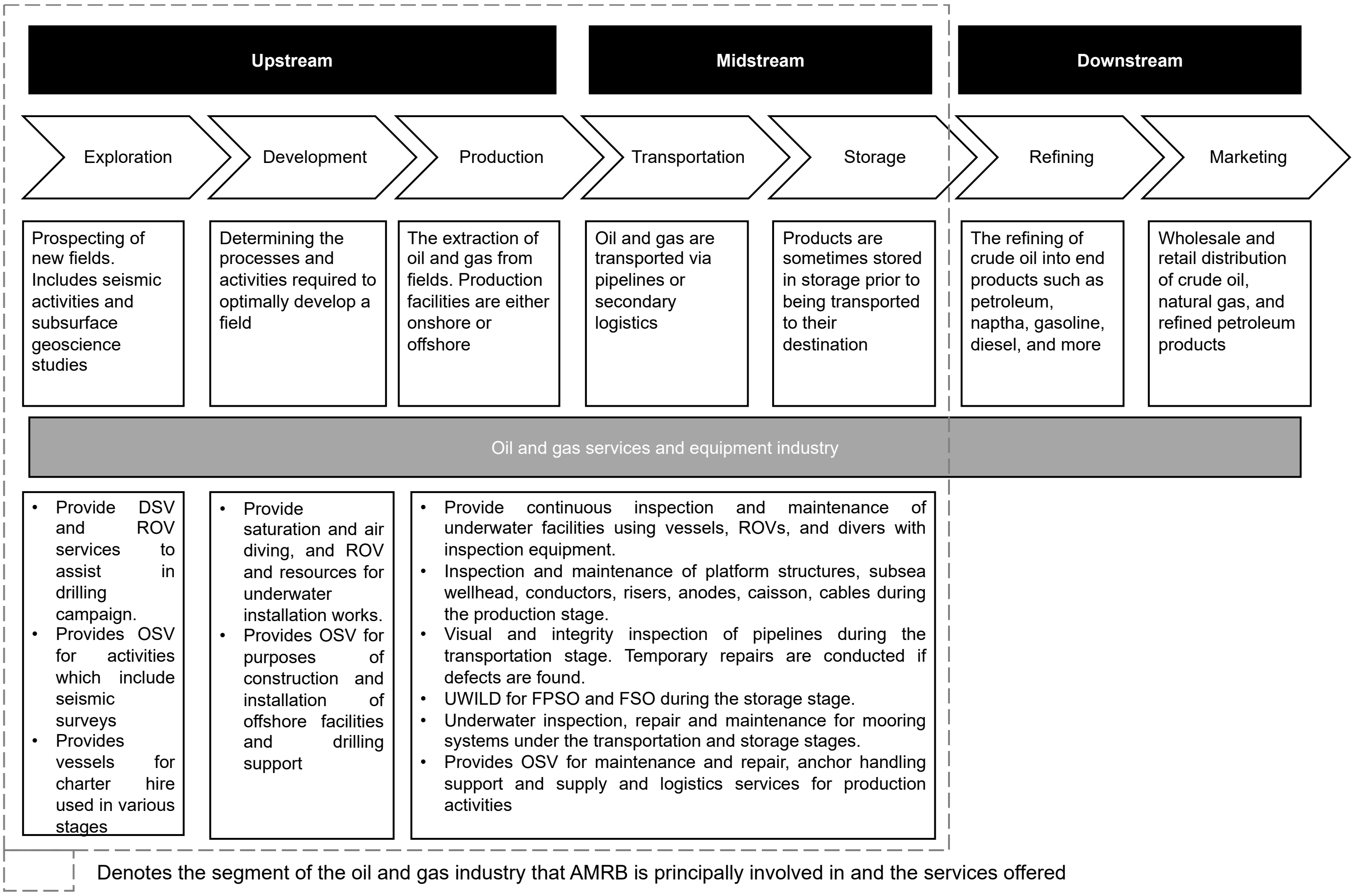
8.3 Prospects and future plans of the Group

8.3.1 Principal activities

The Group is principally involved in the provision of offshore support services, namely Subsea and OSV services for the O&G industry. The Group operates in the OGSE industry where its business activities are to support the upstream segment of the O&G industry, in particular, logistical support and inspection, maintenance and repair works to ensure the efficiency of crude oil and gas production as well as the functionality and safety of offshore facilities.

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



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Over the last few years, the Group has been increasingly shifting its focus to the Subsea services segment while gradually downsizing the scale of its OSV segment. In conjunction with this, the Group has been embarking on a vessel disposal program to offload idle and non-profitable vessels as part of its business rationalisation plan. In the FYE 30 June 2023, the Subsea services segment contributed RM246.20 million or 79.28% of the Group's total revenue. On the other hand, the OSV segment and OIC segment contributed RM37.70 million and RM22.65 million or 12.14% and 7.29% of the Group's total revenue respectively while other sources contributed RM4.00 million or 1.29% of the Group's total revenue.

Currently, the Group's Subsea services segment is primarily operated under a single company called SWS. SWS was incorporated in 2018 as a 50:50 joint-venture company between AHSB, a wholly-owned subsidiary of AMRB, and AME Subsea Sdn Bhd which in turn manages all resources and employees of SWS.

SWS was incorporated in 2018 to provide a complete work programme of underwater, structural and topside inspection as well as repair and maintenance. While it primarily serves the Malaysian market at this juncture, it intends to expand its services to international markets such as Thailand in the future. This marked the Group's foray into the Subsea services segment, which in turn paved the way for AMRB to further enhance the existing value proposition of its offerings, while also gaining exposure to international business opportunities.

For information, SWS has since been reclassified from a joint-venture company to a subsidiary of AHSB on 1 July 2024 as the shareholders of SWS had agreed that the nominee director of AMRB (i.e. Datuk Azmi) be granted a casting vote to determine the outcome of a proposed resolution in the event of equality of votes cast by directors of SWS on any resolution of the Board of Directors of SWS, pursuant to the terms of a Second Supplementary Agreement dated 1 July 2024 entered into between AHSB and AME Subsea Sdn Bhd in relation to the Shareholders' Agreement dated 4 September 2018 (as amended by a Supplementary Agreement dated 19 September 2018) ("**Second Supplementary Agreement**"). The effect of the nominee director of AMRB holding such casting vote is that AHSB is deemed to control SWS and hence SWS is treated as a subsidiary of AHSB. The reclassification of SWS from a joint-venture company to a subsidiary was undertaken in line with AMRB's intention to focus on the Subsea segment moving forward while both shareholders of SWS retain their existing equity interests in SWS.

Leveraging on the experience of the key management of SWS, namely Dato' Albert (a director of SWS as well as a director and major shareholder of AME Subsea Sdn Bhd which co-owns SWS with AHSB), as well as the Group's Head of Global Subsea Business, namely Alvin Ch'ng Yi Ming (who is also a director of SWS as well as a director and shareholder of AME Subsea Sdn Bhd), the Subsea services segment presents a positive outlook for the Group moving forward. Further details on their profiles are set out in Section 8.3.3 of this Circular.

For information, Dato' Albert is also one of the Undertaking Shareholders for the Proposed Rights Issue with Warrants, which in turn indicates his support towards ensuring the successful implementation of the Proposed Regularisation Plan premised on his confidence towards the future prospects of the AMRB Group.

The Subsea services segment is a segment that is not materially affected by fluctuations in crude oil and gas prices because IRM work is critical for O&G companies to ensure efficient production of crude oil and gas and the proper functionality of related facilities throughout the lifecycle of an offshore platform, which can operate for up to 30 years. As such, the Subsea services segment can be expected to provide a more consistent and sustainable stream of revenue to the AMRB Group as compared to the OSV segment.

To support this strategic focus, the Group intends to explore opportunities to expand its assets to undertake larger and more projects in the future. These efforts may include investments in related facilities over the next 5 years. Further details on the Group's future plans and strategies are set out in Section 8.3.4 of this Circular.

The Group's existing business segments are detailed as follows:-

(i) Subsea services

The Group provides a range of Subsea services that ensures optimal performance and longevity of underwater structures and equipment.

The following details the types of Subsea services the Group offers:-

(a) Underwater IRM

Underwater IRM involve assessing, fixing and maintaining structures or equipment beneath the water's surface. This includes checking for damage, conducting necessary repairs and performing routine maintenance tasks to ensure the proper functioning and longevity of submerged infrastructure such as pipelines or offshore installations. Specialised equipment and techniques are employed for these underwater operations, often carried out by trained divers or ROVs.

The illustration below shows the Group's underwater IRM works:-

Installation of platform structure clamp

(b) Platform and pipeline inspection

Underwater platform and pipeline inspection involves examining submerged structures and pipelines to assess their condition, integrity and performance. This inspection is important in identifying potential issues such as corrosion, cracks or other defects that could compromise safety or functionality. Advanced technologies, including ROVs and diver-operated inspection equipment / sensors, are typically used to capture detailed data. The collected information helps the client to make informed decisions about maintenance, repairs or upgrades to ensure the continued reliability and efficiency of underwater platforms and pipelines.

The illustrations set out below show the processes involved in this subsegment:-

ROV launching

Loading of ROV with inspection equipment and sensors

Diver measuring corrosion protection level of pipeline

Diver removing marine growth on platform

(c) UWILD

UWILD for FPSO vessels involves conducting inspections and maintenance tasks beneath the waterline while the vessel remains afloat, eliminating the need for drydocking. This process includes examining the hull, propellers and other submerged components for damage, corrosion or fouling that may impact the FPSO's performance or integrity. Specialised inspection techniques, such as using ROVs and divers, are employed to assess and document the condition of the underwater structures. UWILD allows for cost-effective and efficient inspections, enabling operators to comply with regulatory requirements and ensure the continued safety and efficient operation of FPSO vessels without needing drydock facilities.

The illustrations set out below indicate some examples of activities in this subsegment:-

DSV approaching FPSO vessel for UWILD operation

Diver inspecting mooring chain

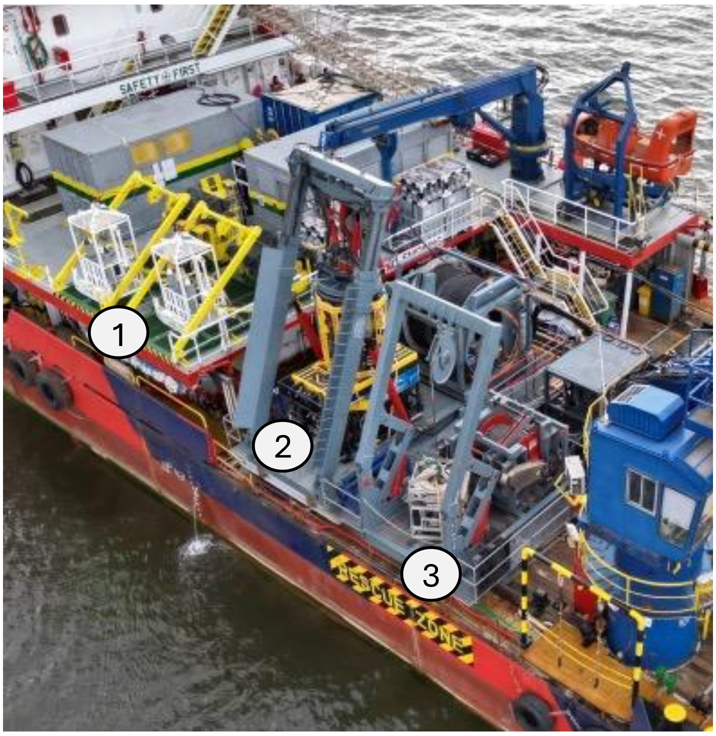
Hull cleaning by divers for UWILD

(d) Diving and ROV services

The Group provides air and saturation diving and ROV services and associated tooling to support its customers. Services available under this subsegment include:-

(i)	Subsea construction and intervention	:	Services which include pipeline spool installation, baseline surveys, metrology, Subsea changeouts, stroke tests and Subsea pig launching
(ii)	Baseline survey	:	Services which include general visual inspection, cathodic potential survey, flooded member detection, underwater photography, marine growth inspection, seabed survey and appurtenance inspection
(iii)	Pre and post-survey	:	Services which include seabed debris survey and post debris removal survey, pipeline route survey and pipeline as-laid survey
(iv)	Rig support	:	Services which include seabed debris survey and removal and sonar side scan
(v)	Drilling support	:	Services which include assisting in wellhead installation, process monitoring and grouting
(vi)	Component change-out	:	Services which include changing or replacement of components such as conductor guard, riser guard, boat fenders, pipeline and riser sections
(v)	Classification statutory inspection	:	Services which include UWILD inspection for FPSO, FSO vessels and mobile offshore production unit according to internally recognised standards
(vi)	Marine salvage	:	Services include retrieval of abandoned / parted anchor and ship / rigs
(vii)	Equipment rental	:	Rental of Subsea related equipment including diving system, scuba replacement package, ROV system and HRF

The illustrations set out below show the types of ROVs onboard a DSV:-



Notes:
1. Air dive system
2. Work class ROV
3. Inspection class ROV

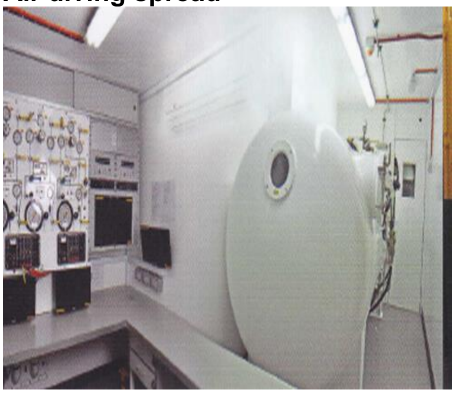
Launching of divers from DSV

(e) **Marine support services**

The Group also offers a range of specialised vessels and equipment to support various underwater and offshore operations such as IRM as well as construction of Subsea infrastructure. Services available under this subsegment include:-

(i)	Accommodation workboats and barges	:	These vessels provide living quarters and operational bases for crew members working on offshore projects
(ii)	DSV	:	These vessels are provided to support diving operations and provide platform for divers and ROVs to carry out underwater inspections, repair and maintenance as well as installation works

As at the LPD, the Group owns 3 types of underwater related equipment for its Subsea segment which are detailed as follows:-

System	System specifications
Air diving spread 	Year built/age: 2015/9 years Year registered/acquired: 2015 Owner: AHSB Type : Portable 50m Air Diving System Compliance : IMCA D023 Design System Components: 3-man Air/Gas Panel Dive Control Van – 8T Machinery Van – 9.5T Deck Decompression Chamber (DDC) container – 9T Launching And Recovery System (LARS) – 2 units – (4.65T x 2) NBV as at 31 December 2024: RM0.48 million No. of units owned: 4 units
ROV 	Name: JERUNG Classification/Certification: IMCA certified Year built/age: 2011/ 13 years Owner: AMSB Type: Work Class ROV Total Power Rating: 110 Kw / 150 HP Depth Rating (Standard): 3,000 meters (TMS) NBV as at 31 December 2024: RM0.97 million No. of units owned: 2 units

System
ROV

System specifications

Name: PARI
Classification/Certification: IMCA certified
Year built/age: 2009/ 15 years
Owner: AMSB
Type: Work Class ROV
Total Power Rating: 94 Kw / 125 HP
Depth Rating (Standard): 1,500 meters (free-swimming)
NBV as at 31 December 2024: RM0.24 million
No. of units owned: 2 units

(ii) OSV

The Group provides a range of OSVs vessels for charter hire, tailored to meet specific customer needs and requirements. The Group's fleet currently comprises 2 anchor handling tug supply vessels and 3 tug / platform support vessels.

In seismic survey-related activities, the Group supports seismic operators in conducting surveys on behalf of O&G companies. These surveys aim to locate natural reserves of O&G in ocean beds, utilising the Group's vessels for necessary support.

The Group offers transportation services for the movement of crew and supplies, including food provisions, between platforms and from shore to rigs, platforms or vessels. This ensures the efficient operation of offshore activities.

The Group also provides towing and mooring services, involving the relocation of rigs to specified coordinates using OSVs. Towing ensures safe transportation of rigs, while mooring secures them in place upon reaching their destination.

Anchor handling services offered by the Group involve positioning anchors and other marine equipment via OSVs. The vessels also function as supply vessels and tugboats, supporting the transport of food, equipment and supplies for various maritime operations.

As at the LPD, the Group has 1 vessel that support its OSV services as follows:-

Vessel
Anchor handling tug supply

Vessel specifications

Name: M V Setia Teguh
Year built / age: 2008 / 16 years
Year registered / acquired: 2008
Owner: AMSB
Flag / current location: Malaysia
DWT (MT): 1400 MT
Speed: 13 knots
LOA: 59.25 m
NBV as at 31 December 2024: RM5.10 million

8.3.2 Competitive strengths

(i) Experienced and dedicated key management team

The Group has a technically experienced and dedicated team that leads its business segments, which includes Datuk Azmi (Group Managing Director / Group CEO) and Dato' Albert (Director of SWS).

Datuk Azmi has more than 46 years of working experience in various industries, ranging from banking to hospitality before joining AMRB, where he gained 24 years of experience in the maritime O&G industry.

Dato' Albert has more than 56 years of experience in the Subsea industry and has previously founded Subsea O&G related companies that provide comprehensive underwater services.

They are further supported by Eric Yap Yuen Yee (Chief Financial Officer of the Group), Alvin Ch'ng Yi Ming (Head of Global Subsea Business) and Capt. Pragesan A/L Kunjamboo (Head of Operation - OSV Division), who collectively have more than 75 years of O&G experience. Together, they have hands-on experience in managing operations onboard Subsea vessels and the related administration tasks which are critical to the Group's operations in the Subsea services and OSV segment.

Further details on the profiles of the key management team of the Group are set out in Section 8.3.3 of this Circular.

(ii) Established track record, business network and customer relationships

Since its incorporation in 1998, the Group has been actively engaged in the offshore support services industry. Due to the Group's commitment to quality service and reliability, it has been able to retain its existing customers as well as set and develop new customer relationships. Further details on the major customers of the Group are set out in Section 14 of Appendix I of this Circular.

The Group has built a track record in the offshore support services segment, where it has full range of services that encompass OSV and Subsea IRM, ranging from diving vessel operations and diving operations, that are supported by internal inspection and reporting teams, project management teams and Subsea crews. In particular, the Group's Subsea segment via SWS has completed various contracts that involve surveys, inspection, maintenance and repair services which include but not limited to underwater surveys, platform inspections and underwater rectification works for offshore platforms. The Group's revenue contribution from the OSV and Subsea segments from FYE 2013 to FYE 2024 are as follows:-

	Audited									
	FYE 31 December 2013		FYE 31 December 2014		FYE 31 December 2015		FYE 31 December 2016		FYE 31 December 2017	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
OSV	285,815	78.43	271,545	77.34	177,200	68.99	82,009	86.84	69,228	66.40
Subsea	78,599	21.57	79,564	22.66	79,647	31.01	12,430	13.16	35,032	33.60
Total	**313,225**	**100.00**	**351,109**	**100.00**	**256,847**	**100.00**	**94,439**	**100.00**	**104,260**	**100.00**

	Audited					
	FYE 31 December 2018		FYE 31 December 2019		(Restated) FYE 31 December 2020	
	RM'000	%	RM'000	%	RM'000	%
OSV	66,394	69.62	93,070	59.81	69,923	45.81
Subsea	28,973	30.38	62,532	40.19	82,700	54.19
Total	**95,367**	**100.00**	**155,602**	**100.00**	**152,623**	**100.00**

	Audited					
	18-month FPE 30 June 2022		FYE 30 June 2023		FYE 30 June 2024	
	RM'000	%	RM'000	%	RM'000	%
OSV	46,339	18.21	39,347	13.78	119,092	33.67
Subsea	208,143	81.79	246,237	86.22	234,562	66.33
Total	**254,482**	**100.00**	**285,584**	**100.00**	**353,654**	**100.00**

Over the years, the Group has developed a strong rapport and extensive business network with its clients, achieved through consistent service quality, reliability and hands-on involvement of our key technical personnel and management team.

(iii) Availability of vessels and equipment

As at the LPD, the Group owns 1 OSV that is used to support its OSV segment i.e. Setia Teguh. In addition, it also manages a fleet of marine vessels which consist of 2 vessels, namely a DSV and a Hyperbaric Rescue Vessel (namely, OLV Venture 1 and OLV Supporter). The Group also owns 4 work class ROVs, which are used to perform the IRM works, as well as 4 classed air diving equipment to support its services.

The fleet of marine vessels and related equipment enables the Group to offer a wide range of services to meet the various work requirements set by its customers. As these vessels are owned or managed by the Group, they enable the Group to negotiate directly with its customers and eliminate the need to go through brokers. In turn, this lowers the costs of securing projects and allows the Group to generate higher profit margins for its services. In addition, as charter of vessels from third-parties has a minimum value, the Group's own fleet eliminates the risk of incurring charter fees without generating revenue in the event that secured projects are terminated.

In addition, the Group complements its owned / managed vessels and equipment by renting third party vessels that are used in the Group's business activities. These vessels include saturation, air diving and ROV vessels as well as HRF, which are used for platform and pipeline repair and maintenance as well as to rescue divers during saturation diving. The Group has a long-term charter of a HRF as well as a long-term agreement and charter of 2 DSVs.

By complementing the Group's own vessels with those rented and chartered from third parties, the Group is able to offer, bid and secure contracts with wider job scopes and meet the evolving requirements of its clients and the industry.

(iv) **Operating in a specialised business segment**

The Group operates in a specialised business segment where it provides a range of offshore services, including OSV and Subsea services. The Subsea services segment is a specialised segment with high barriers of entry as it requires certified operations, high capital investments as well as experienced and capable crews. The Subsea services segment caters to the customers' underwater operations in the O&G industry, specifically in the underwater surveys, as well as the IRM of offshore structures. The IRM activities are crucial for the periodic upkeep of pipelines, ensuring efficient production of crude oil and gas and the proper functionality of related facilities. For example, once an offshore platform is constructed, IRM services are required throughout the lifecycle of the platform, thereby providing opportunity for the Group to secure contracts on a long term basis.

Due to the essential nature of these services, particularly the inspection, maintenance and repair activities, the Group's operations are not materially impacted by fluctuations in crude oil and gas prices. Furthermore, the Group secures projects on contract basis from its customers where revenue is obtained based on project milestones throughout the contract duration, thus providing a steady revenue stream throughout the contract duration. This contractual approach ensures sustainable income, highlighting the resilience and stability of the Group's service offerings even during industry downturns.

8.3.3 Key management team

(i) **Datuk Azmi bin Ahmad**
(Group Managing Director / Group CEO)

Datuk Azmi bin Ahmad, a Malaysian male aged 65, is the Group Managing Director / Group CEO of AMRB. He is primary responsible for creating, planning, implementing and integrating the strategic direction of the Group and overseeing the overall business strategies of the Group. In order to ensure that he is able to carry out his responsibilities effectively, he has been appointed as Chairman and/or directors of most of the subsidiaries and jointly-controlled entities of the Group.

He obtained his Diploma in Accountancy from MARA Institute of Technology in 1990. He subsequently obtained a Bachelor of Arts (Hons) in Accounting and Finance from the University of South Bank, United Kingdom in 1992. In 1998, he obtained his Masters of Business Administration from the University of Wales, Cardiff, United Kingdom.

Datuk Azmi began his career in 1978 as a Leftenan Udara in the Royal Malaysian Airforce. In 1985, he joined the private sector and joined the Merlin Hotel Group as an Administration and Security Officer where he was responsible for administrative and security functions in the group. He then left and joined Techart Sdn Bhd as the Head of Administration in 1988, where he was responsible for streamlining operations, managing human resources functions and overseeing the administrative function of the company.

In 1992, he joined Bank Bumiputra Malaysia Berhad as the Manager of the Corporate Banking Division where he was responsible for corporate banking functions include trade finances and corporate loans. He left in 1994 and subsequently joined Nepline Berhad as the General Manager of the Finance, Administration and Human Resource Division, where he was responsible for the financial operations, financial reporting, treasury, budgeting and forecasting; managing overall human resources and talent related initiatives and overseeing all the administrative matters of the company. He subsequently left the company in 1999 and joined AMSB in 2000 as its Managing Director where he was responsible for leading and overseeing the overall operations and business strategy of AMSB and its subsidiaries. He was appointed to his current position on 2 May 2006.

(ii) Dato' Aloysius Albert Michael
(Indirect major shareholder and director of SWS)

Dato' Aloysius Albert Michael, a Malaysian male aged 74, is an indirect major shareholder and director of SWS. Dato' Albert is a director and major shareholder of AME Subsea Sdn Bhd which in turn co-owns SWS with AHSB. He has more than 56 years of experience in the underwater service industry for O&G related companies.

He began his career in 1968 as a trainee diver in a salvage company. In 1971, he joined the offshore O&G industry as a diver for an American company that serviced the Asian region where he gained experience and knowledge in the industry. He worked through the ranks starting as a diver and moved his way up to senior offshore positions.

All his work experience from 1968 to 1988 was with European and American companies. During his diving career, he has worked in the Republic of Congo, Gabon, Cameroon, Tunisia, Malta, Saudi Arabia, the Middle East, India, Philippines, Japan and all of South East Asia (with the exception of Laos and Cambodia). Most of his work was related to IRM and subsea construction work. While attached to his previous employments, he served various positions ranging from Project Manager, Corporate Safety Manager and Area Manager. During his worldwide offshore engagements, he worked on many construction and inspection based projects, where he held positions such as Saturation Diver, Saturation Supervisor and Offshore Superintendent.

In 1988 he started his own subsea O&G company, Allied Marine & Equipment Sdn Bhd, to provide underwater related services for major oil companies. The company undertook contracts in Malaysia and other countries including China, Indonesia, Myanmar, Thailand, the Middle East and Russia. Dato' Albert subsequently sold his company in 2011 to SapuraKencana Berhad and renamed as SapuraKencana Allied Marine Sdn Bhd. Following that, he continued to serve in the company where he assumed the role of Vice President of Subsea Services.

After serving 5 years as the Vice President of Subsea Services for SapuraKencana Allied Marine Sdn Bhd, Dato' Albert left and again started another company, AME Subsea Sdn Bhd, as an underwater service provider in 2016.

In 2018, AME Subsea Sdn Bhd together with AHSB formed a joint venture company known as SWS, which has since been one of the main earnings drivers for the AMRB Group.

(iii) Eric Yap Yuen Yee
(Chief Financial Officer of the Group)

Eric Yap Yuen Yee, a Malaysian male aged 53, is the Chief Financial Officer of the Group since 18 December 2024. He is primarily involved in, amongst others, overseeing the finance and accounting department's operations. He is also involved in costing, preparation and review of contract bidding. He holds an Association of Chartered Certified Accountants (ACCA) qualification. He also holds a certificate from the Association of Accounting Technicians.

He began his career in March 1991 with Mok & Poon (currently Crowe Malaysia PLT) as an Audit Assistant where his responsibilities include assisting in performing statutory audits for clients in various industries. During his tenure with the firm, he was promoted several times, with his last position as a Senior Manager where he was responsible for audit planning, overseeing and reviewing statutory accounts, participating in corporate exercises and corporate advisory. He left the firm in March 2008.

In March 2008, he joined Allied Marine & Equipment Sdn Bhd (currently Sapura Subsea Services Sdn Bhd) as its Chief Financial Officer where his responsibilities include overseeing the company's accounting and finance matters covering review of management accounts, cashflow forecast and the design and implementation of the company's organisation wide management system. He left Sapura Subsea Sdn Bhd in December 2015.

He subsequently became a director and shareholder of AME Subsea Management Sdn Bhd in May 2016 and was responsible for overseeing and managing all accounting and finance matters of the company.

In September 2018, he was appointed as the Finance Manager of SWS, a joint venture company of AME Subsea Sdn Bhd which co-owns SWS with AHSB. He was mainly responsible for managing and overseeing SWS's accounting and finance departments, and was also involved in strategic roles including reviewing, planning and monitoring cash flow, project costings and contract biddings as well as financial results. He was subsequently promoted to be the Chief Financial Officer of SWS on 1 September 2024.

(iv) Alvin Ch'ng Yi Ming
(Head of Global Subsea Business as well as indirect major shareholder and director of SWS)

Alvin Ch'ng Yi Ming, a Malaysian aged 44, is the Group's Head of Global Subsea Business. He is also a director and shareholder of AME Subsea Sdn Bhd which in turn co-owns SWS with AHSB.

He is responsible for the overall performance of the Subsea services segment of the Group, including ensuring the fulfilment of its contracts and contract requirements. He is also involved in overseeing the planning, development and directing the Subsea division's fiscal and operational function and performance. He brings with him more than 15 years of experience in the subsea industry in various Southeast Asian countries.

He holds a Bachelor of Engineering (Civil) with first class honours from the University Tenaga Nasional in Malaysia. He also held a CSWIP 3.4u Certification, which is an internationally recognised underwater inspection certification, and a Life Support Technician certification, which is an internationally recognised certification to conduct life support role for saturation diver when the divers are in the saturation chamber.

He is also certified as an Oil, Gas and Petroleum (”**OGP**”) Client Representative which is internationally recognised for subsea business. OGP Client Representative is a certified individual which acts as a liaison between an O&G service provider and project clients. The certified individual acts as a representative for clients, ensuring works performed are carried out in accordance to client’s requirements and industry guidelines.

He started his career in 2004 as an engineer with Allied Marine & Equipment Sdn Bhd, a company operating in the O&G subsea industry, where he worked in offshore onboard diving vessels in Malaysia, Indonesia, Vietnam and China. During his tenure with the company, he has held various positions, including 3.4u Inspection Controller, inspection engineer and offshore manager / operations superintendent. From 2004 to 2010, he worked offshore on diving vessels and ROVs.

During the period of 2004 to 2007, he worked as an underwater inspection engineer. His main responsibilities include preparing inspection plans, coordinating and managing inspection activities while liaising with the offshore manager, supervisors, divers and ROV to ensure all collected data during inspection are compiled as per requirement by the client.

In 2007, he was promoted to Offshore Manager / Operations Superintendent where his responsibilities include coordinating offshore activities while liaising with the client representative and company management onshore. His responsibilities include ensuring that all the assignments are conducted according to the procedure and safety guidelines based on the client’s and company’s requirements and industry regulation as well as code of practices.

In 2010, he was promoted to Project Manager (Office) and subsequently promoted to Operations Manager in 2012. In 2013, he was promoted to Senior Manager of the company.

During his tenure as a Project Manager (Office), he managed subsea projects worth more than RM1.50 billion and was mainly involved in bidding and project management roles related to vessel chartering, diving and ROV services and inspection. He also oversaw the overall operations and safety procedures which were required for underwater IRM projects. Allied Marine & Equipment Sdn Bhd was subsequently acquired by SapuraKencana Berhad in 2011 and renamed as SapuraKencana Allied Marine Sdn Bhd. He continued to serve as a Project Manager (Office) after the acquisition.

In 2016, he left SapuraKencana Allied Marine Sdn Bhd and joined AME Subsea Management Sdn Bhd as a shareholder as well as to serve as its General Manager. In AME Subsea Management Sdn Bhd, his primary roles were to plan, organise and implement the organisation’s fiscal function and performance with the Managing Director to ensure the operations of the projects are running successfully.

In 2018, following the incorporation of SWS as a joint venture company between AME Subsea Sdn Bhd and AHSB, he was appointed as the Operations Director of SWS where he was responsible for securing contracts, planning and improving operational function and performance, enhancing the capability of the personnel and optimise resources to increase the capacity to undertake more contracts. He was subsequently appointed to his current position in October 2018.

(v) Capt. Pragesan A/L Kunjamboo
(Head of Operation OSV Division)

Capt. Pragesan A/L Kunjamboo, a Malaysian aged 61, is the Head of Operation – OSV Division. He is responsible for the Group's OSV operations and has more than 40 years of seagoing and short experience, including commanding foreign going cargo vessels and managing the cargo and OSVs from shore.

He obtained a Master's degree in Foreign-Going Certificate of Competency from the Marine Department of Malaysia.

Prior to joining the Group, he had served as an Operation and Technical Manager of a company in the maritime industry where he was responsible for overseeing the operational matters including manning / crewing and scheduling, as well as overseeing technical matters of the vessels including repair and maintenance of vessels of the Group. Additionally, he had converted 2 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 joined the Group as an Operation Superintendent in November 2020 and was appointed to his current position in September 2022.

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8.3.4 Future plans and strategies

As at 31 March 2025, the estimated remaining contract value for the on-going contracts and orderbook secured by the Group for its Subsea and OSV segments is RM1.32 billion. Further details on the on-going contracts and orderbook secured by the Group are set out in Section 6 of Appendix I of this Circular. This is expected to contribute positively to the earnings of the AMRB Group over the next few years up to 2029 as and when the contracts are completed in stages.

Moving forward, the Group plans to focus on the Subsea segment and intend to explore opportunities to invest in key areas to improve its operational capabilities and better serve clients while capitalising on the growing demand for specialised Subsea services.

The following details the Group's intended plans moving forward:-

(i) Training

One of the Group's top priorities in ensuring the continuance of quality and safety, is by providing continuous training of existing employees to undertake the tasks that are required to manage a Subsea operation. As the Group operates the only Malaysian-flagged Dynamic Positioning Diving Support Vessel ("**DPDSV**") in the region, one of its main criteria include having sufficient experienced, capable trained and certified personnel. For information purposes, approximately 55 to 80 personnel (including diving crew) are required to operate a DPDSV for both air diving and saturation diving projects. As at the LPD, the Group hires 60 qualified and internationally recognised personnel to operate its DPDSV which is sufficient to support its operations.

The illustration below depicts the DPDSV operated by the Group, the DSV OLV Venture 1:-

To operate a DPDSV, qualified personnel and internationally recognised certifications are critical requirements, obtained through years of appropriate training and hours logged in a particular position before being tested and certified. The duration in terms of hours logged for each position varies, which may range from 1 year for diver, up to 15 years for saturation diving supervisor.

The certifications required to be obtained by qualified personnel varies according to positions / departments. The following summarises the type of certification according to the nature of service:-

(i) Diving related positions require divers to obtain certificates approved by the International Marine Contractor Association ("**IMCA**"), such as the Guidance on Competence Assurance and Assessment (Diving Division), Closed Bell Divers Certificate and First Aid at work certificate.

(ii) Engineers and inspection personnel are required to obtain certificates such as the Guidance on Competence Assurance and Assessment that are approved under the Certification Scheme for Weldment Inspection Personnel ("**CSWIP**").

(iii) Safety personnel are required to attend health and safety courses approved by the Department of Occupational Safety and Health or the National Institute of Occupational Safety and Health.

(iv) Marine personnel officers are required to obtain certificates such as Safety and Heath Officer certification, Assistant Medical Review Officer certification that are approved by the IMCA.

Amongst the personnel required to operate a DPDSV include vessel captain and chief mate, engineers, medical assistants, surveyors, divers and supervisors, saturation divers and supervisors, life support technicians and supervisors, and ROV pilots and supervisors.

The illustrations below show some of the Group's activities:-

Divers in a diving bell

Diving technicians launching diving bell

Spool installation by saturation divers

Personnel going through system familiarisation

As the Group operates in an underwater environment, it is imperative that all its personnel are well trained and that everyone works as a team. This can only be ensured by constant training to accumulate "hours on the job" where they are trained onshore and sent offshore to acquire these skills and experience.

(ii) HRF

The Group intends to explore the feasibility of acquiring a HRF to strengthen its Subsea services. A HRF is a specialised facility with hyperbaric chamber that matches the pressurised environment of divers underwater and is connected to a control van that carries electronics, electrical, gas monitoring, environmental control, cameras, audio and an array of alarm systems. Saturation divers can operate within a hyperbaric pressure chamber for up to 28 days at various depth underwater, from 60 feet to 300 feet. The illustrations below depict some sections of a hyperbaric chamber.

Saturation diving chamber

Hyperbaric chamber in pressurised lifeboat

HRF living chambers

Control panel in HRF

As the divers are underwater, they are exposed to continuous pressure of gas mixtures, and are unable to be brought up to surface environment immediately due to difference in pressure. Depending on the depth that the divers are working at, the process to bring these divers to the surface may take up to 7 days, utilising a pressurised lifeboat where pressure is maintained at the depth the divers are living in. In emergency evacuations, HRF is used to allow safe transfer of divers, where they move through to the pressurised bunks and undergo decompression before returning to surface environment.


Saturation divers returning to the diving bell

The Group's investment in a HRF is critical to support and expand its Subsea services. The existing HRF used in the Group's operations is currently chartered on a long-term basis from an external third party. Thus, by having its own HRF, the Group will be able to eliminate significant ongoing expenses such as charter fees. The acquisition also enables the Group to have complete control of the facility which in turn reduces its reliance on the charter agreement and potential limitations of this agreement. In addition, the acquisition also enables the Group to mobilise its HRF in shorter response time compared to its peers who may be relying on chartered equipment. The HRF's portability also enables it to be easily transported to support the Group's subsea operations in any locations both in Peninsular Malaysia and Sarawak, which is in line with the Group's operations in both regions.

The Group intends to acquire a HRF that is currently chartered on a long term basis from a third party. If feasible, the Group may invest in the HRF, which is estimated to cost approximately RM8.0 million to RM10.0 million, within the next 3 years, with the mode of funding to be determined later.

(iii) ROV services

Moving forward, the Group intends to explore the acquisition of additional ROVs to strengthen its IRM services. The ROVs that the Group may invest in are inspection class ROVs, which are highly manoeuvrable vehicles that can be used to navigate and inspect the interior of platform installations, pipelines and other structures. The Group currently owns 4 work class ROVs used for repair and maintenance works, 2 of which are equipped with tethered management system ("**TMS**") with the remaining two being "free-flying" vehicles. TMS ROVs are lowered into the water on an umbilical that connects to a submersible winch to enable ROVs to travel while free-flying ROVs utilise their own tether and fly from the surface. These ROVs are launched from the side of the vessel and operated by personnel in a control room.

If feasible, the Group may acquire 2 inspection ROVs (where each ROV is estimated to cost approximately RM2.0 million to RM3.0 million) to complement the 4 work class ROVs that it currently owns. The Group currently charters 2 inspection ROVs from external third parties, and therefore the acquisition is expected to reduce its operational cost and increase its efficiency while also being operationally independent of third party services and support. Future maintenance of these proposed ROVs is to be conducted internally to ensure cost efficiency. The acquisition may be undertaken within the next 5 years, with the exact mode of funding to be determined later.

The illustrations set out below show several examples of ROVs:-

Inspection class ROV with TMS

ROV with pipeline inspection equipment

ROVs monitoring divers underwater

ROV control room

(iv) Dynamic Positioning 2 Diving Support Vessel for Air Diving and ROV

The Group intends to explore potential investment in a Dynamic Positioning 2 Diving Support Vessel ("**DP2 DSV**"), a specialised vessel designed to support diving operations for offshore O&G work. It is equipped with dynamic positioning system that is controlled to maintain the vessel's position (without the use of any anchors) against wind or current forces.

The illustration below depicts an example of a DP2 DSV:-

The addition of a new DP2 DSV to the Group's fleet of vessels will provide the Group with the ability to increase its capacity to provide Subsea services to wider customer base, especially those that require ROVs and saturation diving, and thereby increase the Group's earnings capacity. This investment may be undertaken within the next 5 years, with the mode of funding to be determined later.

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9. RISK FACTORS

The Proposed Regularisation Plan is not expected to result in the Group being exposed to additional risks as the Group continues to operate in the same industry, i.e. the OGSE industry. Nonetheless, these are the main risk factors in relation to the Group's business and operations, the industry the Group operates in as well as the Proposed Regularisation Plan:-

9.1 Risks relating to the Group's business and operations

9.1.1 Risks relating to contract-based business model

The Group's business model is based on securing long-term contracts as well as contracts on a project-by-project basis. Apart from that, the Group may also charter its assets out. Upon securing the contracts, the Group has to ensure that it meets the requirements of its customers and/or the performance obligations as stipulated in the respective contracts. Thus, in order for the Group's business to be successful and sustainable, the Group must be able to continuously secure contracts or to charter its assets out, and also complete the performance obligations of the contracts in which it has successfully secured.

If the Group is unable to adhere to the delivery performance requirements and/or satisfy its obligations as stipulated in the respective contracts due to reasons that are beyond its control, the Group may be subject to potential penalties or liquidated damages which in turn may adversely affect the financial performance of the Group. Although the Group has not been subjected to any penalties or liquidated damages in the past 10 years, there is no assurance that the Company will not be subject to any penalties or liquidated damages in the future.

Moreover, most contracts are typically awarded for varying periods of time and contain clauses which could, amongst others, give customers variation or early termination rights. If there is any sudden variation or termination of contracts by the customers, the Group's financial performance may be adversely affected.

Nevertheless, upon regularisation of the Group's financial condition via the Proposed Regularisation Plan, the Group's improved financial standing coupled with AMRB no longer being labelled as a PN17 company may increase potential customers' confidence towards the Group thus enhancing its ability to successfully secure and execute new contracts.

As at 31 March 2025, the estimated remaining contract value for the on-going contracts and orderbook secured by the Group for its Subsea and OSV segments is RM1.32 billion. Further details on the on-going contracts and orderbook secured by the Group are set out in Section 6 of Appendix I of this Circular. This is expected to contribute positively to the earnings of the AMRB Group throughout the respective tenure of the contracts over the next few years up to 2029.

9.1.2 Compliance with certificates, licences, registrations and permits as well as Government regulations

The O&G industry is highly regulated. In Malaysia, such authority is mainly vested with Petronas, whereby operators or service providers are required to possess the relevant licences issued by Petronas in order to provide services to Petronas or other operators.

The Group is required to adhere to the rules and regulations imposed by the relevant authorities as well as possess the requisite certificates, licences, registrations and permits for its Subsea and OSV segments. Moreover, the Group is required to comply with the rules and regulations imposed by the Government and international conventions issued by the International Maritime Organization.

Although the Group has never been in breach of any rules and regulations imposed by the relevant authorities in the past 10 years, there is no assurance that the Group will continuously comply with all of the rules and regulations imposed by the relevant authorities. In addition, although the Group has always been able to obtain the necessary certificates, licences, registrations and permits and never had any of these revoked, suspended or not renewed in the past 10 years, there is no assurance that the Group will continuously be able to obtain and/or renew these certificates, licences, registrations and permits as and when they are required and/or due for renewal.

In the event that the Group is unable to comply with or obtain the necessary certificates, licences, registrations and permits, or if such certificates, licences, registrations and permits are revoked, suspended or not renewed, the Group may not be able to operate and carry out its operations such as Subsea operations and transportation works. It may also hamper the Group's efforts to tender for new contracts. In turn, this will adversely affect the business and financial performance of the Group.

Kindly refer to Section 17 of Appendix I of this Circular for further details on the certificates, licences, registrations and permits of the Group.

9.1.3 Operational risks

Most of the contracts that are secured by the Group are typically for a fixed tenure with optional extension periods. These contracts are structured to achieve an acceptable rate of return after taking into account the cost associated with executing the contracts. Nonetheless, in the event of any unforeseen circumstances such as, amongst others, human errors, unfavourable weather conditions and unexpectedly high operating costs, the contracts may not be able to generate the expected rate of return. Unexpected adverse events like these may also lead to fluctuation in the Group's earnings over the years.

In the course of the Group's operations, the Group may encounter damage of vessels and equipment. The absence of timely replacements or spare parts may lead to prolonged downtime which in turn may result in material adverse impact to the Group's operations and financial performance. Nevertheless, the Group strives to mitigate this risk by ensuring that it carries sufficient critical spare parts at all times.

There is no assurance that the Group will be able to mitigate operational risks and prevent any adverse impact to its operations arising from unforeseen circumstances such as those mentioned above.

9.2 Risks relating to the industry the Group operates in

9.2.1 Fluctuation in earnings in line with the performance of the O&G industry

The Group's OSV business performance and earnings are, to a certain extent, linked to the performance of the O&G industry, specifically the upstream sector which includes the exploration, development and extraction of O&G from both onshore and offshore fields.

In turn, the performance of this sector may be affected by unexpected major global events such as social unrest, wars and pandemics that may contribute to volatility in oil prices. Consequently, this may lead to fluctuation in the level of the Group's earnings from time to time.

There is no assurance that any volatility or major shocks to oil prices will not affect the consistency and sustainability of the Group's earnings in the future.

9.2.2 Political, economic and regulatory risks

The prospects of the Group are dependent on the developments in the political, economic and regulatory conditions in Malaysia. Any adverse development in political, economic and regulatory conditions in Malaysia could unfavourably affect the financial position and business prospects of the Group. These risks include, amongst others, changes in political leadership, risk of war, riots and commotions, changes in economic conditions, changes in interest rates, methods of taxation and unfavourable changes in government policies such as introduction of new regulations, duties and tariffs.

Further, the Government has made it mandatory to obtain the necessary licences from Petronas to participate in the O&G industry in Malaysia. Hence, any adverse changes in regulatory factors which may affect Petronas, may in turn affect the Group's ability to renew or apply for the necessary licences. Inability to renew or apply for the necessary licences will adversely affect the financial condition of the Group.

There is no assurance that any adverse economic, political and regulatory changes will materially affect the Group's business prospects as these risks are beyond the control of the Group.

9.3 Risk relating to the Proposed Regularisation Plan

9.3.1 Non-completion or delay in the implementation of the Proposed Regularisation Plan

The ability of the Company to regularise its financial condition and uplift its PN17 status is dependent on the timely implementation and completion of the Proposed Regularisation Plan.

As each component of the Proposed Regularisation Plan is crucial to the overall success of the Proposed Regularisation Plan, the non-completion or delay in the implementation of any part of the Proposed Regularisation Plan may adversely affect the Company's efforts in regularising the Company's financial condition and uplifting its PN17 status.

Although the Company had already obtained the approval of the requisite majority in value of the Scheme Creditors to undertake the Proposed Debt Restructuring during the CCM held on 26 July 2024, the non-completion or delay in the implementation of any part of the Proposed Regularisation Plan may still have an adverse effect on the implementation of the Proposed Debt Restructuring. This is in view that the issuance of the Settlement Shares and the Settlement Warrants to the Scheme Creditors under the Proposed Settlement forms a crucial part of the Proposed Debt Restructuring.

In the worst case scenario, the failure to implement the Proposed Debt Restructuring will adversely affect the Group's ability to settle the amounts due to its creditors. Subsequently, the High Court may no longer grant an extension of the Restraining Order for the Group, and the Group's creditors may recommence their efforts to recover the debts owed by the Group via legal action. In turn, this may ultimately result in liquidation and/or winding-up scenarios.

Failure to implement the Proposed Regularisation Plan in a timely manner or at all may ultimately result in Bursa Securities suspending the trading of AMRB Shares or de-list AMRB from the Official List.

Nonetheless, the Company will undertake the necessary steps to ensure the timely implementation and successful completion of the Proposed Regularisation Plan.

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10. EFFECTS OF THE PROPOSED REGULARISATION PLAN

10.1 Share capital

The Proposed Internal Restructuring will not have any impact on the share capital of the Company.

The pro forma effects of the Proposed Share Capital Reduction, the Proposed Share Consolidation, the Proposed Rights Issue with Warrants and the Proposed Settlement on the share capital of the Company are as follows:-

	No. of Shares	Share capital (RM)
Issued share capital as at the LPD	1,531,828,805	442,667,403
Reduction of issued share capital arising from the Proposed Share Capital Reduction	-	(440,000,000)
After the Proposed Share Capital Reduction	1,531,828,805	2,667,403
After the Proposed Share Consolidation	153,182,880	2,667,403
New Shares to be issued pursuant to the Proposed Rights Issue with Warrants	114,887,160	(1)13,786,459
After the Proposed Rights Issue with Warrants	268,070,040	16,453,862
New Shares to be issued pursuant to the Proposed Settlement	177,506,735	(2)49,400,124
After the Proposed Settlement	**445,576,775**	**65,853,986**
New Shares to be issued assuming full exercise of the Warrants	73,098,473	(3)21,929,542
Enlarged issued share capital after the Proposed Regularisation Plan	**518,675,248**	**87,783,528**

Notes:-
(1) Based on the issue price of RM0.12 per Rights Share.
(2) Based on the issue price of RM0.2783 per Settlement Share.
(3) Based on the exercise price of RM0.30 per Warrant.

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10.2 NA and gearing

The pro forma effects of the Proposed Debt Restructuring and the Proposed Regularisation Plan on the NA and gearing of the Group based on the audited consolidated statement of financial position as at 30 June 2024 are as follows:-

		(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)
	Audited as at 30 June 2024 (RM'000)	**Restated audited as at 30 June 2024[1] (RM'000)**	**After (I) and the subsequent events[2] (RM'000)**	**After (II) and the Proposed Share Capital Reduction (RM'000)**	**After (III) and the Proposed Share Consolidation (RM'000)**	**After (IV) and the Proposed Rights Issue with Warrants[3][4] (RM'000)**	**After (V) and the Proposed Settlement and the Proposed Debt Restructuring [5][6][7] (RM'000)**	**After (VI) and assuming full exercise of the Warrants[8] (RM'000)**	**After (VII) and the Proposed Internal Restructuring (RM'000)**
Share capital	442,667	442,667	442,667	2,667	2,667	9,121	47,192	87,784	87,784
Other reserves	872	872	872	872	872	872	872	872	872
Warrants reserve	-	-	-	-	-	7,333	18,662	-	-
Accumulated losses	(468,998)	(567,614)	(547,658)	(107,658)	(107,658)	(107,658)	(46,656)	(46,656)	(35,283)
Shareholders' equity / NA	(25,459)	(124,075)	(104,119)	(104,119)	(104,119)	(90,332)	20,070	42,000	53,373
Non-controlling interests	-	-	789	789	789	789	789	789	789
Total equity	**(25,459)**	**(124,075)**	**(103,330)**	**(103,330)**	**(103,330)**	**(89,543)**	**20,859**	**42,789**	**54,162**
No. of Share in issue ('000)	1,531,829	1,531,829	1,531,829	1,531,829	153,183	268,070	445,577	518,675	518,675
NA per Share (RM)	(0.02)	(0.08)	(0.07)	(0.07)	(0.68)	(0.34)	0.05	0.08	0.10
Borrowings (RM'000)	88,376	88,376	79,904	79,904	79,904	79,904	14,811	14,811	3,600
Gearing (times)	N/A	N/A	N/A	N/A	N/A	N/A	0.74	0.35	0.07

Notes:-

(1) After taking into consideration the adjustments on certain accounting balances arising from the statutory audits of AMSB, AHSB and AMPSB.

(2) After taking into consideration the following events:-

(i) reclassification of SWS from a joint-venture company to a subsidiary of AHSB on 1 July 2024;

(ii) reversal of impairment of investments in joint ventures amounting to RM19.50 million from THAL and Alam-PE Holdings (L) Inc ("**APEH**"), which has a material impact on the financial position of the Group and is non-recurring in nature;

(iii) disposals of Setia Rentas (a supply vessel), Setia Yakin (a tug vessel) and Setia Zaman (a tug vessel) for a total cash consideration of RM9.87 million which were completed in March 2025 and resulted in a gain on disposal amounting to RM2.30 million. The disposals of vessels have a material impact on the financial position of the Group and is non-recurring in nature;

(iv) the disposal of Setia Budi (a tug / platform support vessel) for a cash consideration of RM2.00 million which was completed in October 2024 and resulted in a gain of disposal amounting to RM1.41 million. The disposal of vessel has a material impact on the financial position of the Group and is non-recurring in nature;

(v) repayment of Sukuk amounting to RM9.87 million in March 2025. The repayment of Sukuk has a material impact on the financial position of the Group and is non-recurring in nature; and

(vi) repayment of amount owing to creditors via withdrawal of fixed deposits amounting to RM3.26 million in October 2024, which has a material impact on the financial position of the Group and is non-recurring in nature.

(3) Based on the issuance of 114,887,160 Rights Shares at the issue price of RM0.12 each.

(4) After accounting for the creation of warrant reserve based on the issuance of 28,721,790 Rights Warrants at an allocated fair value of RM0.2553 per Rights Warrant (computed based on the Trinomial option pricing model with data sourced from Bloomberg).

(5) After taking into consideration the following:-

(i) one-off net gain of RM50.63 million as a result of the waiver of debts owed to the Scheme Creditors pursuant to the Proposed Debt Restructuring;

(ii) payment of RM33.56 million (via the Upfront Cash Settlement and the Settlement Shares) due to settlement with a Scheme Creditor whose debt is registered at Alam Radiance (L) Inc ("**ARLI**") level pursuant to the Proposed Debt Restructuring. For information, ARLI is a joint venture between AMLI and Pacific Crest Pte Ltd; and

(iii) estimated expenses in respect of the Proposed Regularisation Plan and the Proposed Debt Restructuring of approximately RM4.16 million (this will be funded via the proceeds to be raised from the Proposed Rights Issue with Warrants as well as internally generated funds).

(6) Based on the issuance of 177,506,735 Settlement Shares at the issue price of RM0.2783 each.

(7) After accounting for the creation of warrant reserve based on the issuance of 44,376,683 Settlement Warrants at an allocated fair value of RM0.2553 per Settlement Warrant (computed based on the Trinomial option pricing model with data sourced from Bloomberg).

(8) Based on the exercise price of RM0.30 per Warrant and after accounting for the reversal of warrant reserve.

(9) For the avoidance of doubt, the remaining accumulated losses are expected to be addressed through the future profits to be generated by the Group after the completion of the Proposed Regularisation Plan. In this regard, we wish to highlight that the AMRB Group has already recorded an unaudited net profit of RM23.20 million in the latest 6-month FPE 31 December 2024 (which includes reversal of impairment of investments in joint ventures amounting to RM16.42 million from THAL and APEH which has been recognised as a subsequent event under Note (2) above), which would offset part of the accumulated losses. With the AMRB Group being on stronger financial footing after the completion of the Proposed Regularisation Plan thus placing it in a stronger position to generate profits and barring any unforeseen circumstances, the remaining accumulated losses are expected to be fully offset within the next few years.

10.3 Earnings and EPS

The Proposed Share Capital Reduction and the Proposed Internal Restructuring will not have any material impact on the earnings and EPS of the Group for the FYE 30 June 2025.

The Proposed Debt Restructuring, which is facilitated by the Proposed Rights Issue with Warrants and the Proposed Settlement, is expected to result in a one-off net gain of RM50.63 million as a result of the waiver of debts owed to the Scheme Creditors pursuant to the Proposed Debt Restructuring. Apart from that, the Proposed Regularisation Plan is not expected to have any material impact on the Group's earnings for the FYE 30 June 2025.

The Proposed Rights Issue with Warrants and the Proposed Settlement are expected to result in dilution of AMRB's consolidated EPS as a result of the increase in the number of AMRB Shares upon the issuance of the Rights Shares and the Settlement Shares.

For illustration, based on the latest audited consolidated financial statements of the Company for the FYE 30 June 2024 and assuming the Proposed Regularisation Plan had been completed at the beginning of that financial year, the pro forma effects of the Proposed Regularisation Plan on the consolidated earnings and EPS of the Company are as follows:-

	Audited FYE 30 June 2024	(I) After the Proposed Share Consolidation	(II) After (I) and the Proposed Rights Issue with Warrants[(1)]	(III) After (II) and the Proposed Settlement and the Proposed Debt Restructuring[(2)(3)(4)]	(IV) After (III) and assuming full exercise of the Warrants[(5)]
PAT attributable to owners of the Company (RM'000)	26,311	26,311	26,311	72,788	72,788
Weighted average no. of Shares ('000)	1,531,829	153,183	268,070	445,577	518,675
EPS (sen)	1.72	17.18	9.81	16.34	14.03

Notes:-
(1) Based on the issuance of 114,887,160 Rights Shares.
(2) After accounting for estimated expenses incidental to the Proposed Regularisation Plan and the Proposed Debt Restructuring of RM4.16 million assuming the estimated expenses are not capitalised.
(3) After accounting for a one-off net gain of RM50.63 million as a result of the waiver of debts owed to the Scheme Creditors pursuant to the Proposed Debt Restructuring.
(4) Based on the issuance of 177,506,735 Settlement Shares.
(5) Based on the issuance of 73,098,473 new Shares pursuant to the full exercise of the Warrants.

10.4 Substantial Shareholders' shareholdings

The Proposed Share Capital Reduction and the Proposed Internal Restructuring will not have any impact on the substantial Shareholders' shareholdings in AMRB.

The pro-forma effects of the Proposed Share Consolidation, the Proposed Rights Issue with Warrants and the Proposed Settlement on the substantial Shareholders' shareholdings in AMRB are as follows:-

Scenario I : Assuming all the Rights Shares are fully subscribed by the Undertaking Shareholders pursuant to their Undertakings

Scenario II : Assuming all Entitled Shareholders subscribe for their entitlement of Rights Shares based on their shareholdings in the Company

Scenario I

Substantial Shareholders	As at the LPD				(I) After the Proposed Share Consolidation			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%[1]	No. of Shares	%[1]	No. of Shares	%[2]	No. of Shares	%[2]
SAR Venture Holdings (M) Sdn Bhd	330,415,436	21.57	-	-	33,041,543	21.57	-	-
Datuk Azmi	2,292,748	0.15	[6]330,581,061	21.58	229,274	0.15	[6]33,058,106	21.58
Dato' Albert	1,000,000	0.07	-	-	100,000	0.07	-	-
Bank A[7]	-	-	-	-	-	-	-	-

Substantial Shareholders	(II) After (I) and the Proposed Rights Issue with Warrants				(III) After (II) and the Proposed Settlement			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%[3]	No. of Shares	%[3]	No. of Shares	%[4]	No. of Shares	%[4]
SAR Venture Holdings (M) Sdn Bhd	33,041,543	12.33	-	-	33,041,543	7.42	-	-
Datuk Azmi	55,229,274	20.60	[6]33,058,106	12.33	55,229,274	12.40	[6]33,058,106	7.42
Dato' Albert	59,987,160	22.38	-	-	59,987,160	13.46	-	-
Bank A[7]	-	-	-	-	79,824,087	17.91	-	-

Substantial Shareholders	(IV) After (III) and assuming full exercise of the Warrants			
	Direct		Indirect	
	No. of Shares	%[5]	No. of Shares	%[5]
SAR Venture Holdings (M) Sdn Bhd	33,041,543	6.37	-	-
Datuk Azmi	68,979,274	13.30	[6]33,058,106	6.37
Dato' Albert	74,958,950	14.45	-	-
Bank A[7]	99,780,108	19.24	-	-

Notes:-

(1) Based on the total number of 1,531,828,805 Shares in issue as at the LPD.

(2) Based on the consolidated total number of 153,182,880 Shares after the Proposed Share Consolidation.

(3) Based on the enlarged total number of 268,070,040 Shares after the Proposed Rights Issue with Warrants.

(4) Based on the enlarged total number of 445,576,775 Shares after the Proposed Settlement.

(5) Based on the enlarged total number of 518,675,248 Shares after assuming full exercise of the Warrants.

(6) Deemed interested by virtue of his shareholding in SAR Venture Holdings (M) Sdn Bhd and the shareholding of his spouse in AMRB pursuant to subsections 8(4) and 59(11)(c) of the Act respectively.

(7) Due to the sensitivity of information, the Company has not been given consent to disclose the names of these recipients of the Settlement Shares and the Settlement Warrants.

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Scenario II

	As at the LPD				(I) After the Proposed Share Consolidation			
	Direct		Indirect		Direct		Indirect	
Substantial Shareholders	No. of Shares	%(1)	No. of Shares	%(1)	No. of Shares	%(2)	No. of Shares	%(2)
SAR Venture Holdings (M) Sdn Bhd	330,415,436	21.57	-	-	33,041,543	21.57	-	-
Datuk Azmi	2,292,748	0.15	(6)330,581,061	21.58	229,274	0.15	(6)33,058,106	21.58
Bank A(7)	-	-	-	-	-	-	-	-

	(II) After (I) and the Proposed Rights Issue with Warrants				(III) After (II) and the Proposed Settlement			
	Direct		Indirect		Direct		Indirect	
Substantial Shareholders	No. of Shares	%(3)	No. of Shares	%(3)	No. of Shares	%(4)	No. of Shares	%(4)
SAR Venture Holdings (M) Sdn Bhd	57,822,700	21.57	-	-	57,822,700	12.98	-	-
Datuk Azmi	401,229	0.15	(6)57,851,685	21.58	401,229	0.09	(6)57,851,685	12.98
Bank A(7)	-	-	-	-	79,824,087	17.91	-	-

	(IV) After (III) and assuming full exercise of the Warrants			
	Direct		Indirect	
Substantial Shareholders	No. of Shares	%(5)	No. of Shares	%(5)
SAR Venture Holdings (M) Sdn Bhd	64,017,989	12.34	-	-
Datuk Azmi	444,217	0.09	(6)64,050,079	12.35
Bank A(7)	99,780,108	19.24	-	-

Notes:-

(1) Based on the total number of 1,531,828,805 Shares in issue as at the LPD.

(2) Based on the consolidated total number of 153,182,880 Shares after the Proposed Share Consolidation.

(3) Based on the enlarged total number of 268,070,040 Shares after the Proposed Rights Issue with Warrants.

(4) Based on the enlarged total number of 445,576,775 Shares after the Proposed Settlement.

(5) Based on the enlarged total number of 518,675,248 Shares after assuming full exercise of the Warrants.

(6) Deemed interested by virtue of his shareholding in SAR Venture Holdings (M) Sdn Bhd and the shareholding of his spouse in AMRB pursuant to subsections 8(4) and 59(11)(c) of the Act respectively.

(7) Due to the sensitivity of information, the Company has not been given consent to disclose the names of these recipients of the Settlement Shares and the Settlement Warrants.

10.5 Convertible securities

As at the LPD, the Company does not have any outstanding convertible securities.

11. TENTATIVE TIMELINE

Subject to all relevant approvals being obtained, the Proposed Regularisation Plan is expected to be completed by September 2025. The tentative timetable in relation to the implementation of the Proposed Regularisation Plan is as follows:-

Date	Events
17 June 2025	EGM for the Proposed Regularisation Plan
End of June 2025	Submission of documents to the High Court for the Proposed Share Capital Reduction Announcement of the Share Consolidation Entitlement Date Appointment of liquidators for / striking-off of the Non-Core Entities to be liquidated or struck-off pursuant to the Proposed Internal Restructuring Completion of disposal of IGSSB pursuant to the Proposed Internal Restructuring
July 2025	Share Consolidation Entitlement Date Listing of the Consolidated Shares Completion of the Proposed Share Consolidation Announcement of the Rights Issue Entitlement Date Rights Issue Entitlement Date Despatch of abridged prospectus, notices of provisional allotment and rights subscription forms
August 2025	Closing date of application for the Rights Shares with Warrants Listing and quotation of the Rights Shares with Rights Warrants and the Settlement Shares with Settlement Warrants Completion of the Proposed Rights Issue with Warrants and the Proposed Settlement
September 2025	Lodgement of the sealed court order of the High Court in respect of the Proposed Share Capital Reduction with the Registrar of Companies Completion of the Proposed Share Capital Reduction

12. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Regularisation Plan is subject to approvals being obtained from the following:-

(i) Bursa Securities for the Proposed Regularisation Plan as well as the following:-

(a) admission of the Warrants to the Official List; and

(b) listing and quotation of the following securities on the Main Market of Bursa Securities:-

(i) 114,887,160 Rights Shares and 28,721,790 Rights Warrants to be issued pursuant to the Proposed Rights Issue with Warrants;

(ii) 177,506,735 Settlement Shares and 44,376,683 Settlement Warrants to be issued pursuant to the Proposed Settlement; and

(iii) up to 73,098,473 new Shares to be issued arising from the exercise of the Warrants.

The approval of Bursa Securities for the above was obtained via its letter dated 20 May 2025, subject to the following conditions:-

		Status of compliance
(a)	AMRB and Interpac must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Regularisation Plan;	To be complied
(b)	AMRB and Interpac to confirm all approvals of relevant authorities have been obtained for the implementation of the Proposed Regularisation Plan and furnish a copy of all approval letters from the relevant authorities;	To be complied
(c)	AMRB and Interpac to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders at the general meeting for the Proposed Regularisation Plan;	To be complied
(d)	AMRB and Interpac to ensure compliance with Paragraph 8.02(1) of the Listing Requirements prior to the quotation for the Rights Shares and Settlement Shares to be issued pursuant to the Proposed Regularisation Plan and furnish Bursa Securities with a copy of the public shareholding spread pursuant to Appendix 8E of the Listing Requirements upon completion of the Proposed Regularisation Plan;	To be complied
(e)	AMRB and Interpac are required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Rights Warrants and Settlement Warrants as at the end of each quarter together with a detailed computation of listing fees payable; and	To be complied
(f)	AMRB and Interpac to inform Bursa Securities upon the completion of the Proposed Regularisation Plan and furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval.	To be complied

(ii) Shareholders at the forthcoming EGM;

(iii) High Court for its sanction for the Proposed Share Capital Reduction; and

(iv) creditors of the Non-Core Entities to be liquidated for the Proposed Internal Restructuring, where required.

The Proposed Share Capital Reduction, the Proposed Share Consolidation, the Proposed Rights Issue with Warrants, the Proposed Settlement and the Proposed Internal Restructuring are inter-conditional.

The Proposed Rights Issue with Warrants and the Proposed Settlement shall only be implemented after the completion of the Proposed Share Consolidation.

The Rights Shares, the Rights Warrants, the Settlement Shares and the Settlement Warrants shall be issued and listed simultaneously.

The Proposed Regularisation Plan and Proposed Debt Restructuring are inter-conditional.

Save for the above, the Proposed Regularisation Plan is not conditional upon any other corporate exercise / scheme being or proposed to be undertaken by the Company.

13. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Debt Restructuring and the Proposed Regularisation Plan, there are no other corporate exercises which have been announced by the Company but are pending completion before the date of this Circular.

14. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE OF THE COMPANY AND/OR PERSONS CONNECTED TO THEM

None of the Directors, major Shareholders, chief executive of the Company and/or persons connected to them have any interest, direct or indirect, in the Proposed Regularisation Plan apart from their respective entitlements under the Proposed Rights Issue with Warrants, to which all Entitled Shareholders are similarly entitled to.

15. BOARD'S RECOMMENDATION

The Board having considered the following:-

(i) the settlement of the AMRB Group's immediate debt obligations via the Proposed Debt Restructuring and the pro forma cash flow position of the AMRB Group upon completion of the Proposed Regularisation Plan; and

(ii) the contracts secured up to the LPD, as set out in Section 6 of Appendix I of this Circular,

is of the view that the AMRB Group will have sufficient working capital available for a period of 12 months from the date of this Circular, and that the Group will be able to record a net profit in 2 consecutive quarterly results following the completion of the Proposed Regularisation Plan.

To the best knowledge of the Board and having considered all aspects of the Proposed Regularisation Plan, including the rationale, risk factors and effects of the Proposed Regularisation Plan, the Board is of the view that the Proposed Regularisation Plan:-

(a) is sufficiently comprehensive and capable of resolving all problems, financial or otherwise that had caused AMRB to trigger the PN17 prescribed criteria;

(b) enables AMRB to regularise its financial condition such that AMRB no longer triggers any of the criteria of Paragraph 2.1 of PN17 of the Listing Requirements as detailed in Section 1.3 of this Circular; and

(c) is in the best interest of AMRB and its Shareholders.

Accordingly, the Board recommends that you vote in favour of the resolutions pertaining to the Proposed Regularisation Plan to be tabled at the forthcoming EGM.

16. EGM

The EGM, the notice of which is enclosed in this Circular together with the Form of Proxy, is scheduled to be held at HIVE 5 (Enterprise 4), Taman Teknologi MRANTI, Lebuhraya Puchong-Sungai Besi, 57000 Bukit Jalil, Kuala Lumpur on Tuesday, 17 June 2025 at 10:30 a.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing, with or without any modifications, the resolutions to give effect to the Proposed Regularisation Plan.

If you are unable to attend and vote in person at the EGM, you may complete and return the enclosed Form of Proxy in accordance with the instructions contained thereon, so as to arrive at the office of the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, deposit in the drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than 48 hours before the time set for holding the EGM or any adjournment thereof.

The proxy appointment may also be submitted electronically via TIIH Online website at https://tiih.online, not less than 48 hours before the time for holding the meeting or any adjournment thereof.

The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM of AMRB should you subsequently wish to do so.

17. FURTHER INFORMATION

The Shareholders of AMRB are advised to refer to the appendices for further information.

Yours faithfully,
For and on behalf of the Board of
ALAM MARITIM RESOURCES BERHAD

FINA NORHIZAH BINTI HAJI BAHARU ZAMAN
Chairman / Independent Non-Executive Director

1. HISTORY AND BUSINESS

AMRB was incorporated in Malaysia under the Companies Act 1965 as a public limited company on 23 June 2005 and was listed on the Main Market of Bursa Securities since 20 July 2006.

AMRB is an investment holding company with subsidiaries mainly involved in the following segments:-

(i) Subsea services

The AMRB Group provides a range of Subsea services for the O&G industry including underwater IRM, platform and pipeline inspection, UWILD, diving and ROV services as well as marine support services.

(ii) OSV services

The AMRB Group provides 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 as well as repair and maintenance services for the O&G industry.

The Group commenced its business in 1998 when AMSB, a wholly-owned subsidiary of AMRB, began its operations which consist of supplying third-party OSVs either on contract or callout basis (spot charter) to meet the needs and requirements of O&G players in Malaysia and around the Asian region.

The Group has been offering OSV and OIC services since AMRB's listing on the Main Market of Bursa Securities. In 2018, the Group expanded into the Subsea services segment, when SWS was incorporated as a 50:50 joint-venture company between AHSB, a wholly-owned subsidiary of AMRB, and AME Subsea Sdn Bhd. SWS was incorporated to provide a complete work programme of underwater, structural and topside inspection as well as repair and maintenance. This paved the way for AMRB to further enhance the existing value proposition of its offerings, while also gaining exposure to international business opportunities. For information, SWS has since been reclassified from a joint-venture company to a subsidiary of AHSB on 1 July 2024 as the shareholders of SWS had agreed that the nominee director of AMRB (i.e. Datuk Azmi) be granted a casting vote to determine the outcome of a proposed resolution in the event of equality of votes cast by directors of SWS on any resolution of the Board of Directors of SWS, pursuant to the terms of the Second Supplementary Agreement.

In 2018, the Group also secured a USD59.00 million contract under its OIC segment where it provides engineering, procurement, construction, installation, and pre-commissioning services for the Tembikai Non-Associated Gas ("**TNAG**") pipeline system.

During the 18-month FPE 30 June 2022, the Group revamped its operational segments, integrating its third-party OSV business proposition with OIC and Subsea operations. It also reduced the size of its fleet from 40 units to 16 units to ensure a higher level of operability and maintenance quality assurance. As at the LPD, the fleet reduction exercise is still ongoing and the Group's OSV segment currently only has 1 vessel i.e. Setia Teguh, which is in the midst of searching for buyers.

Following the completion of the OIC segment's previous contracts, which included the TNAG pipeline system contract in June 2020 as well as a contract to provide transportation, installation and pre-commissioning services for the Cendor Pipeline Project in July 2022, the OIC segment was gradually scaled down due to a lack of new OIC projects. The OIC segment has not contributed to the Group's revenue since the 18-month FPE 30 June 2022 with the Group continuing to shift its focus to the Subsea segment while gradually downsizing the scale of the OSV segment.

2. SHARE CAPITAL

As at the LPD, the issued share capital of AMRB is RM442.67 million comprising 1,531,828,805 AMRB Shares. AMRB does not hold any of its Shares as treasury shares.

3. DIRECTORS

As at the LPD, the Directors (all of them are Malaysians) and their respective shareholdings in the Company are as follows:-

Name / Designation	Date of appointment	Direct		Indirect	
		No. of Shares	%(1)	No. of Shares	%(1)
Fina Norhizah binti Haji Baharu Zaman (Chairman / Independent Non-Executive Director)	22 October 2010	34,000	(2)-	-	-
Datuk Azmi (Group Managing Director / Group CEO / Non-Independent Executive Director)	2 May 2006	2,292,748	0.15	330,581,061(3)	21.58
Ahmad Ruhaizad bin Hashim (Independent Non-Executive Director)	16 November 2020	-	-	-	-
Yap Shuh Jian (Independent Non-Executive Director)	28 February 2023	-	-	-	-

Notes:-

(1) Based on the total number of 1,531,828,805 Shares in issue as at the LPD.

(2) Less than 0.01%.

(3) Deemed interested by virtue of his shareholding in SAR Venture Holdings (M) Sdn Bhd and the shareholding of his spouse in AMRB pursuant to subsections 8(4) and 59(11)(c) of the Act respectively.

4. SUBSTANTIAL SHAREHOLDERS

As at the LPD, the substantial Shareholders and their respective shareholdings in the Company are as follows:-

Name	Direct		Indirect	
	No. of Shares	%[(1)]	No. of Shares	%[(1)]
SAR Venture Holdings (M) Sdn Bhd	330,415,436	21.57	-	-
Datuk Azmi	2,292,748	0.15	[(2)]330,581,061	21.58

Notes:-
(1) Based on the total number of 1,531,828,805 Shares in issue as at the LPD.
(2) Deemed interested by virtue of his shareholding in SAR Venture Holdings (M) Sdn Bhd and the shareholding of his spouse in AMRB pursuant to subsections 8(4) and 59(11)(c) of the Act respectively.

5. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATED COMPANIES

As at the LPD, the subsidiaries, joint ventures and associated companies of the Company are as follows:-

Name of company	Country of incorporation	Effective equity interest (%)	Principal activities
Direct subsidiaries:-			
AMLI[(1)]	Malaysia	100	Inactive (previously: Labuan leasing business)
AMSB	Malaysia	100	Ship owning, managing, chartering and other shipping related activities
Held through AMSB:-			
AHSB	Malaysia	100	Offshore facilities construction, installation, subsea engineering and underwater services
IGSSB	Malaysia	100	Transportation, ship forwarding and agent, ship chandelling and other related services
Alam Food Industries (M) Sdn Bhd	Malaysia	100	Dormant (previously: supplying of foods for offshore vessels)
AMPSB	Malaysia	100	Property owning and management
Alam Eksplorasi (M) Sdn Bhd	Malaysia	60	Dormant (previously: ship owning, ship-operating, ship agency, chartering and other related to the shipping industry)
Alam Synergy I (L) Inc[(1)]	Malaysia	60	Dormant (previously: ship owning, operating and chartering)
Alam Synergy II (L) Inc[(1)]	Malaysia	60	Dormant (previously: ship owning, operating and chartering)
Alam Synergy III (L) Inc[(1)]	Malaysia	60	Dormant (previously: ship owning, operating and chartering)

Name of company	Country of incorporation	Effective equity interest (%)	Principal activities
Alam Radiance (M) Sdn Bhd	Malaysia	50	Dormant (previously: ship owning, ship management, ship operation, maintenance and consultancy)
Held through AHSB:-			
SWS	Malaysia	50	Construction of other engineering projects n.e.c.
Held through AMLI:-			
Alam Fast Boats (L) Inc[(1)]	Malaysia	60	Ship owning and chartering
ARLI[(1)]	Malaysia	51	Labuan leasing business
TH Alam Management (M) Sdn Bhd	Malaysia	50	Ship management
THAL[(1)]	Malaysia	49	Investment holding
APEH[(1)]	Malaysia	51	Investment holding
Held through THAL:-			
Alam-JV DP1 (L) Inc[(1)]	Malaysia	49	Ship owning
Alam-JV DP2 (L) Inc[(1)]	Malaysia	49	Ship owning
Held through APEH:-			
Alam-PE I (L) Inc[(1)]	Malaysia	51	Labuan leasing business
Alam-PE II (L) Inc[(1)]	Malaysia	51	Labuan leasing business
Alam-PE III (L) Inc[(1)]	Malaysia	51	Labuan leasing business
Alam-PE IV (L) Inc[(1)]	Malaysia	51	Labuan leasing business
Alam-PE V (L) Inc[(1)]	Malaysia	51	Labuan leasing business
Alam-PE Holdings Sdn Bhd	Malaysia	51	Ship management

Note:-

(1) These subsidiaries, joint ventures and associated companies were incorporated in the Federal Territory of Labuan.

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6. CONTRACTS AND ORDER BOOK

As at 31 March 2025, the estimated contract value for the on-going contracts and orderbook secured by the Group are as follows:-

Year of award / Commencement date	Project scope	Firm period + extension (years)	Estimated completion date	Total contract value[3] (RM'000)	Remaining contract value (RM'000)
Subsea[1]					
June 2020	Provision of Subsea IRM services	5 years	June 2025	[4]102,354	[5]-
January 2024	Provision of underwater services	5 years	January 2029		
January 2024	Provision of underwater services	5 years	January 2029		
January 2024	Provision of underwater services	5 years	January 2029		
February 2024	Provision of underwater services	5 years	March 2029		
February 2024	Provision of underwater services	5 years	February 2029		
January 2024	Provision of underwater services	2 years, 6 months and 22 days	September 2027	[6]1,640,719	[6]1,312,084
January 2024	Provision of underwater services	5 years	January 2029		
January 2024	Provision of underwater services	5 years	January 2029		
March 2024	Provision of underwater services	5 years	March 2029		
March 2024	Provision of underwater services	5 years	March 2029		
		Subtotal		**1,743,073**	[7]**1,312,084**
OSV[2]					
April 2024	Bareboat charter	5 years	March 2029	10,226	8,182
		Subtotal		**10,226**	[7]**8,182**
		Total		**1,753,299**	**1,320,266**

Notes:-

(1) Subsea contracts are long term contracts which are executed on a project-by-project basis.

(2) OSV contracts are long term contracts with respective clients for the chartering of vessels.

(3) Based on estimates by the management of the Company after taking into account the historical requirements of the clients. For the avoidance of doubt, there is no fixed contract sum attached to each Subsea contract. The contract amount will be billed on a project-by-project basis based on the work orders issued by the clients from time to time.

(4) This represents the amount that has already been billed to the client for completion of work.

(5) Although there is still possibility for further work order to be issued by the client in addition to the RM102.35 million that has already been billed, the management of the Company is unable to estimate the value of such further work order to be billed at this juncture as it is dependent on the client's requirements which may vary from time to time.

(6) For information, the breakdown of the contract value by customer is not available as the contract with each customer was signed under an umbrella contract whereby the utilisation of underwater related equipments / vessels by each customer cannot be determined at this juncture as it is depending on the service request to be made by the respective customer from time to time throughout the contract period as well as the availability of the underwater related equipments / vessels or manpower at that point in time. This contract value is computed based on the management's estimation of the number of charter days of the underwater related equipments / vessels throughout the 5 years period as well as the daily charter rate stated in the umbrella contract.

(7) The estimated remaining contract value on a yearly basis up to year 2029 is as follows:-

	Remaining contract value (RM'000)					
Segment	**FYE 30 June 2025**	**FYE 30 June 2026**	**FYE 30 June 2027**	**FYE 30 June 2028**	**FYE 30 June 2029**	**Total**
Subsea	100,958	278,262	286,810	315,143	330,911	1,312,084
OSV	510	2,044	2,044	2,050	1,534	8,182
Total	**101,468**	**280,306**	**288,854**	**317,193**	**332,445**	**1,320,266**

7. PRINCIPAL MARKETS

The Group's principal market is Malaysia. The table below illustrates the Group's revenue from its business segments for the past 5 years up to the FYE 30 June 2024 as well as the latest 6-month FPE 31 December 2023 and 6-month FPE 31 December 2024:-

	Audited										Unaudited			
	FYE 31 December 2019		(Restated) FYE 31 December 2020		(Restated) 18-month FPE 30 June 2022		(Restated) FYE 30 June 2023		FYE 30 June 2024		6-month FPE 31 December 2023		6-month FPE 31 December 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
OSV	93,070	30.35	69,923	27.40	46,339	15.38	39,347	12.60	119,092	33.34	45,040	27.12	52,943	15.52
Subsea	62,532	20.39	82,700	32.40	208,143	69.06	246,237	78.86	234,562	65.67	119,376	71.88	287,451	84.24
OIC	151,067	49.26	102,587	40.20	36,504	12.11	22,644	7.25	-	-	-	-	-	-
Others(1)	-	-	-	-	10,410	3.45	4,024	1.29	3,541	0.99	1,655	1.00	818	0.24
Total revenue	**306,669**	**100.00**	**255,210**	**100.00**	**301,396**	**100.00**	**312,252**	**100.00**	**357,195**	**100.00**	**166,070**	**100.00**	**341,212**	**100.00**

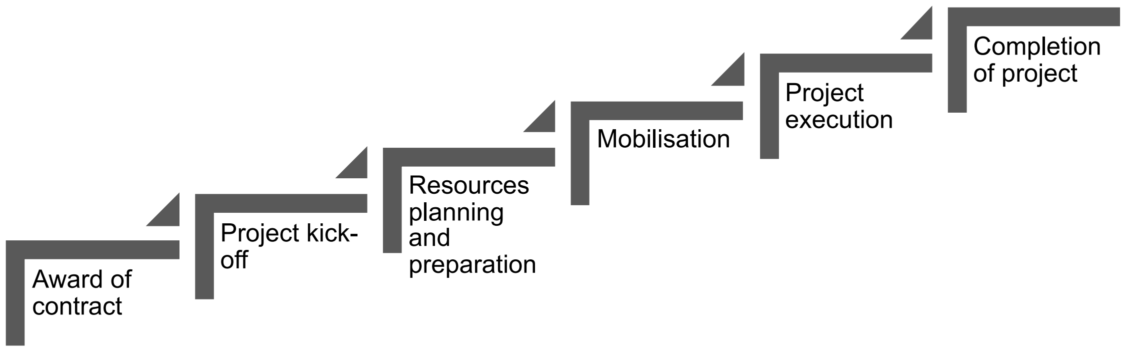
Note:-
(1) Includes rental of equipment, ship catering and other shipping-related services.

8. SEASONALITY

The Group is not susceptible to any seasonal fluctuations.

9. OPERATIONAL PROCESS

The diagram below illustrates the operational flow of the Group's Subsea services segment:-



<u>Award of contract</u>

The Group identifies projects via invitations from existing and past clients, as well as through tender notices. Once identified, it conducts preliminary evaluations focusing on the financial feasibility of the project, such as capital requirements, resources requirements, technical requirement and risk assessment, among others. The Group also assesses the availability of suitable resources such as type of DSV, type of diving systems, type of ROV, and personnel required to undertake the project.

If a project is deemed feasible, the contract proposal team of the Group will liaise with the client to prepare a tender proposal based on the client's requirements. In some projects, the Group may be required to complete pre-tender qualification exercises for clients to evaluate the Group's previous track record and financial strengths.

Once a tender is submitted, there will be a tender interview with the client to present the Group's proposal and provide the terms and conditions of the project. If a tender proposal is successful, the client will issue a letter of award followed by the signing of the contract.

<u>Project kick-off</u>

Once the project is secured, the Group's CEO or Chief Operating Officer ("**COO**") assembles a project team, which consist of a project manager, an operations manager, project engineers and a project secretary ("**Project Team**"). The Project Team may also include the Group's representative that coordinates the various works between the client and the Project Team.

The Project Team will work with the contract proposal team to review, amongst others, the following:-

- Contract documents and specific procedures;
- Technical proposal;
- Work order;
- Client's supplied documentation, which include historical records; and
- Project quality plan.

After reviewing the above information, the Project Team shall identify the following basic elements of the project to assist them with the planning stage:-

- Key objective of the client;
- Scope of work;
- Formulation of any significant stages or milestones to be achieved during the project;
- Time schedule;
- Required level of personnel and equipment;
- Potential project specific safety issues; and
- Project costing

Discussions will be held between the Project Team and client to inform them on the preparation works specified by the contract. This is to ensure that the preparation works stated in the contract are agreed upon before the commencement of the project.

The Project Team shall develop a schedule for the project by building a time-based schedule of events and/or milestones. This shall cover the duration of the works as specified in the contract and the client's agreement. Once the schedule is developed, the Project Team, with the guidance from the COO and/or CEO, shall work out the best route to derive a cost-effective approach to complete the project. Upon completion of the project schedule, the Project Team may distribute this project schedule to the relevant departments for review.

<u>Vessel and equipment inspection and audit</u>

Selected equipment, such as DSV, diving or ROV spreads, must be inspected, certified, and function tested according to guidelines by the International Marine Contractor Association ("**IMCA**"), an international trade association for the marine contracting industry, which are detailed as follows:-

- Standard ROV Audit Document
- Diving equipment systems inspection guidance note ("**DESIGN**") for Surface Orientated (Air) Diving Systems
- DESIGN for Saturation (Bell) Diving Systems
- DESIGN for the HRF
- DESIGN for Hyperbaric Rescue Unit Life Support Packages

The illustrations below depict some examples of the tests that are conducted:-

System audit

Load testing of diving system

The Project Team shall appoint a third party auditor to carry out these tasks. For vessels used in Subsea operations, the Project Team will engage an Offshore Support Vessel Inspection Scheme ("**OSVIS**") or Offshore Vessel Inspection Database ("**OVID**") inspector, which is internationally recognised to conduct inspection procedures while diving, while ROV equipment will be inspected by a qualified IMCA auditor.

<u>Resources planning and preparation</u>

The Project Team shall itemise the required resources in detail, having identified the equipment and the personnel required during the planning stage. This should be carried out during the early stages of the project to ensure that additional personnel or equipment can be sourced if needed.

Should it be determined that sub-contractors will be required to complement the Group's resources (e.g., additional equipment or spares), references shall be made from the approved vendor list, sub-contractors or agencies. The Project Team together with the health and safety department will review the health, safety and environmental ("**HSE**") requirements in reference to the contract or the client's HSE specifications.

If the contract or project requires the personnel to attend special training courses before the project's commencement, the human resource department shall arrange for such training. The Project Team shall prepare all relevant documentation for the project based on the scope of work. This includes but are not limited to work instructions, forms and drawings which shall be submitted to the client for approval.

The following summarises the resource planning and preparation works to be performed prior to mobilisation at port:-

(i) completion and acceptance of client specific vessel inspection;

(ii) completion of risk assessment and safety documents which covers, amongst others, marine / vessel risk assessment, construction and project-specific risk assessment, job hazard analysis, waste management plan and procedure, risk assessment on health hazard, emergency rescue plan, medical emergency response and/or rescue plan, and identification of operations hazard;

(iii) completion of competency assessment for vessel personnel to ensure personnel are competent and possess the required certification under marine laws and regulations, which include dynamic positioning operators' competency certificates, and active assessment exercise for top 4 officers in the Project Team, namely master, chief mate, chief engineer and first engineer;

(iv) completion of competency assessment of project personnel, which includes the following:-

(a) diving supervisors and divers are required to be assessed according to the IMCA guidelines, in particular the Guidance on Competence Assurance and Assessment – diving division;

(b) ROV operators and personnel, such as ROV supervisor, pilot and/or technician are required to be assessed according to the IMCA guidelines, in particular the Guidance on Competence Assurance and Assessment – remote system & ROV division; and

(c) certificate of acceptance to be issued by client to the Project Team for other personnel such as inspection engineers, field engineers and reports coordinator; and

(v) submission of developed procedures, such as inspection procedures and plan, HSE procedures and plan, diving project plan and work pack, to the client.

Mobilisation

The Project Team will prepare a detailed equipment list as specified by the contract, including shipping invoice and/or delivery order. The Project Team will then arrange the necessary logistics, including land, sea, or air transportation, for the delivery of equipment and the mobilisation of personnel to the mobilisation point specified by the contract or the client. Additionally, the Project Team will also carry out the logistical arrangements at the mobilisation point for load-out purposes, ensuring all equipment and personnel are properly transported and mobilised as required by the project.

Subject to contract requirements, equipment and vehicles may be required to be audited, and the Project Team will compile all relevant documentation i.e., equipment certification for such purpose. If any non-conformance is identified from such audit, the Project Team will rectify such non-conformance. Once the vehicle has passed the audits, a certificate will be issued to indicate completion of audit and shall be signed off by the client.

Project execution

The Group conducts drug and alcohol tests on all personnel prior to their joining the Project Team. These tests shall be performed by medical institutions recognised by the client. A project induction meeting and safety briefing shall be carried out for all personnel before project execution to brief the project team, including the client representative, on the work scope, safety requirements, and scheduling.

During the project execution stage, the Project Team monitors the progress of work on a daily basis to ensure that the project progresses smoothly. Progress is documented in the daily progress report or minutes of the meeting, and these documents are signed off by the client on a daily basis. Safety toolbox talk, a discussion among members of the Project Team on safety issues, are done twice daily to ensure the operations are done safely and to remind the vessel crew and Project Team to follow the procedures prepared.

Due to the nature of Subsea work, safety drills need to be conducted regularly. Throughout the project execution, safety drills such as recovering injured divers, fire in the decompression chamber, contaminated gases, loss of breathing gases, loss of power and all possible incidents are regularly conducted and recorded.

Injured diver rescue drill

Diver places in recompression chamber

Throughout the project, the Project Team constantly monitors, reviews, and updates the project schedule to ensure that all necessary support is provided to the team at the job site in a timely manner. The project manager and/or operations manager will handle and address any issues that may arise during the operations and resolve them with the client.

During the inspection process, all identified anomalies on the underwater structures are reported immediately. If the anomalies require rectification, the client will decide if it can be rectified following which the Project Team will prepare the required procedures and obtain approval from the office to commence work. All reports on anomalies and inspection data will be signed off by the client.

Diver conducting platform inspection

Diver conducting chain inspection

Divers performing the inspection work can share the photographs or videos that are captured during the work. Videos are able to be streamed in real-time and shared to onshore office, which allows client to view the conditions and inspection works.

During the project, there may be conflicts and failures, such as equipment failure, that could result in changes to the scope of work or the time schedule. In such cases, the Project Team may source spare parts and deliver them to the project site for repairs. If the failure stems from supplier's equipment, the supplier will be promptly informed to rectify the issue.

Throughout the project execution stage, the Project Team will regularly review resource requirements, including equipment and personnel. Any revisions regarding variable orders by the client, crew changes, equipment failure, and additional resources will be promptly addressed by the Project Team.

<u>Completion of project</u>

A project is considered completed when the agreed scope of work is completed. The Group's representative will then require the client's representative to issue certificate of completion or acknowledge such completion in the daily progress report. The Group's representative will prepare a list for demobilisation and arrange for the departure with the Project Team, who will then make the necessary logistics arrangement for equipment and personnel at the demobilisation point.

All project files and reports, such as project inspection report, datasheets and videos / photographs taken during the work process will be submitted to the client or surveyor in the medium required by the client (for example hard and soft copy of the documents stored on cloud servers or hard disk drives). As part of project completion, a work order completion certificate or contract closure shall be produced once all deliverables have been approved and payment has been completed.

The Group's representative will submit all project materials and data to the Project Team for compilation, after which it shall be reviewed by the project manager and/or operations manager prior to finalising the project report. The project report will be submitted to the attending surveyor within the stipulated timeline. A project close out report may also be required in some cases which highlights the project performance and other technical matters which are then submitted to the client.

10. QUALITY ASSURANCE AND QUALITY CONTROL

The Group emphasises on delivering products and services that adhere to international standards. It has established an integrated management system ("**IMS**") that consists of quality management system, environment management system and health and safety management system, that have been assessed and accredited with ISO9001:2015, ISO14001:2015 and ISO45001:2018, respectively. This underscores the Group's commitment to quality, environmental management, and occupational health and safety. Each department, along with the quality control department, maintains a dedicated document controller that is responsible for managing their specific integrated management system documents, including quality objectives, procedures, manuals, guidelines, and forms.

The quality department plays an important role in maintaining master copies of all IMS documents, whether in hard copy or electronic format. These departments collaborate closely with departmental heads and vessel masters to identify the need for new procedures, work instructions, and related documentation, ensuring these documents are issued or amended as necessary. This structured approach guarantees that all processes within the Group adhere to the standards of quality and efficiency, facilitating continuous improvement and compliance with international benchmarks.

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As at the LPD, the Group has obtained all material certifications which are required for its operations. The following details the certifications that have been accredited to the Group:-

Company	Standard	Certificate no.	Scope	Issuing party	Validity period
AMSB	ISO9001:2015	MY010068	1. Management of OSV 2. OSV operations and warehousing 3. Provision of management services 4. Project management of underwater services: inspection, maintenance and repair 5. Forwarding agent, ship chandelling and warehousing 6. Warehousing – Site 1: Warehouse	UKAS Management Systems, Bureau Veritas Certification ("**BVC**")	12 March 2024 to 11 March 2027
AMSB	ISO9001:2015	MY010069	1. Management of OSV 2. OSV operations and warehousing 3. Provision of management services 4. Project management of underwater services: inspection, maintenance and repair 5. Forwarding agent, ship chandelling and warehousing 6. Warehousing – Site 1: Warehouse	Standards Malaysia, BVC	12 March 2024 to 11 March 2027
AMSB	ISO14001:2015	MY010070	1. Management of OSV 2. OSV operations and warehousing 3. Provision of management services 4. Project management of underwater services: inspection, maintenance and repair 5. Forwarding agent, ship chandelling and warehousing 6. Warehousing – Site 1: Warehouse	UKAS Management Systems, BVC	12 March 2024 to 11 March 2027

Company	Standard	Certificate no.	Scope	Issuing party	Validity period
AMSB	ISO14001:2015	MY010071	1. Management of OSV 2. OSV operations and warehousing 3. Provision of management services 4. Project management of underwater services: inspection, maintenance and repair 5. Forwarding agent, ship chandelling and warehousing 6. Warehousing – Site 1: Warehouse	Standards Malaysia, BVC	12 March 2024 to 11 March 2027
AMSB	ISO45001:2015	MY010072	1. Management of OSV 2. OSV operations and warehousing 3. Provision of management services 4. Project management of underwater services: inspection, maintenance and repair 5. Forwarding agent, ship chandelling and warehousing 6. Warehousing – Site 1: Warehouse	Standards Malaysia, BVC	12 March 2024 to 11 March 2027

11. MARKETING STRATEGIES

The Group takes conscious effort to market its services to players in the O&G industry, by leveraging on its established reputation and track record as a Subsea contractor that has served more than 10 clients in Malaysia with its wide array of Subsea services. This track record was solidified when it secured 10 underwater IRM contracts in 2024, all of which are to be carried out in Peninsular Malaysia and Sarawak.

Leveraging the key management team's professional network and experience in the O&G industry, the Group has built a robust network of business associates and potential customers. By fostering and maintaining close business relationships with existing and prospective clients, the Group can directly engage with them to better understand and meet their requirements. The management's extensive experience allows AMRB to focus on and target customers and contracts within their technical capability and operating capacity.

12. HEALTH AND SAFETY

The Group is committed to ensure high-quality business practices, safety, and environmental protection, particularly within the industry that the Group operates in. The Group has designed policies aimed at preventing human injury, health risks, loss of life, and environmental damage. The Group consistently monitors and reviews the business operating culture and work processes to improve its performance in accordance with Quality, Health, Safety, Security & Environmental Management System and be in full compliance with relevant statutory and regulatory requirements to become a preferred offshore services partner in the O&G industry. In order to realise this, the Group shall provide optimum resources to adopt the integrated management system approach, shall not neglect any potential adverse impacts on human health, safety, security and environment in all aspects of our activities, and shall continuously promote continuous improvement in areas relating to health and safety matters.

Central to this commitment is the Group's stop work policy, which empowers all personnel to halt any activity that presents a risk of injury, property damage, or environmental harm. This proactive approach ensures immediate attention to potential hazards and foster a culture of safety and vigilance. In addition, the Group has put in place a drug and alcohol policy that further supports this by strictly prohibiting the use or influence of intoxicating substances in the workplace, thereby maintaining a focused and capable workforce essential for safe operations.

13. INTERRUPTION TO BUSINESS AND OPERATIONS

The Group has not experienced any interruption that has a significant effect on its business and operations during the past 12 months preceding the LPD.

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14. MAJOR CUSTOMERS

The Group's top 5 customers for the FYE 31 December 2019, the FYE 31 December 2020, the 18-month FPE 30 June 2022, the FYE 30 June 2023 and the FYE 30 June 2024 are as follows:-

<u>FYE 31 December 2019</u>

Customer	Business segment	Scope of works	Approximately length of relationship as at the LPD	FYE 31 December 2019	
			Years	RM'000	%
Customer A	OIC/OSV	Provision of offshore construction contractor and OSV	>10 years	153,087	49.92
Customer B	OSV	Provision of OSV	>10 years	60,534	19.74
Customer C	OSV	Provision of OSV	>10 years	16,103	5.25
Customer D	Subsea	Provision of Subsea IRM	>10 years	14,016	4.57
Customer E	Subsea	Provision of Subsea IRM	>10 years	6,756	2.20
Total revenue from top 5 customers				**250,495**	**81.68**
Total revenue				**306,669**	**100.00**

FYE 31 December 2020

Customer	Business segment	Scope of works	Approximately length of relationship as at the LPD	FYE 31 December 2020	
			Years	RM'000	%
Customer A	OIC/OSV	Provision of offshore construction contractor and OSV	>10 years	112,118	43.93
Customer B	OSV/Subsea	Provision of OSV and Subsea IRM	>10 years	38,154	14.95
Customer F	Subsea	Provision of Subsea IRM	>10 years	10,521	4.12
Customer C	OIC/OSV	Provision of OSV	>10 years	9,969	3.91
Customer G	OSV/Subsea	Provision of OSV	>10 years	9,820	3.85
Total revenue from top 5 customers				**180,582**	**70.76**
Total revenue				**255,210**	**100.0**

18-month FPE 30 June 2022

Customer	Business segment	Scope of works	Approximately length of relationship as at the LPD	18-month FPE 30 June 2022	
			Years	RM'000	%
Customer B	OSV/Subsea	Provision of OSV, and Subsea IRM	>10 years	51,127	16.96
Customer C	OSV/Subsea/OIC	Provision of OSV, and Subsea IRM, and offshore construction contractor	>10 years	44,924	14.91
Customer A	OSV/Subsea	Provision of OSV, and Subsea IRM	>10 years	22,708	7.53
Customer H	OSV/Subsea	Provision of Subsea IRM	>10 years	26,589	8.82
Customer I	OSV/Subsea/OIC	Provision of Subsea IRM	>10 years	18,101	6.01
Total revenue from top 5 customers				**163,449**	**54.23**
Total revenue				**301,396**	**100.00**

FYE 30 June 2023

Customer	Business segment	Scope of works	Approximately length of relationship as at the LPD	FYE 30 June 2023	
			Years	RM'000	%
Customer B	OSV/Subsea	Provision of OSV and Subsea IRM	>10 years	113,521	36.36
Customer J	Subsea	Provision of Subsea IRM	>10 years	22,605	7.24
Customer G	Subsea	Provision of Subsea IRM	>10 years	12,921	4.14
Customer K	OSV/Subsea	Provision of Subsea IRM	>10 years	12,689	4.06
Customer D	Subsea	Provision of Subsea IRM	>10 years	12,342	3.95
Total revenue from top 5 customers				**174,079**	**55.75**
Total revenue				**312,252**	**100.0**

FYE 30 June 2024

Customer	Business segment	Scope of works	Approximately length of relationship as at the LPD	FYE 30 June 2024	
			Years	RM'000	%
Customer B	OSV/Subsea	Provision of OSV and Subsea IRM	>10 years	248,433	69.55
Customer H	Subsea	Provision of Subsea IRM	>10 years	28,370	7.94
Customer D	Subsea	Provision of Subsea IRM	>10 years	16,384	4.59
Customer E	Subsea	Provision of Subsea IRM	>10 years	12,957	3.63
Customer A	OSV/Subsea	Provision of OSV and Subsea IRM	>10 years	7,456	2.09
Total revenue from top 5 customers				**313,602**	**87.80**
Total revenue				**357,195**	**100.00**

Due to the sensitivity of information which may affect the Group and its customers' negotiations and competitiveness for future contracts, the Company has not been given consent to disclose the names of all its customers. Nonetheless, where the names are not disclosed, a description of these customers has been confirmed by the relevant customers and/or obtained from publicly available sources. The following table summarises the information of Customer A, B, C, D, E, F, G, H, I, J and K.

Name	Description
Customer A	A private limited company incorporated in Malaysia and is principally involved in the upstream activities in the O&G industry. It is part of a larger corporation that is involved in the O&G industry in Malaysia and overseas.
Customer B	A private limited company incorporated in Malaysia in 1978 and is principally involved in O&G exploration and production activities. It is part of a larger integrated O&G corporation involved in the entire value chain of the O&G industry in Malaysia and overseas.
Customer C	A private limited company incorporated in Malaysia and is principally involved in the exploration and development activities in the upstream segment of the O&G industry. It is part of a larger corporation that is involved in the O&G industry.
Customer D	A private limited company incorporated in Malaysia and is principally involved in the exploration, development and production activities in the O&G industry. It is part of a larger integrated corporation that is involved in the O&G industry.
Customer E	A private limited company in Malaysia and is principally involved in exploration and production services for the O&G industry.
Customer F	A private limited company incorporated in Malaysia and is principally involved in the exploration and production activities in the upstream segment of the O&G industry. It is part of a larger corporation that is involved in the O&G industry.
Customer G	A private limited company incorporated in Malaysia and is principally involved in the O&G exploration and production activities in the upstream segment of the O&G industry.
Customer H	A private limited company incorporated in Malaysia and is principally involved in the O&G exploration, development and production activities. It is part of a larger corporation that is involved in the O&G industry.
Customer I	A private limited company incorporated in Malaysia and is principally involved in the installation activity for load out, transportation and installation of offshore facilities for offshore structure and pipelines. It is part of a larger corporation that is involved in the O&G industry.
Customer J	A private limited company incorporated in Malaysia and is principally involved in the exploration and development activities in the upstream segment of the O&G industry.
Customer K	A private limited company in Singapore and is principally involved in the operations, well engineering, subsurface, asset management, decommissioning, and training services for the O&G industry. It is part of a larger corporation that is involved in the same business.

Although the top 5 major customers have contributed approximately 54.23% to 87.80% of the Group's total revenue during the previous financial years / period under review, the Group is of the view that any loss of major customers will not have any adverse material impact to the Group's business operations and financial performances as the Group is capable of securing other customers including those that are outside of Malaysia. For information, whilst the AMRB Group has prioritised its resources for the 5-year umbrella contract works, AMRB Group has been actively engaged by other clients for its Subsea services. As a result, the Company has been turning down other potential oversea clients (not the top 5 major customers) over the last 5 years.

15. MAJOR SUPPLIERS

The Group's top 5 suppliers for the FYE 31 December 2019, the FYE 31 December 2020, the 18-month FPE 30 June 2022, the FYE 30 June 2023 and the FYE 30 June 2024 are as follows:-

FYE 31 December 2019

Supplier	Country	Products / services supplied	Approximately length of relationship as at the LPD	FYE 31 December 2019	
			Years	RM'000	%
Supplier A	Malaysia	OIC project management	> 5 years	91,222	31.19
Supplier B	Germany	Offshore pipeline manufacturer	> 5 years	49,077	16.78
Supplier C	Malaysia	Flexible riser manufacturer	> 5 years	28,918	9.89
Supplier D	Malaysia	Ship chartering	> 5 years	17,472	5.97
Supplier E	Malaysia	Ship chartering	> 5 years	7,092	2.42
Total cost from top 5 suppliers				**193,781**	**66.25**
Total cost				**292,506**	**100.00**

FYE 31 December 2020

Supplier	Country	Products / services supplied	Approximately length of relationship as at the LPD	FYE 31 December 2020	
			Years	RM'000	%
Supplier A	Malaysia	OIC project management	> 5 years	115,935	41.11
Supplier F	Malaysia	Flexible riser manufacturer	> 5 years	6,970	2.47
Supplier G	Malaysia	Ship chartering	> 10 years	6,325	2.24
Supplier H	Malaysia	Marine gas oil provider	> 10 years	3,929	1.39
Supplier C	Malaysia	Flexible riser manufacturer	> 5 years	3,625	1.29
Total cost from top 5 suppliers				**136,785**	**48.51**
Total cost				**281,992**	**100.00**

18-month FPE 30 June 2022

Supplier	Country	Products / services supplied	Approximately length of relationship as at the LPD	18-month FPE 30 June 2022	
			Years	RM'000	%
SWS[(1)]	Malaysia	Subsea services	> 5 Years	158,942	50.07
Supplier A	Malaysia	OIC project management	> 5 Years	14,963	4.71
Supplier I	Malaysia	Flexible riser manufacturer	< 5 Years	5,850	1.84
Supplier J	Malaysia	Ship chartering	> 10 Years	3,918	1.23
Supplier K	Malaysia	Marine gas oil provider	> 5 Years	2,810	0.89
Total cost from top 5 suppliers				**186,483**	**58.75**
Total cost				**317,427**	**100.00**

FYE 30 June 2023

Supplier	Country	Products / services supplied	Approximately length of relationship as at the LPD	FYE 30 June 2023	
			Years	RM'000	%
SWS[1]	Malaysia	Subsea services	> 5 Years	230,191	76.18
Supplier L	Singapore	Ship chartering	> 5 Years	16,096	5.33
Supplier E	Malaysia	Ship chartering	> 5 Years	7,417	2.45
Supplier M	Malaysia	Ship chartering	> 10 Years	2,466	0.82
Supplier N	Malaysia	Subsea engineering	> 5 Years	2,345	0.78
Total cost from top 5 suppliers				**258,515**	**85.55**
Total cost				**302,181**	**100.00**

FYE 30 June 2024

Supplier	Country	Products / services supplied	Approximately length of relationship as at the LPD	FYE 30 June 2024	
			Years	RM'000	%
SWS[1]	Malaysia	Subsea services	> 5 Years	221,271	68.17
Supplier E	Malaysia	Ship chartering	> 5 Years	13,774	4.24
Supplier O	Malaysia	Food provision	> 5 Years	1,400	0.43
Supplier P	Malaysia	Subsea services	> 5 Years	1,102	0.34
Supplier Q	Malaysia	Logistics services	> 5 Years	654	0.20
Total cost from top 5 suppliers				238,201	73.38
Total cost				**324,611**	**100.00**

Note:-

(1) For information, all of the Group's Subsea contracts are secured by AMSB (a wholly-owned subsidiary of AMRB), and therefore all of the contract revenue arising therefrom are recorded as part of the Group's consolidated total revenue. Once the Subsea contracts are secured by AMSB, AMSB would then subcontract the same to SWS, with a referral fee of 1.5% of the contract value payable by SWS to AMSB. Thus, this means that 98.5% of the value of all Subsea contracts subcontracted by AMSB to SWS would be recorded as part of the Group's consolidated total cost of sales, while the referral fee of 1.5% is earned by the Group as its GP. This subcontract arrangement is based on agreements between AMSB and SWS for each subcontract.

As a result, SWS has emerged as one of the top 5 suppliers of the Group, contributing 76.18% and 68.17% to the Group's total cost during the FYE 30 June 2023 and FYE 30 June 2024 respectively.

Meanwhile, SWS was previously a 50% joint venture company between AHSB (a wholly-owned subsidiary of AMRB) and AME Subsea Sdn Bhd. As such, 50% of the net profits of SWS was recorded as "share of results of joint venture" in the consolidated statement of comprehensive income of AMRB. This means that, in addition to the 1.5% of the subsea contract value earned by the Group at the gross level, the Group would also earn 50% of the net profits of SWS at the bottom line.

As the Group is dependent on the services offered by SWS in the Subsea segment, the Company has decided to consolidate its control in SWS as part of its strategic long-term plan.

Beginning 1 July 2024, SWS has been reclassified from a joint venture company to a subsidiary of AHSB starting from 1 July 2024 onwards, as the shareholders of SWS had agreed that the nominee director of AMRB (i.e. Datuk Azmi) be granted a casting vote to determine the outcome of a proposed resolution in the event of equality of votes cast by directors of SWS on any resolution of the Board of Directors of SWS, pursuant to the terms of the Second Supplementary Agreement. Thus, from 1 July 2024 onwards, all revenue and cost of sales recorded by SWS will be consolidated with the Group's total revenue and cost of sales respectively. Nevertheless, this reclassification will ultimately have no impact to the earnings contribution from SWS to the Group's overall bottom line.

Due to the sensitivity of information which may affect the Group and its suppliers' negotiations and competitiveness for future business, the Company has not been given consent to disclose the names of all its suppliers. Nonetheless, where the names are not disclosed, a description of these suppliers has been confirmed by the relevant suppliers and/or obtained from publicly available sources. The following table summarises the information of Suppliers A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P and Q.

Name	Description
Supplier A	A private limited company incorporated in Malaysia and is principally involved in the provision of subsea engineering services for the O&G industry. It is part of a larger integrated corporation that is involved in the O&G industry.
Supplier B	A German company that is involved in the supply of steel tube and pipes for various industries, including O&G. It is part of a larger integrated corporation that is involved in the steel production and processing activities.
Supplier C	A private limited company incorporated in Malaysia and is principally involved in the manufacturing, selling, supplying, repairing, maintaining pipes or systems and associated equipment for the O&G industry.
Supplier D	A private limited company incorporated in Malaysia and is principally involved in the vessel chartering services for the O&G industry. It is part of a larger integrated corporation that is involved in the steel production and processing activities.
Supplier E	A private limited company incorporated in Malaysia and is principally involved in the provision of marine support services and construction support services for the O&G industry.

Name	Description
Supplier F	A private limited company incorporated in Malaysia and is principally involved in the vessel chartering services for the O&G industry. It is part of a larger integrated corporation that is involved in the steel production and processing activities.
Supplier G	A private limited company incorporated in Malaysia and is principally involved in the vessel chartering services for the O&G industry. It is part of a larger integrated corporation that is involved in the steel production and processing activities.
Supplier H	A private limited company incorporated in Malaysia and is principally involved in the provision of bunkering services and barging operations.
Supplier I	A private limited company incorporated in Malaysia and is principally involved in the provision of logistics, freight forwarding and ancillary services. It is part of a larger corporation that is involved in the transportation services.
Supplier J	A private limited company incorporated in Malaysia and is principally involved in in providing equipment rental, resources services, agency and trading business for various vendor products to the O&G industry. It is part of a larger corporation that is involved in the marine support services.
Supplier K	A private limited company incorporated in Malaysia and is principally involved in the provision of bunkering services in the O&G industry.
Supplier L	A Singaporean company that is principally involved in the provision of DSV, ROV vessels, contracting management, offshore construction engineering and diving and ROV solutions.
Supplier M	A private limited company incorporated in Malaysia and is principally involved in the providing of OSV services for the O&G industry. It is part of a larger integrated corporation that is involved in the O&G industry.
Supplier N	A private limited company incorporated in Malaysia and is principally involved in the provision of steel fabrication, construction, maintenance, and piping activities for the O&G industry.
Supplier O	A private limited company incorporated in Malaysia and is principally involved in the provision of food catering services.
Supplier P	A private limited company incorporated in Malaysia and is principally involved in the provision of diving and ROV services for the O&G industry.
Supplier Q	A private limited company incorporated in Malaysia and is principally involved in the provision of logistics services. It is part of a larger corporation that is principally involved in provision of integrated logistics services.

16. PROPERTY, PLANT AND EQUIPMENT

As at the LPD, the material properties owned by the Group are as follows:-

No.	Name of registered owner	Approximate age of building / tenure / date of expiry of leasehold interest	Address	Description and existing use	Land area / built-up area	Date of issuance of CFO / CCC	Category of land use / express conditions	Restriction in interest / encumbrances	Unaudited net book value as at 31 December 2024 (RM'000)
1.	AMPSB	Leasehold for 99 years, commencing from 5 August 1997 and expiring on 4 August 2096	Lot A33, Jalan Tunas Baru, Seksyen 1/5, Kawasan MIEL Masjid Tanah, 78300 Masjid Tanah, Melaka	Single storey semi detached factory / Vacant	1,034 square metres	4 August 1997	Industrial / For industrial use only.	This land cannot be transferred or mortgaged without the consent of the state authority. This restriction in interest is waived for first-time buyer.	360
2	AMPSB	Leasehold for 60 years, commencing from 28 April 1999 and expiring on 27 April 2059	K7872, Jalan Kemaman-Dungun, Kampung Bukit Kuang, Kemaman, Terengganu	1 ½ storey shop office / Office	200 square metres	12 August 2012	Building / 1. To erect shop building only. 2. To erect and complete the shop building in accordance with the plan approved by the local authority within 2 years from the approval date of change of condition of the land or any further period as approved by the director of the Terengganu Land and Mines Office.	This Malay land cannot be transferred, mortgaged or charged without the consent of the director of the Terengganu Land and Mines Office.	478

No.	Name of registered owner	Approximate age of building / tenure / date of expiry of leasehold interest	Address	Description and existing use	Land area / built-up area	Date of issuance of CFO / CCC	Category of land use / express conditions	Restriction in interest / encumbrances	Unaudited net book value as at 31 December 2024 (RM'000)
3.	AHSB	Freehold	Lot PTD 1237, Kg Dato' Ibrahim Majid, Jalan Parit Ismail, 86200 Simpang Renggam, Johor	Vacant land	3.2375 hectares	N/A	Agriculture / 1. This land shall be planted with pineapples. 2. The landowner shall at all times take steps to protect the land from erosion pursuant to the order of the land administrator.	Nil	800
4.	AMSB	Freehold	No. 38F, Level 1, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	5 storey building / Office	522 square metres	28 August 2003	Building / Business	Nil / Charged to Malayan Banking Berhad vide Presentation No.: PTSC3500/2013 on 10 May 2013.	261
5.	AMSB	Freehold	No. 38F, Level 2, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	5 storey building / Office	524 square metres	28 August 2003	Building / Business	Nil / Charged to Maybank Islamic vide Presentation No.: PTSC3346/2013 on 17 May 2013.	261

No.	Name of registered owner	Approximate age of building / tenure / date of expiry of leasehold interest	Address	Description and existing use	Land area / built-up area	Date of issuance of CFO / CCC	Category of land use / express conditions	Restriction in interest / encumbrances	Unaudited net book value as at 31 December 2024 (RM'000)
6.	IGSSB[(1)]	Freehold	No. 38F, Level 3, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	5 storey building / Office	524 square metres	28 August 2003	Building / Business	Nil	732
7.	IGSSB[(2)]	Freehold	No. 38F, Level 4, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	5 storey building / Office	524 square metres	28 August 2003	Building / Business	Nil / Charged to AmIslamic Bank Berhad vide Presentation No.: PTSC8939/2012 on 2 October 2012.	1,249
8.	AMSB	Freehold	No. 38E, Level 2, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	5 storey building / Office	331 square metres	28 August 2003	Building / Business	Nil / Charged to Maybank Islamic vide Presentation No.: PTSC3346/2013 on 7 May 2013.	261

No.	Name of registered owner	Approximate age of building / tenure / date of expiry of leasehold interest	Address	Description and existing use	Land area / built-up area	Date of issuance of CFO / CCC	Category of land use / express conditions	Restriction in interest / encumbrances	Unaudited net book value as at 31 December 2024 (RM'000)
9.	AHSB	Freehold	No. 38E, Level 4, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	5 storey building / Office	331 square metres	28 August 2003	Building / Business	Nil	289
10.	AHSB	Freehold	No. 38D, Level 4, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	5 storey building / Office	331 square metres	28 August 2003	Building / Business	Nil	289
11.	AMPSB	Freehold	No. 38D, Level 1, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	5 storey building / Office	330 square metres	28 August 2003	Building / Business	Nil / 1. Charged to Bank Islam Malaysia Berhad vide Presentation No.: PTSC5012/2013 on 21 June 2013. 2. A private caveat was lodged by Bank Islam Malaysia Berhad vide Presentation No.: PTB675/2013 on 4 March 2013.	1,200

No.	Name of registered owner	Approximate age of building / tenure / date of expiry of leasehold interest	Address	Description and existing use	Land area / built-up area	Date of issuance of CFO / CCC	Category of land use / express conditions	Restriction in interest / encumbrances	Unaudited net book value as at 31 December 2024 (RM'000)
12.	AMPSB	Freehold	No. 38C, Level 1, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	5 storey building / Office	330 square metres	28 August 2003	Building / Business	Nil / Charged to Bank Islam Malaysia Berhad vide Presentation No.: PTSC5012/2013 on 21 June 2013.	1,200
13.	AMPSB	Freehold	No. 38B, Level 1, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	5 storey building / Office	330 square metres	28 August 2003	Building / Business	Nil / Charged to Bank Islam Malaysia Berhad vide Presentation No.: PTSC5012/2013 on 21 June 2013.	1,200
14.	AHSB	Freehold	Unit 128-18-03, Block 128, Sri Pelangi Condominium, Jalan Genting Kelang, Setapak, 53300 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	19 storey apartment / Vacant	86 square metres	Not available[(3)]	Building / Apartment	Nil	294

Notes:-

(1) IGSSB had on 26 March 2025 entered into a sale and purchase agreement with AMSB for the disposal of this property for a cash consideration of RM2.37 million. As at the LPD, the transaction is pending completion.

(2) IGSSB had on 26 March 2025 entered into a sale and purchase agreement with AMSB for the disposal of this property for a cash consideration of RM2.37 million. As at the LPD, the transaction is pending completion, and the discharge of this property from AmIslamic Bank Berhad is pending perfection.

(3) For information, this property was obtained by AHSB as collateral for a consent judgment in respect of a legal suit commenced by AHSB against a trade debtor. As at the LPD, the legal suit between AHSB and the trade debtor has been settled following, amongst others, the transfer of this property and the property located at Lot PTD 1237, Kg Dato' Ibrahim Majid, Jalan Parit Ismail, 86200 Simpang Renggam, Johor by the trade debtor to AHSB pursuant to the terms of the consent judgment. AHSB has not been provided with the CFO / CCC of this property by the trade debtor. However, as the property is currently vacant and the unaudited net book value of the property is RM0.29 million as at 31 December 2024, the absence of a CFO / CCC for this property is not expected to have a material impact on the business operations or financial performance of the Group.

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17. CERTIFICATES, LICENCES, REGISTRATIONS AND PERMITS

As at the LPD, apart from those certificates disclosed in Section 10 of Appendix I of this Circular, the Group has obtained all material licences / permits which are required for its operations. The following material licences / permits are required for the operations of the Group:-

<table>
<tr><th>Issuing authority</th><th>Company</th><th>Description of approval / licence / permit</th><th>Licence / permit / tender / certificate no.</th><th>Validity period</th><th>Salient conditions</th><th>Status of compliance</th></tr>
<tr><td>Construction Industry Development Board of Malaysia ("CIDB")</td><td>AMSB</td><td>This certificate of registration certifies that AMSB is registered with CIDB as a contractor under the following categories pursuant to Part VI of the Construction Industry Development Board Act, 1994:
<table><tr><th>Grade</th><th>Category</th><th>Specialty</th></tr><tr><td>G7</td><td>B (Pembinaan Bangunan)</td><td>B04</td></tr><tr><td>G7</td><td>CE (Pembinaan Kejuruteraan Awam)</td><td>CE09, CE15, CE16, CE21</td></tr><tr><td>G7</td><td>ME (Mekanikal dan Elektrikal)</td><td>M15</td></tr></table></td><td>0120050701-WP105162</td><td>2 February 2024 until 21 March 2027</td><td>The CIDB certificate of registration shall be cancelled or suspended in the event a winding-up petition is served on AMSB.</td><td>Complied</td></tr>
<tr><td>Ministry of Finance ("MOF")</td><td>AMSB</td><td>This MOF Bumiputera certificate certifies that AMSB has been recognised by the MOF as a Bumiputera company.</td><td>BP11701518633391752</td><td>30 November 2022 until 12 December 2025</td><td>1. AMSB shall endeavour to maintain and enhance its Bumiputera status so that the Bumiputera-majority status shall always exceed 51% in equity ownership, membership of board of directors, position of Chief Executive (Ketua Eksekutif), Pengarah Urusan or Pengurus Besar, other key posts, employees at the management level as well as workers.</td><td>Complied</td></tr>
</table>

Issuing authority	Company	Description of approval / licence / permit	Licence / permit / tender / certificate no.	Validity period	Salient conditions	Status of compliance
					2. Bumiputera shall, as majority, play an important role in the management of the company, supervision of the development of the company, financial management of the company, decision-making on important matters and representation of the company in meetings and official businesses.	
Petronas	AMSB	Licence to supply product / service to exploration and oil / gas companies in Malaysia in such services as stipulated in the licence.	199601021891	3 April 2024 until 31 May 2027	1. AMSB shall update its latest audited financial statements for the FYE 30 June 2024 in the Petronas Licensing Management System (and to be reflected in the Companies Commission of Malaysia) by 30 April 2025. Failure to comply by the deadline or if AMSB's net worth is negative or the audited financial statements for the FYE 30 June 2024 is qualified, the vendor status of AMSB will be non-compliance.[1] 2. This Petronas licence will be revoked if AMSB is found to be in the process of liquidation, winding-up or dissolution.	Pending appeal[1]
Government of Malaysia	AMSB	This document of compliance certifies that the safety management system of AMSB has been audited and that AMSB complies with the requirements of the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention ("**ISM Code**") for the type of ship under the category "other cargo ship".	024/6062-CV/2022	30 May 2022 until 29 May 2027	Nil	N/A

Note:-
(1) In view that AMSB's net worth is negative and the audited financial statements of AMSB for the FYE 30 June 2024 are qualified, AMSB has submitted an appeal letter to Petronas to waive this requirement and is currently awaiting decision.

18. DEPENDENCY ON CONTRACTS / ARRANGEMENTS / LICENCES / PERMITS

Save for the material licences and permits detailed in Section 17 of this Appendix I which are required for the Group's day-to-day operations, the Group is not dependent on any other material contracts, arrangements, licences or permits.

19. MATERIAL CAPITAL EXPENDITURE AND DIVESTITURE

As at the LPD, the Group estimates that it will not be required to incur material capital expenditure over the next 2 years.

As at the LPD, the Group is actively seeking for prospective buyers to dispose of Setia Teguh, an anchor handling tug supply vessel, to avoid bearing the maintenance and laid up costs. The vessel has been laid up since the completion of its last contract in December 2022. As at 31 December 2024, the unaudited net book value of Setia Teguh is RM5.10 million.

The Group is also proposing to liquidate, strike-off and/or dispose the Non-Core Entities pursuant to the Proposed Internal Restructuring, further details of which are set out in Section 6 of this Circular.

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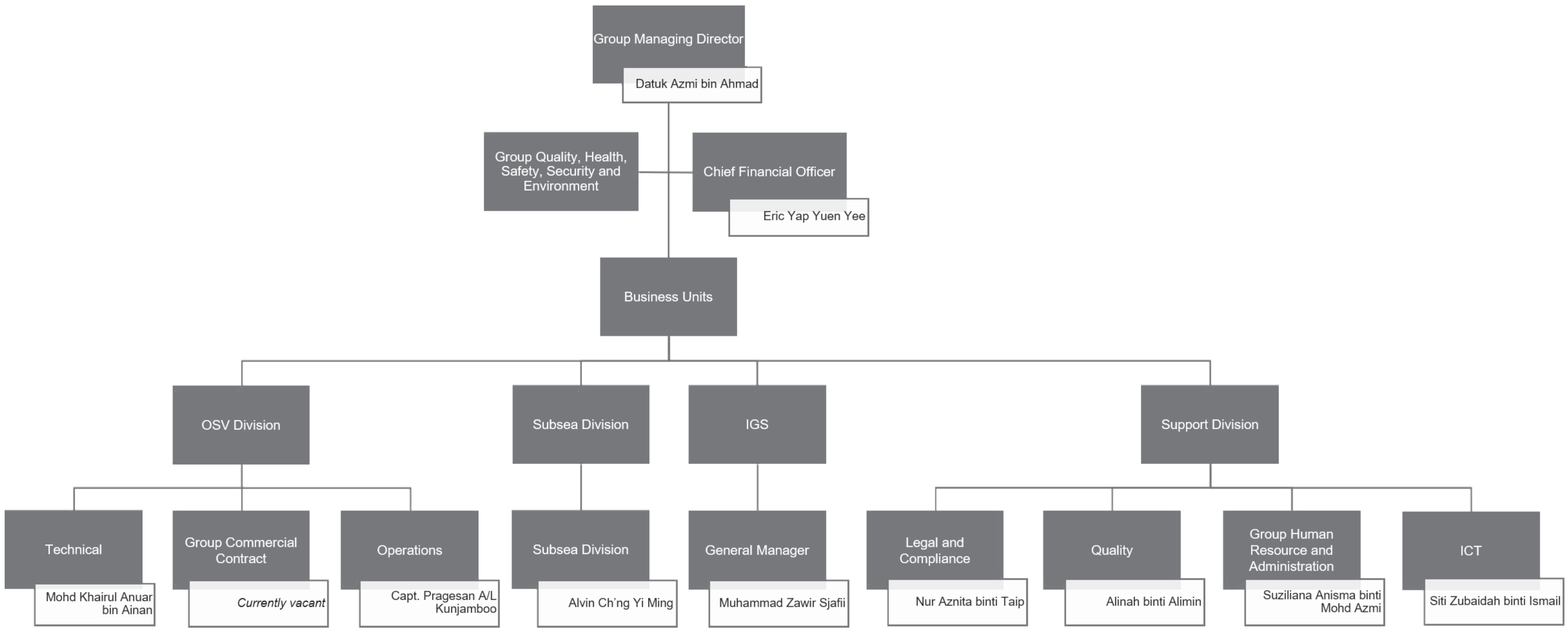
20. KEY MANAGEMENT AND EMPLOYEES

20.1 Overview of the Group's operational structure

The Group's operational structure is as follows:-



20.2 Profiles of key management

Please refer to Section 8.3.3 of this Circular for profiles of the key management of the Group.

20.3 Employees

As at 30 April 2025, the Group has a workforce of 112 employees. The breakdown of the Group's employees as at 30 April 2025 is as follows:-

Category	As at 30 April 2025
Management and professionals	13
Administrative	64
Technical, design, project and maintenance	19
Non-professionals	16
Total	**112**

21. RISK MANAGEMENT AND INTERNAL CONTROL REVIEW RESULTS

As part of the Proposed Regularisation Plan, AMRB had appointed Axcelasia Sdn Bhd to conduct a review on its risk management and internal control system.

Based on the review work performed, Axcelasia Sdn Bhd is of the opinion that the Group:-

(i) has put in place adequate policies (for major accounting related business processes), procedures and controls to comply with the Listing Requirements; and

(ii) has adequate internal controls and risk management systems, taking into consideration that the measures have been taken to implement recommended internal controls enhancement subsequent to the review work performed.

The key senior management of the Group will continue to review and monitor the Group's internal control systems and risk management framework on an ongoing basis, including effective implementation of enhanced internal controls.

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1. Summary of business operations

Currently, the AMRB Group's business activities can be divided into 2 divisions as set out below:-

(i) Subsea services

The AMRB Group provides a range of Subsea services for the O&G industry including underwater IRM, platform and pipeline inspection, UWILD, diving and ROV services as well as marine support services.

(ii) OSV services

The AMRB Group provides 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 as well as repair and maintenance services for the O&G industry.

2. Historical financial statements

2.1 Consolidated statements of comprehensive income

The following table sets out a summary of AMRB's audited consolidated statements of comprehensive income for the FYE 31 December 2019 ("**FYE 2019**"), the FYE 31 December 2020 ("**FYE 2020**"), the 18-month FPE 30 June 2022 ("**18-month FPE 2022**"), the FYE 30 June 2023 ("**FYE 2023**"), the FYE 30 June 2024 ("**FYE 2024**") as well as the unaudited consolidated statements of comprehensive income for the 6-month FPE 31 December 2023 ("**6-month FPE 31 December 2023**") and the 6-month FPE 31 December 2024 ("**6-month FPE 31 December 2024**").

	Audited					Unaudited	
	FYE 2019	**(Restated) FYE 2020[(1)]**	**(Restated) 18-month FPE 2022[(2)(3)]**	**(Restated) FYE 2023[(3)]**	**FYE 2024**	**6-month FPE 31 December 2023**	**6-month FPE 31 December 2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue	306,669	255,210	301,396	312,252	357,195	166,070	341,212
Cost of sales	(292,506)	(281,992)	(317,427)	(302,181)	(324,611)	(152,299)	(257,789)
GP / (GL)	**14,164**	**(26,782)**	**(16,031)**	**10,071**	**32,584**	**13,771**	**83,423**
Other income	7,179	61,896	19,676	66,277	27,587	767	18,051
Employee benefits expenses	(18,152)	(17,053)	(22,663)	(13,371)	(16,470)	(5,054)	(53,097)
Net impairment losses on trade and other receivables	-	(121,044)	(29,032)	(15,546)	1,453	(1,657)	(3,394)
Other operating expenses	(68,099)	(104,286)	(137,968)	(26,532)	(12,894)	(4,030)	(6,142)
Profit / (Loss) from operations	**(64,908)**	**(207,270)**	**(186,019)**	**20,899**	**32,260**	**3,797**	**38,841**
Finance cost	(5,238)	(5,909)	(9,258)	(5,360)	(4,901)	(3,221)	(2,261)
Share of results of joint ventures	(10,608)	(14,440)	(16,302)	3,572	10,112	5,054	-
PBT / (LBT)	**(80,754)**	**(227,619)**	**(211,579)**	**19,111**	**37,471**	**5,630**	**36,580**
Tax (expense) / credit	473	887	2,652	(663)	(11,191)	(256)	(7,194)
PAT / (LAT)	**(80,281)**	**(226,733)**	**(208,927)**	**18,447**	**26,280**	**5,374**	**29,386**
PAT / (LAT) attributable to:-							
- owners of the Company	(79,479)	(226,371)	(208,580)	19,429	26,311	5,374	23,201
- minority interest	(802)	(362)	(347)	(981)	(31)	-	6,185
PAT / (LAT)	**(80,281)**	**(226,733)**	**(208,927)**	**18,447**	**26,280**	**5,374**	**29,386**
GP / (GL) margin (%)	4.62	(10.49)	(5.32)	3.23	9.12	8.29	24.45
PBT / (LBT) margin (%)	(26.33)	(89.19)	(70.20)	6.12	10.49	3.39	10.72
PAT / (LAT) margin (%)	(26.18)	(88.84)	(69.32)	5.91	7.36	3.24	8.61
Weighted average no. of Shares in issue ('000)	944,405	1,237,056	1,476,249	1,531,829	1,531,829	1,531,829	1,531,829
Basic EPS / (LPS) (sen)	(8.42)	(18.30)	(14.15)	1.27	1.72	0.35	1.51

Notes:-

(1) Restated due to adjustments made in respect of various understatements of cost incurred and reclassifications.

(2) As a result of change in the financial year end of the Company from 31 December to 30 June, the next audited financial statements of the Company were for a period of 18 months from 1 January 2021 to 30 June 2022.

(3) Restated due to adjustments made in respect of understatement of revenue and other income, various overstatements and understatements of cost incurred and reclassifications.

For the avoidance of doubt, during the abovementioned periods, the Group has been recognising 50% of the net profits of SWS as the "share of results of joint venture". Beginning 1 July 2024, upon the reclassification of SWS from a joint venture to a subsidiary of AMRB, the Group will fully consolidate SWS's financial results, including all revenue and cost of sales.

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2.2 Consolidated statements of financial position

The following table sets out a summary of the audited consolidated statements of financial position as at 31 December 2019, 31 December 2020, 30 June 2022, 30 June 2023, 30 June 2024 as well as the unaudited consolidated statements of financial position as at 31 December 2024.

	Audited					Unaudited
	31 Dec 2019	(Restated) 31 Dec 2020[(1)]	(Restated) 30 Jun 2022[(2)(3)]	(Restated) 30 Jun 2023[(3)]	30 Jun 2024	31 Dec 2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS						
Non-current assets						
Property, vessels and equipment	281,165	220,768	68,052	41,202	22,252	27,458
Investment properties	-	772	2,193	2,138	2,063	-
Investment in joint ventures	55,799	41,199	14,819	4,126	789	191
Deferred tax assets	9,786	-	1,213	168	96	-
Other investment	-	-	350	350	350	350
Total non-current assets	**346,750**	**262,739**	**86,627**	**47,985**	**25,550**	**27,999**
Current assets						
Inventories	771	-	-	-	-	4,426
Contract assets	28,945	6,386	10,708	72,540	84,474	60,399
Tax assets	2,656	449	529	658	973	973
Trade receivables	96,466	27,301	61,939	34,484	65,340	56,370
Other receivables	101,888	13,045	70,490	27,585	26,770	20,952
Cash and short-term deposits	71,554	56,536	42,278	52,607	45,721	98,528
Total current assets	**302,280**	**103,717**	**185,944**	**187,874**	**223,279**	**241,648**
Total assets	**649,030**	**366,456**	**272,571**	**235,859**	**248,829**	**269,647**
EQUITY AND LIABILITIES						
Equity attributable to owners of the Company						
Share capital	406,265	432,982	442,667	442,667	442,667	442,667
Other reserves	(2,530)	(2,311)	(2,406)	(2,918)	872	872
Retained earnings	(72,431)	(298,628)	(509,392)	(489,964)	(468,998)	(537,182)
	331,304	132,043	(69,131)	(50,214)	(25,459)	(93,643)
Non-controlling interests	(4,104)	(4,894)	(3,523)	(4,711)	-	3,973
Total equity / (capital deficiency)	**327,200**	**127,149**	**(72,654)**	**(54,925)**	**(25,459)**	**(89,670)**
Non-current liabilities						
Loans and borrowings	75,317	3,911	2,641	2,272	1,972	3,230
Deferred tax liabilities	14,997	3,383	1,377	731	1,840	1,840
Total non-current liabilities	**90,314**	**7,294**	**4,019**	**3,003**	**3,812**	**5,070**
Current liabilities						
Loans and borrowings	47,567	109,147	110,845	109,709	86,404	84,559
Trade payables	117,225	72,300	205,336	86,907	70,836	60,473
Other payables	65,057	50,044	24,889	91,049	103,515	198,053
Tax liabilities	1,667	522	136	116	9,721	11,163
Total current liabilities	**231,516**	**232,013**	**341,206**	**287,781**	**270,476**	**354,248**
Total liabilities	**321,830**	**239,307**	**345,225**	**290,784**	**274,288**	**359,318**
Total equity and liabilities (net of capital deficiency)	**649,030**	**366,456**	**272,571**	**235,859**	**248,829**	**269,648**

Notes:-
(1) Restated due to adjustments made in respect of various understatements of cost incurred and reclassifications.
(2) As a result of change in the financial year end of the Company from 31 December to 30 June, the next audited financial statements of the Company were for a period of 18 months from 1 January 2021 to 30 June 2022.
(3) Restated due to adjustments made in respect of understatement of revenue and other income, various overstatements and understatements of cost incurred and reclassifications.

Beginning 1 July 2024, upon the reclassification of SWS from a joint venture to a subsidiary of AMRB, the Group has fully consolidated SWS's financial position, including all its assets and liabilities. The reclassification of SWS from a joint venture to a subsidiary of AMRB had the following impact on the consolidated statement of financial position of the Group:-

	Increase / (Decrease)	
	Effects on total assets	Effects on total equity and liabilities
	RM'000	RM'000
Property, vessels and equipment	3,650	-
Inventories	4,855	-
Trade and other receivables	979	-
Cash and short-term deposits	19,379	-
Investment in joint ventures	(789)	-
Trade and other payables	-	24,454
Loans and borrowings (non-current)	-	1,132
Loans and borrowings (current)	-	266
Tax liabilities	-	1,433
Non-controlling interests	-	789
	28,074	**28,074**

As a result of the consolidation of SWS's financial position, the Group's total assets increased by RM28.07 million, mainly contributed by the cash and short-term deposits, inventories as well as property, vessels and equipment owned by SWS amounting to RM19.38 million, RM4.86 million and RM3.65 million respectively while the Group's total liabilities increased by RM27.29 million, mainly contributed by the trade and other payables of SWS of RM24.45 million.

3. Liquidity and capital resources

3.1 Working capital

The Group has been financing its operations through existing cash and bank balances, cash generated from operations and external sources of funds such as Sukuk Ijarah MTN, revolving credit facilities and term loans. As at 30 June 2024, the Group's cash and cash equivalents of RM45.72 million consist of cash and bank balances as well as fixed and short-term deposits with licensed banks. As at 31 December 2024, the Group's cash and cash equivalents stood at RM98.53 million.

The decision to utilise either internally generated funds or borrowings for business operations depends on various factors, including available cash and bank balances at the time, expected cash inflows from the operations, future working capital and capital expenditure requirements, and interest rate on borrowings.

The Board, after taking into consideration the following, is of the opinion that the Group will have sufficient working capital for a period of 12 months from the date of this Circular:-

(i) the settlement of the AMRB Group's immediate debt obligations via the Proposed Debt Restructuring and the pro forma cash flow position of the AMRB Group upon the completion of the Proposed Regularisation Plan; and

(ii) the contracts secured up to the LPD, as detailed in Section 6 of Appendix I of this Circular.

3.2 Historical statement of cash flows

The following table sets out a summary of the audited consolidated statements of cash flows for the FYE 2019, the FYE 2020, the 18-month FPE 2022, the FYE 2023, the FYE 2024 as well as the unaudited condensed statement of cash flows for the 6-month FPE 31 December 2023 and the 6-month FPE 31 December 2024.

	Audited					Unaudited	
	FYE 2019	(Restated) FYE 2020[(1)]	(Restated) 18-month FPE 2022[(2)(3)]	(Restated) FYE 2023[(3)]	FYE 2024	6-month FPE 31 December 2023	6-month FPE 31 December 2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Net cash generated from / (used in)</u>							
Operating activities	(14,345)	36,356	(37,323)	(14,454)	(14,525)	(11,721)	57,593
Investing activities	(6,019)	(40,954)	20,918	34,631	14,604	776	1,523
Financing activities	8,550	8,834	11,540	4,102	(3,985)	(5,933)	1,214
Net increase / (decrease) in cash and cash equivalents	**(11,814)**	**4,236**	**(4,865)**	**24,279**	**(3,906)**	**(16,878)**	**60,330**
Net foreign exchange difference	-	-	-	(1,214)	(125)	-	-
Cash and cash equivalents at the beginning of the year / period	33,841	21,167	25,402	20,537	43,603	43,603	21,750
Cash and cash equivalents at the end of the year / period	**22,027**	**25,402**	**20,537**	**43,603**	**39,572**	**26,725**	**82,080**
Cash and bank balances	24,399	30,102	21,434	44,499	22,314	27,288	82,645
Deposits with licensed banks	47,155	26,435	20,844	8,108	23,408	5,396	15,885
Less: Bank overdrafts	(3,233)	(4,699)	(897)	(897)	(563)	(563)	(563)
Less: Pledged deposits / sinking fund	(46,294)	(26,435)	(20,844)	(8,108)	(5,586)	(5,396)	(15,887)
Cash and cash equivalents at the end of the year / period	**22,027**	**25,402**	**20,537**	**43,603**	**39,572**	**26,725**	**82,080**

<u>Notes:-</u>
(1) Restated due to adjustments made in respect of various understatements of cost incurred and reclassifications.
(2) As a result of change in the financial year end of the Company from 31 December to 30 June, the next audited financial statements of the Company were for a period of 18 months from 1 January 2021 to 30 June 2022.
(3) Restated due to adjustments made in respect of understatement of revenue and other income, various overstatements and understatements of cost incurred and reclassifications.

(i) Net cash generated from / (used in) operating activities

<u>FYE 2019</u>

The Group recorded net cash outflow from operating activities of RM14.34 million in the FYE 2019 which was mainly contributed by the following:-

(a) operational profit before changes in working capital of RM10.90 million;

(b) recognition of contract assets valued at RM28.95 million from securing an OIC contract from Vestigo Petroleum Sdn Bhd ("**Vestigo Petroleum**") for the provision of engineering, procurement, construction, installation and pre-commissioning (EPCIC) services for the TNAG pipeline system contract worth USD59 million. These assets relate to the Group's entitlement to payment for construction work performed but not yet billed as of the reporting date. The contract assets will be reclassified as trade receivables once the conditions for billing are met and the rights to payment become unconditional; and

(c) increase in trade and other payables of RM87.27 million which was partly offset by the increase in trade and other receivables of RM78.27 million partly due to the abovementioned TNAG contract.

FYE 2020

The Group recorded net cash inflow from operating activities of RM36.36 million in the FYE 2020 which was mainly contributed by the following:-

(a) operational loss before changes in working capital of RM10.66 million;

(b) decrease in contract assets of RM22.56 million in relation to the TNAG contract following the reclassification of the same as trade receivables upon meeting the conditions for billing; and

(c) decrease in trade and other receivables of RM74.77 million which was partly offset by decrease in trade and other payables of RM44.14 million.

18-month FPE 2022

The Group recorded net cash outflow from operating activities of RM37.32 million in the 18-month FPE 2022 which was mainly contributed by the following:-

(a) operational loss before changes in working capital of RM23.49 million;

(b) increase in trade and other receivables of RM129.08 million mainly due to outstanding balance from the OIC contract and advance payments made to vendors, which was partly offset by increase in trade and other payables of RM121.94 million primarily due to the increase in amount owing to joint ventures, mainly SWS arising from Subsea contract.

FYE 2023

The Group recorded net cash outflow from operating activities of RM14.45 million for the FYE 2023 which was mainly contributed by the following:-

(a) operational profit before changes in working capital of RM59.54 million;

(b) increase in contract assets of RM61.83 million mainly due to the recognition of contract assets as the Group secured Subsea Pan Malaysia Contracts from Petronas, which was partly offset by decrease in trade and other receivables amounting to RM45.98 million mainly due to the increase in amount owing from joint ventures; and

(c) decrease in trade and other payables of RM55.43 million mainly due to repayments to joint ventures in relation to the Subsea contracts.

FYE 2024

The Group recorded net cash outflow from operating activities of RM14.53 million for the FYE 2024 which was mainly contributed by the following:-

(a) operational profit before changes in working capital of RM24.93 million;

(b) increase in contract assets of RM11.93 million mainly due to recognition of contract assets related to the Subsea services contracts;

(c) increase in trade and other receivables amounting to RM18.81 million mainly due to increase in revenue from OSV contracts; and

(d) decrease in trade and other payables amounting to RM5.27 million, primarily due to repayment of subcontract works owing to SWS.

6-month FPE 31 December 2024

The Group recorded net cash inflow from operating activities of RM57.59 million for the 6-month FPE 31 December 2024 which was mainly contributed by the following:-

(a) operational profit before changes in working capital of RM26.13 million;

(b) decrease in contract assets of RM24.17 million mainly due to reclassification as trade receivables upon meeting the conditions for billing related to the Subsea services contracts;

(c) decrease in trade and other receivables amounting to RM24.63 million mainly due to increase in collections from Subsea services contracts; and

(d) decrease in trade and other payables amounting to RM10.95 million, primarily due to payment of amounts due to subcontractors / suppliers.

(ii) Net cash generated from / (used in) investing activities

FYE 2019

The Group recorded net cash outflow from investing activities of RM6.02 million in the FYE 2019 which was mainly contributed by the following:-

(a) vessel drydocking expenditure of RM5.88 million and vessel upgrading expenditure of RM3.32 million;

(b) proceeds of RM1.41 million from the disposal of an anchor handling tug supply vessel; and

(c) interest received of RM1.78 million from placement of fixed deposits.

FYE 2020

The Group recorded net cash outflow from investing activities of RM40.95 million in the FYE 2020 which was mainly contributed by the following:-

(a) vessel drydocking expenditure of RM9.60 million;

(b) advances of RM3.91 million to associates;

(c) advances of RM49.03 million to joint ventures, mainly APEH and its subsidiaries as well as ARLI, for the payment of crew and vessel costs due to cash flow constraint during the COVID-19 pandemic;

(d) net redemption in short term deposits of RM20.72 million; and

(e) interest received of RM0.99 million from placement of fixed deposits.

18-month FPE 2022

The Group recorded net cash inflow from investing activities of RM20.92 million in the 18-month FPE 2022 which was mainly contributed by the following:-

(a) proceeds of RM6.28 million from the disposal of assets, including 2 anchor handling tug supply vessels and a towing tug;

(b) dividend received from a joint venture, namely SWS amounting to RM6.50 million;

(c) repayment of RM3.76 million from associates, namely Alam-JV DP1 (L) Inc and Alam-JV DP2 (L) Inc which are both ships owning entities, in relation to the payment of crew costs; and

(d) net redemption of short term deposits of RM5.60 million.

FYE 2023

The Group recorded net cash inflow from investing activities of RM34.63 million in the FYE 2023 which was mainly contributed by the following:-

(a) proceeds of RM16.40 million from the disposal of PVE, including 2 utility vessels, 2 towing tugs and 3 anchor handling tug supply vessels;

(b) dividend of RM5.00 million from a joint venture, namely SWS; and

(c) net redemption of short term deposits of RM12.74 million.

FYE 2024

The Group recorded net cash inflow from investing activities of RM14.60 million in the FYE 2024 which was mainly contributed by the following:-

(a) proceeds of RM8.28 million from the disposal of a utility vessel and a parcel of industrial land in Kuala Linggi, Melaka;

(b) dividend of RM3.45 million from a joint venture, namely SWS; and

(c) net redemption of short term deposits of RM2.52 million.

6-month FPE 31 December 2024

The Group recorded net cash inflow from investing activities of RM1.52 million for the 6-month FPE 31 December 2024 mainly due to the net redemption of fixed deposit of RM5.18 million, which were channelled mainly towards capital expenditure of RM4.93 million incurred by SWS for the acquisition of additional gas quads and office renovation.

(iii) Net cash generated from / (used in) financing activities

FYE 2019

The Group recorded net cash inflow from financing activities of RM8.55 million in the FYE 2019 which was mainly contributed by the following:-

(a) proceeds of RM9.95 million from the issuance of redeemable convertible notes;

(b) net repayment of term loans amounting to RM1.10 million;

(c) net repayment of Sukuk Ijarah MTN amounting to RM1.00 million; and

(d) reduction of RM0.99 million in sinking fund due to redemption of bank guarantee.

FYE 2020

The Group recorded net cash inflow from financing activities of RM8.83 million in the FYE 2020 which was mainly contributed by the following:-

(a) proceeds of RM9.00 million from the issuance of redeemable convertible notes;

(b) proceeds of RM17.72 million from a private placement exercise;

(c) net repayment of Sukuk Ijarah MTN amounting to RM18.18 million;

(d) repayment to associates and joint ventures mainly due to settlement of amount owing to Alam Synergy I (L) Inc., Alam Synergy II (L) Inc. and Alam Synergy III (L) Inc. (collectively, "**Alam Synergy Group**") in relation to chartering of vessels amounting to RM5.90 million; and

(e) net drawdown of revolving credits amounting to RM6.72 million.

18-month FPE 2022

The Group recorded net cash inflow from financing activities of RM11.54 million in the 18-month FPE 2022 which was mainly contributed by the following:-

(a) proceeds of RM9.67 million from a private placement exercise;

(b) advances of RM2.14 million from associates in relation to the payment of crew costs;

(c) net repayment of term loans amounting to RM2.07 million; and

(d) net drawdown of revolving credits amounting to RM2.29 million.

FYE 2023

The Group recorded net cash inflow from financing activities of RM4.10 million in the FYE 2023 which was mainly contributed by the following:-

(a) advances of RM6.17 million from associates, namely THAL and its subsidiaries;

(b) net drawdown of revolving credits amounting to RM1.78 million; and

(c) net repayment of Sukuk Ijarah MTN amounting to RM3.76 million.

FYE 2024

The Group recorded net cash outflow from financing activities of RM3.99 million in the FYE 2024 which was mainly contributed by the following:-

(a) net repayment of revolving credits amounting to RM3.46 million; and

(b) repayment of advances of RM0.52 million to associates, namely THAL and its subsidiaries.

6-month FPE 31 December 2024

The Group recorded net cash inflow from financing activities of RM1.21 million in the 6-month FPE 31 December 2024 which was mainly contributed by the following:-

(a) redemption of marginal deposit amounting to RM2.35 million;

(b) repayment of Sukuk Ijarah MTN amounting to RM2.31 million; and

(c) drawdown of hire purchase loan amounting to RM1.33 million.

3.3 Key financial ratios

The key financial ratios of the Group are as follows:-

	Audited					Unaudited
	FYE 2019	(Restated) FYE 2020	(Restated) 18-month FPE 2022	(Restated) FYE 2023	FYE 2024	6-month FPE 31 December 2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current ratio (times) (1)	1.31	0.45	0.54	0.65	0.83	0.68
Gearing ratio (times) (2)	0.38	0.89	(1.56)	(2.04)	(3.47)	(0.98)
Receivables turnover period (days) (3)	69	27	113	40	67	(6)N/A
Payables turnover period (days) (4)	163	104	397	108	81	(6)N/A
Asset turnover (5)	0.47	0.70	1.11	1.32	1.44	1.27

Notes:-
(1) Computed based on current assets over current liabilities as the end of the respective financial year / period.
(2) Computed based on the total interest-bearing debt over total equity as at the end of the respective financial year / period.
(3) Computed based on trade receivables (excluding accrued income) as at the end of respective financial year / period divided by the revenue for the respective financial year / period and multiplied by number of days in the respective financial year / period.
(4) Computed based on trade payables (excluding accrued cost) as at the end of respective financial year / period divided by the cost of sales (excluding the depreciation charges) for the respective financial year / period multiplied by number of days in the respective financial year / period.
(5) Computed based on total revenue as at the end of respective financial year / period divided by the total asset for the respective financial year / period.
(6) Receivables and payables turnover period are computed based on the Group's annual turnover and cost of sales respectively. As the 6-month FPE 31 December 2024 is only for a period of 6 months, the computation of this metric would not be meaningful.

3.3.1 Current ratio

	Audited					Unaudited
	31 Dec 2019	(Restated) 31 Dec 2020	(Restated) 30 Jun 2022	(Restated) 30 Jun 2023	30 Jun 2024	31 Dec 2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current assets	302,280	103,717	185,944	187,874	223,279	241,648
Current liabilities	231,516	232,013	341,206	287,781	270,476	354,248
Net current assets / (liabilities)	70,764	(128,296)	(155,262)	(99,907)	(47,197)	(112,600)
Current ratio (times)	**1.31**	**0.45**	**0.54**	**0.65**	**0.83**	**0.68**

The Group's current ratio, a measure of liquidity, has varied over the financial years / period under review from a low of 0.45 times to a high of 1.59 times.

As at 31 December 2019

Current ratio decreased from 1.59 times as at 31 December 2018 to 1.31 times as at 31 December 2019 mainly due to larger increase in current liabilities as compared to current assets. The increase in current assets was driven by the recognition of contract assets, the increase in trade receivables and offset by the increase in trade and other payables, all of which were mainly driven by the contract from Vestigo Petroleum for the provision of EPCIC services for the TNAG pipeline system contract worth USD59 million.

As at 31 December 2020

Current ratio decreased from 1.31 times as at 31 December 2019 to 0.45 times as at 31 December 2020 mainly due to adjustments related to various understated costs incurred in the FYE 2020 and reclassification. These adjustments resulted in a decrease in trade and other receivables, contributing to the decrease in current ratio, while current liabilities remained largely unchanged.

As at 30 June 2022

Current ratio increased from 0.45 times as at 31 December 2020 to 0.54 times as at 30 June 2022 mainly due to increase in trade and other receivables which was contributed by the increase in outstanding balance from the OIC contract and advance payments made to vendors for vessel chartering.

As at 30 June 2023

Current ratio increased from 0.54 times as at 30 June 2022 to 0.65 times as at 30 June 2023 mainly due to decrease in trade and other payables which was contributed by the repayment made to vendors in relation to the Subsea contracts.

As at 30 June 2024

Current ratio increased from 0.65 times as at 30 June 2023 to 0.83 times as at 30 June 2024 mainly due to increase in trade receivables which was contributed by delay in receipts from a major client for OSV services.

As at 31 December 2024

The current ratio decreased from 0.83 times as at 30 June 2024 to 0.68 times as at 31 December 2024 mainly due to increase in other payables. This was mainly driven by the consolidation of SWS's other payables amounting to RM45.69 million, with the remaining increase attributed to charter payables to THAL following a prior year adjustment.

3.3.2 Gearing ratio

	Audited					Unaudited
	31 Dec 2019	(Restated) 31 Dec 2020	(Restated) 30 Jun 2022	(Restated) 30 Jun 2023	30 Jun 2024	31 Dec 2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total borrowings[(1)]	122,884	113,058	113,487	111,981	88,376	87,789
Total equity	327,200	127,149	(72,654)	(54,925)	(25,459)	(89,670)
Gearing ratio (times)	**0.38**	**0.89**	**(1.56)**	**(2.04)**	**(3.47)**	**(0.98)**

Note:-
(1) Total borrowings comprise of loans and borrowings, and lease liabilities.

31 December 2019

The gearing ratio increased from 0.31 times as at 31 December 2018 to 0.38 times as at 31 December 2019. This was mainly due to lower total equity of RM327.20 million as a result of the Group recording a LATAMI of RM79.48 million while there was minimal movement in total borrowings.

31 December 2020

The gearing ratio increased from 0.38 times as at 31 December 2019 to 0.89 times as at 31 December 2020. This was mainly due to lower total equity of RM127.15 million as a result of the Group recording a LATAMI of RM226.37 million. Meanwhile, total borrowings reduced from RM122.88 million to RM113.06 million as a result of partial repayment of Sukuk Ijarah MTN.

30 June 2022

The gearing ratio turned from 0.89 times as at 31 December 2022 to negative 1.56 times as at 30 June 2022. This was mainly due to the Group turning into a capital deficiency position of RM72.65 million as a result of the Group recording a LATAMI of RM209.15 million with minimal movement in total borrowings.

30 June 2023

The gearing ratio was recorded to be negative 2.04 times as at 30 June 2023 as the Group recorded lower capital deficiency of RM54.93 million as a result of the Group turning profitable with a PATAMI of RM19.43 million while there was minimal movement in total borrowings.

30 June 2024

The gearing ratio was recorded to be negative 3.47 times as at 30 June 2024 as the Group recorded lower capital deficiency of RM25.46 million as a result of the Group recording a PATAMI of RM26.31 million. Meanwhile, total borrowings reduced from RM111.98 million as at 30 June 2023 to RM88.38 million as at 30 June 2024 due to net repayment of revolving credits of RM3.46 million as well as waiver of loan amounting to RM19.88 million which resulted from the partial settlement of outstanding debt with a creditor via the proceeds from the disposal of a parcel of industrial land in Kuala Linggi, Melaka.

31 December 2024

The gearing ratio was recorded to be negative 0.98 times as at 31 December 2024 as the Group recorded higher capital deficiency of RM89.67 million as a result of the losses from prior year adjustments despite recording a PATAMI of RM23.20 million. Meanwhile, total borrowings reduced minimally from RM88.38 million as at 30 June 2024 to RM87.79 million as at 31 December 2024.

3.3.3 Trade receivables turnover period

	Audited				
	FYE 2019	(Restated) FYE 2020	(Restated) 18-month FPE 2022	(Restated) FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Trade receivables (excluding accrued income)	146,780	94,753	139,990	84,051	113,264
Less: Allowance for impairment	(88,477)	(75,835)	(78,051)	(49,568)	(47,924)
Net trade receivables	58,303	18,918	61,939	34,483	65,340
Revenue	306,669	255,210	200,931[1]	312,252	357,195
Trade receivables turnover period (days)	**69**	**27**	**113**	**40**	**67**

Notes:-

(1) Annualised revenue for the 18-month FPE 2022.

(2) Computed based on trade receivables (excluding accrued income) as at the end of respective financial year / period divided by the revenue for the respective financial year / period and multiplied by number of days in the respective financial year / period.

Trade receivables from third parties are non-interest bearing and the normal credit terms offered by the Group ranges from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

For the 18-month FPE 2022, the increase in trade receivables turnover period was mainly due to delayed collection from debtors under the Subsea segment and OSV segment arising from the customers' cash flow constraints during the COVID-19 pandemic period.

The ageing of the trade receivables as at 31 December 2024 is as follows:-

	Total	Not past due	Past due 30-59 days	Past due 60-90 days	Past due >90 days
	RM'000	RM'000	RM'000	RM'000	RM'000
Trade receivables	100,949	28,274	3,942	7,704	61,029
Less: Allowance for impairment	(44,579)	-	-	-	(44,579)
Net trade receivables	**56,370**	**28,274**	**3,942**	**7,704**	**16,450**
Subsequent receipt up to 31 March 2025	(32,937)	(20,467)	(3,128)	(7,520)	(1,822)
Balance trade receivables as at 31 March 2025	**23,433**	**7,807**	**814**	**184**	**14,628**

As at 31 December 2024, RM72.68 million out of RM100.95 million of the Group's trade receivables were past due. These past-due receivables were primarily related to OSV services-related income, out of which a total of RM44.58 million has been impaired as a result of higher expected credit losses. Nevertheless, the past-due receivables have since decreased to RM15.63 million as at 31 March 2025, mainly due to collection of RM24.75 million from a major client for OSV and Subsea services.

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

The Group undertakes the following steps for significant balances due more than 90 days:-

(i) constant follow-up via emails and phone calls; and
(ii) proposed repayment plans;

Trade receivables are impaired when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and/or a failure to make contractual payments.

The Group also determines concentration of credit risk by monitoring individual profile of their trade receivables on an ongoing basis.

3.3.4 Trade payables turnover period

	Audited				
	FYE 2019	(Restated) FYE 2020	(Restated) 18-month FPE 2022	(Restated) FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Trade payables	117,225	72,300	205,336	86,907	70,836
Cost of sales(1)	262,313	254,174	188,995(3)	293,679	319,562
Trade payables turnover period (days)(2)	**163**	**104**	**397**	**108**	**81**

Notes:-
(1) To compute trade payables turnover period, cost of sales has excluded depreciation charges as it is capital in nature.

(2) Computed based on trade payables as at the end of respective financial year / period divided by the cost of sales (excluding depreciation charges) for the respective financial year / period multiplied by number of days in the respective financial year / period.
(3) Annualised cost of sales for the 18-month FPE 2022.

The normal credit terms granted to the Group ranges from 30 days to 60 days. However, the Group's trade payables turnover period for the financial years / period under review exceeded the credit terms granted to the Group mainly due to longer period taken to repay the trade payables as a result of the Group's cash flow constraints.

The trade payables turnover period declined from 163 days in FYE 2019 to 104 days in FYE 2020, mainly due to increased cash collection from trade debtors, which facilitated the timely settlement of payables. However, for the 18-month FPE 2022, the trade payables turnover period increased from 104 days to 397 days, mainly due to the increase in trade payables to joint venture companies. The subsequent trade payables turnover period declined to 108 days in FYE 2023 and 81 days in FYE 2024 mainly due to payments made during both years, particularly to joint venture partners for the Subsea segment as well as OSV segment.

The said cash flow constraints were largely due to substantial amounts owed to creditors that accumulated over the years and the lack of availability of trade facilities from financial institutions due to the Company's PN17 status. With the completion of the Proposed Debt Restructuring and the Proposed Regularisation Plan, the Group will be better positioned to finance its working capital requirements.

Since AMSB and AMRB obtained the Restraining Order from the High Court in January 2024 and April 2024 respectively as well as the approval of the requisite majority in value of the Scheme Creditors to undertake the Proposed Debt Restructuring at the CCM held on 26 July 2024, the Group has not been involved with any material litigation, claims or arbitration from its trade creditors. The Group remains mindful of the risks associated with delayed payments to its creditors, such as supply chain disruptions and potential legal actions, which could negatively impact the Group's operations, reputation and financial performance. To mitigate these risks, the Group will continue to closely monitor its trade payables, carefully manage its cash inflows as well as maintain frequent communication with creditors to manage expectations and maintain good relationships.

The ageing of the trade payables as at 31 December 2024 is as follows:-

	Total	Not past due	Past due 30-59 days	Past due 60-90 days	Past due >90 days
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Trade payables	60,473	29,183	209	2,113	28,968
	60,473	**29,183**	**209**	**2,113**	**28,968**
Subsequent payment up to 31 March 2025	(25,378)	(21,722)	(209)	(355)	(3,092)
Balance trade payables as at 31 March 2025	**35,095**	**7,461**	**-**	**1,758**	**25,876**

As at 31 December 2024, RM31.29 million out of RM60.47 million of the Group's trade payables were past due. These past-due payables were primarily related to the vendors for the OIC contract who are part of the AMSB Scheme Creditors and will be settled via the AMSB Unsecured Scheme pursuant to the Proposed Debt Restructuring.

The nature of trade payables relates to the purchase of spare parts, consumables, insurance, and services for repair and maintenance. Amounts owing to the immediate holding company, joint ventures and associates are unsecured, non-interest bearing and repayable upon demand.

4. Commentary of historical financial performance

(i) Revenue

	Audited					Unaudited	
	FYE 2019	(Restated) FYE 2020	(Restated) 18-month FPE 2022	(Restated) FYE 2023	FYE 2024	6-month FPE 31 Dec 2023	6-month FPE 31 Dec 2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
OSV	93,070	69,923	46,339	39,347	119,092	45,040	52,943
Subsea	62,532	82,700	208,143	246,237	234,562	119,376	287,451
OIC	151,067	102,587	36,504	22,644	-	-	-
Others(1)	-	-	10,410	4,024	3,541	1,655	818
Total revenue	**306,669**	**255,210**	**301,396**	**312,252**	**357,195**	**166,070**	**341,212**

Note:-
(1) Includes rental of equipment, ship catering and other shipping-related services.

FYE 2019

The Group's revenue increased by RM211.30 million or 221.57% from RM95.37 million in the FYE 31 December 2018 ("**FYE 2018**") to RM306.67 million in the FYE 2019. The increase was mainly due to:-

(i) higher contribution from the OSV segment which recorded a RM26.68 million or 40.18% increase in revenue mainly as a result of securing more charter contracts; and

(ii) higher contribution from the Subsea segment which recorded a RM33.56 million or 115.83% increase in revenue mainly as a result of higher completion of work done for Subsea contracts secured; and

(iii) contribution from the newly established OIC segment which registered revenue of RM151.07 million, mainly driven by the contract from Vestigo Petroleum for the provision of EPCIC services for the TNAG pipeline system contract worth USD59 million.

FYE 2020

The Group's revenue decreased by RM51.46 million or 16.78% from RM306.67 million in the FYE 2019 to RM255.21 million in the FYE 2020. The decrease was mainly due to:-

(i) lower contribution from the OSV segment which recorded a RM23.15 million or 24.87% decrease in revenue mainly as a result of fewer charter contracts; and

(ii) lower contribution from the OIC segment which recorded a RM48.48 million or 32.09% decrease in revenue mainly as a result of the completion of the TNAG pipeline system contract.

The above was partially offset by higher contribution from the Subsea segment which recorded a RM20.17 million or 32.25% increase in revenue mainly as a result of increase in demand for the underwater IRM works during the year.

18-month FPE 2022

Based on the annualised results for the 18-month FPE 2022, the Group's revenue decreased by RM54.28 million or 21.27% from RM255.21 million in the FYE 2020 to an annualised revenue of RM200.93 million in the 18-month FPE 2022. The decrease was mainly due to:-

(i) lower contribution from the OSV segment which recorded a RM39.03 million or 55.82% decrease in annualised revenue mainly as a result of lack of available projects during the COVID-19 pandemic; and

(ii) lower contribution from the OIC segment which recorded a RM78.25 million or 76.28% decrease in annualised revenue mainly as a result of lack of available projects during the COVID-19 pandemic.

The above was partially offset by higher contribution from the Subsea segment which recorded a RM56.06 million or 67.79% increase in annualised revenue mainly as a result of higher demand for saturation diving services that were postponed due to the COVID-19 pandemic.

FYE 2023

The Group's revenue increased by RM111.32 million or 55.40% from an annualised revenue of RM200.93 million in the 18-month FPE 2022 to RM312.25 million in the FYE 2023. The increase was mainly due to:-

(i) higher contribution from the Subsea segment which recorded a RM107.48 million or 77.45% increase in annualised revenue as a result of contract amendment for a revision of higher daily rates undertaken in East Malaysia and the first execution of underwater inspection and maintenance in East Malaysia, specifically from SWS; and

(ii) higher contribution from the OSV segment which recorded a RM8.45 million or 27.37% increase in annualised revenue as a result of higher daily charter rates and vessel utilisation rates.

The above was partially offset by lower contribution from the OIC segment which recorded a RM1.69 million or 6.95% decrease in annualised revenue mainly as a result of lack of available projects during the year. Further to that, Group had decided to discontinue the OIC segment.

FYE 2024

The Group's revenue increased by RM44.94 million or 14.39% from RM312.25 million in FYE 2023 to RM357.20 million in FYE 2024. This increase was mainly driven by the OSV segment, which recorded a revenue increase of RM79.75 million or 202.67%, due to higher daily charter rates and vessel utilisation as a result of increase in demand. However, this was partly offset by lower revenue from the Subsea segment which recorded a decrease in revenue of RM11.67 million or 4.74% mainly due to lower subsea contracts for saturation diving services.

Meanwhile, there was no contribution from the OIC segment as the Group has discontinued the OIC segment since the previous FYE 2023.

6-month FPE 31 December 2024

The Group's revenue increased by RM175.14 million or 105.46% from RM166.07 million in the 6-month FPE 31 December 2023 to RM341.21 million in the 6-month FPE 31 December 2024. The increase was mainly due to higher contributions from the Subsea segment, following the full consolidation of SWS's financial performance, as a result of SWS's reclassification from a joint venture to a subsidiary of AMRB, effective 1 July 2024.

(ii) Cost of sales

	Audited					Unaudited	
	FYE 2019	(Restated) FYE 2020	(Restated) 18-month FPE 2022	(Restated) FYE 2023	FYE 2024	6-month FPE 31 Dec 2024	6-month FPE 31 Dec 2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
OSV	84,939	81,656	62,289	32,751	91,662	32,756	39,109
Subsea	65,294	81,278	207,860	242,720	231,622	117,964	218,329
OIC	142,273	119,058	39,981	22,645	-	-	-
Others(1)	-	-	7,297	4,065	1,327	1,579	351
Total cost of sales	**292,506**	**281,992**	**317,427**	**302,181**	**324,611**	**152,299**	**257,789**

Note:-
(1) Includes costs of rental of equipment, ship catering and other shipping-related costs.

For information, all of the Group's subsea contracts are secured by AMSB (a wholly-owned subsidiary of AMRB), and therefore all of the contract revenue arising therefrom are recorded as part of the Group's consolidated total revenue.

However, once the subsea contracts are secured by AMSB, AMSB would then subcontract the same to SWS, with a referral fee of 1.5% of the contract value payable by SWS to AMSB. Thus, this means that 98.5% of the value of all subsea contracts subcontracted by AMSB to SWS would be recorded as part of the Group's consolidated total cost of sales, while the referral fee of 1.5% is earned by the Group as its GP. This subcontract arrangement is based on the agreements entered between AMSB and SWS for each subcontract.

Meanwhile, SWS was previously a 50% joint venture company between AHSB (a wholly-owned subsidiary of AMRB) and AME Subsea Sdn Bhd. As such, 50% of the net profits of SWS was recorded as "share of results of joint venture" in the consolidated statement of comprehensive income of AMRB. This means that, in addition to the 1.5% of the subsea contract value earned by the Group at the gross level, the Group would also earn 50% of the net profits of SWS at the bottom line.

Beginning 1 July 2024, SWS has been reclassified from a joint venture company to a subsidiary of AHSB as the shareholders of SWS had agreed that the nominee director of AMRB (i.e. Datuk Azmi) be granted a casting vote to determine the outcome of a proposed resolution in the event of equality of votes cast by directors of SWS on any resolution of the Board of Directors of SWS, pursuant to the terms of the Second Supplementary Agreement. Thus, from 1 July 2024 onwards, all revenue and cost of sales recorded by SWS will be consolidated with the Group's total revenue and cost of sales respectively. Nevertheless, this reclassification will ultimately have no impact to the earnings contribution from SWS to the Group's overall bottom line.

FYE 2019

The Group's cost of sales increased by RM202.19 million or 223.88% from RM90.31 million in the FYE 2018 to RM292.51 million in the FYE 2019. The increase was mainly due to higher revenue across all segments, whereby:-

(i) the higher costs incurred in the OSV segment was mainly driven by higher vessel chartering costs from completing more charter contracts despite lower depreciation charges following the disposal of an anchor handling tug supply vessel;

(ii) the higher costs incurred in the Subsea segment was mainly attributed to higher project expenses as a result of completing more Subsea contracts; and

(iii) the material costs incurred arising from the newly established OIC segment was mainly driven by the Vestigo Petroleum contract for the provision of EPCIC services for the TNAG pipeline system.

FYE 2020

The Group's cost of sales decreased by RM10.51 million or 3.59% from RM292.51 million in the FYE 2019 to RM282.00 million in the FYE 2020. The decrease was mainly due to the aforementioned decrease in revenue from both OSV and OIC segments, whereby:-

(i) the lower costs incurred in the OSV segment was mainly as a result of lower vessel chartering costs as a result of the decrease in charter contracts secured; and

(ii) the lower project material costs incurred in the OIC segment was in relation to the TNAG pipeline system contract.

The above was partly offset by the increased cost in the Subsea segment, which was driven by higher project expenses for underwater IRM works and increase in chartering costs.

18-month FPE 2022

Based on the annualised results for the 18-month FPE 2022, the Group's cost of sales decreased by RM70.37 million or 24.96% from RM282.00 million in FYE 2020 to an annualised cost of sales of RM211.62 million in the 18-month FPE 2022. The decrease was mainly due to the aforementioned decrease in revenue from both OSV and OIC segments, whereby:-

(i) the lower costs incurred in the OSV segment was mainly as a result of lower vessel chartering, vessel operating and repair and maintenance costs arising from the decrease in the number of projects during the COVID-19 pandemic; and

(ii) the lower project material costs incurred in the OIC segment was mainly as a result of the decrease in the number of projects during the COVID-19 pandemic.

The above was partly offset by the increased costs in the Subsea segment, which was mainly due to higher expenses incurred for the equipments used, in line with the increase in revenue for Subsea segment.

FYE 2023

The Group's cost of sales increased by RM90.56 million or 42.80% from an annualised cost of sales of RM211.62 million in 18-month FPE 2022 to RM302.18 million in the FYE 2023. The increase was mainly driven by higher revenue in the Subsea segment, which led to higher expenses incurred for the equipments used in saturation diving services. However, this was partially offset by a reduction in costs incurred in the OSV and OIC segments. The OSV segment benefited from lower crew costs incurred and lower depreciation charges as a result of disposal of PVE, while the reduction in costs for the OIC segment was due to lower revenue.

FYE 2024

The Group's cost of sales increased by RM22.43 million or 7.42% from RM302.18 million in the FYE 2023 to RM324.61 million in the FYE 2024. The increase was mainly due to the aforementioned increase in revenue from OSV segment, which led to higher vessel chartering costs. However, this was partially offset by the absence of costs incurred in the OIC segment due to its discontinuation of operations.

6-month FPE 31 December 2024

The Group's cost of sales increased by RM105.49 million or 69.27% from RM152.30 million in the 6-month FPE 31 December 2023 to RM257.79 million in the 6-month FPE 31 December 2024. The increase was mainly due to higher project expenses in tandem with higher revenue contribution from the Subsea segment, following the full consolidation of SWS's financial performance.

(iii) GP and GP margin

	Audited					Unaudited	
	FYE 2019	(Restated) FYE 2020	(Restated) 18-month FPE 2022	(Restated) FYE 2023	FYE 2024	6-month FPE 31 Dec 2023	6-month FPE 31 Dec 2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
GP / (GL)							
OSV	8,132	(11,733)	(15,950)	6,596	27,430	12,284	13,834
Subsea	(2,762)	1,422	282	3,517	2,940	1,412	69,122
OIC	8,794	(16,471)	(3,477)	-	-	-	-
Others[(1)]	-	-	3,113	(42)	2,214	76	467
Total GP / (GL)	**14,164**	**(26,782)**	**(16,031)**	**10,071**	**32,584**	**13,771**	**83,423**
GP / (GL) margin (%)							
OSV	8.74	(16.78)	(34.42)	16.76	23.03	27.27	26.13
Subsea	(4.42)	1.72	0.14	1.43	1.25	1.18	24.05
OIC	5.82	(16.06)	(9.52)	-	-	-	-
Others	-	-	29.90	(1.03)	62.52	4.59	57.09
Overall GP / (GL) margin	**4.62**	**(10.49)**	**(5.32)**	**3.23**	**9.12**	**8.29**	**24.45**

Note:-

(1) Includes GP generated from rental of equipment, ship catering and other shipping-related services. In FYE 2023, the Group suffered a minor gross loss due to higher than expected costs incurred arising from the provision of other shipping-related services such as ship catering and vessel parking services.

FYE 2019

The Group's GP increased by RM9.11 million or 180.24% from RM5.05 million in the FYE 2018 to RM14.16 million in the FYE 2019 in line with the increase in revenue. The GP was mainly contributed by the OSV and OIC segments which recorded a GP of RM8.13 million and RM8.79 million, respectively. This was due to the recovery of daily charter rates and higher vessel utilisation rate for the OSV segment as well as the contribution by the OIC contract from Vestigo Petroleum for the provision of EPCIC services for the TNAG pipeline system contract worth USD59 million.

However, Subsea segment recorded GL of RM2.76 million in the FYE 2019 as compared to a GP of RM4.58 million in the FYE 2018 as the revenue recognised from the SWS's newly secured contract was lower than the ROV depreciation charges.

FYE 2020

The Group recorded a GL of RM26.78 million in the FYE 2020 as compared to a GP of RM14.16 million in the FYE 2019. This was mainly due to the GL recorded by the OSV and OIC segment which in turn were mainly as a result of lower utilisation of chartered vessels and cost overuns for the OIC segment as a result of prolonged offshores works during the COVID-19 pandemic.

Nevertheless, this was partly offset by the Subsea segment which recorded GP of RM1.42 million in the FYE 2020 as compared to a GL of RM2.76 million in the FYE 2019 mainly due to higher margin from the underwater IRM works.

18-month FPE 2022

Based on the annualised results for the 18-month FPE 2022, the Group recorded a lower GL of RM10.69 million as compared to the GL of RM26.78 million in the FYE 2020. This was mainly contributed by a reduction in GL for the OIC segment from RM16.47 million in the FYE 2020 to an annualised GL of RM2.32 million in the 18-month FPE 2022 due to tail-end of major contract. However, the lower GL was offset by an annualised GP of RM2.08 million mainly arising from fleet services provided under IGSSB.

Meanwhile, the Subsea segment recorded lower annualised GP of RM0.19 million in the 18-month FPE 2022 as compared to a GP of RM1.42 million in the FYE 2020 mainly as a result of higher equipment expenses.

FYE 2023

In FYE 2023, the Group recorded a turnaround in profitability with a GP of RM10.07 million as compared to an annualised GL of RM10.69 million in the 18-month FPE 2022. This was mainly contributed by:-

(i) GP of RM6.60 million from the OSV segment on the back of higher charter rates and lower depreciation charges; and

(ii) GP of RM3.52 million from the Subsea segment mainly as a result of higher rates for saturation diving services and increase in demand for the underwater IRM works during the year.

FYE 2024

The Group's GP increased by RM22.51 million or 223.56% from RM10.07 million in FYE 2023 to RM32.58 million in the FYE 2024 mainly due to higher GP and GP margin from the OSV segment. In turn, this was mainly contributed by higher daily charter rates and vessel utilisation as a result of increase in demand.

Meanwhile, the Subsea segment recorded lower GP of RM2.94 million in the FYE 2024 as compared to a GP of RM3.52 million in the FYE 2023 in line with the lower revenue.

6-month FPE 31 December 2024

The Group's GP increased by RM69.65 million or 505.79% from RM13.77 million in 6-month FPE 31 December 2023 to RM83.42 million in the 6-month FPE 31 December 2024. The increase was mainly driven by higher revenue contribution and higher GP margin from the Subsea segment following the full consolidation of SWS's financial performance, instead of the 1.5% of the subsea contract value earned by the Group at the gross level before 1 July 2024. In the preceding 6-month FPE 31 December 2023 which was before SWS was reclassified from a joint venture to a subsidiary of AMRB, 50% of the net profits generated by SWS was recognised as the "share of results of joint venture". In the 6-month FPE 31 December 2024, the GP of SWS has been consolidated at the Group level, thus leading to higher GP and GP margin being recorded.

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(iv) **Other income**

	Audited					Unaudited	
	FYE 2019	(Restated) FYE 2020	(Restated) 18-month FPE 2022	(Restated) FYE 2023	FYE 2024	6-month FPE 31 Dec 2023	6-month FPE 31 Dec 2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bad debt recovered	-	-	-	100	-	-	-
Gain on derecognition of subsidiaries	-	54,842	-	-	-	-	-
Gain on disposal of PVE	-	-	3,049	2,753	-	-	37
Gain on lease modification	-	-	2	-	737	-	-
Interest income	1,784	991	257	494	565	276	489
Interest recharged to subsidiaries	-	-	-	-	-	-	-
Net realised gain on foreign exchange	1,162	86	1,376	975	-	-	988
Net unrealised gain on foreign exchange	2,437	5,550	-	-	-	-	-
Rental income	198	161	431	204	181	91	-
Reversal of accruals	-	-	8,419	-	-	-	-
Reversal of impairment losses on investments in joint ventures	-	-	-	-	-	-	16,421
Waiver of debts	-	-	4,356	-	19,877	-	-
Other income arising from the exercise on reconciling major balances in the financial position of the Group	-	-	-	60,619	2,195	-	-
Others	1,598	266	1,786	1,132	4,032	400	116
Total other income	**7,179**	**61,896**	**19,676**	**66,277**	**27,587**	**767**	**18,051**

FYE 2019

In the FYE 2019, the Group recorded other income of RM7.18 million which mainly comprised realised and unrealised gain on foreign exchange amounting to RM3.60 million and interest income of RM1.78 million from placement of fixed deposits.

FYE 2020

In the FYE 2020, the Group recorded other income RM61.90 million which mainly comprised gain on derecognition of subsidiaries of RM54.84 million as a result of strike-off 5 subsidiaries of Alam Maritim Investment Holdings (L) Inc. and net realised and unrealised gain on foreign exchange amounting to RM5.55 million.

18-month FPE 2022

In the 18-month FPE 2022, the Group recorded other income of RM19.68 million which mainly comprised of the reversal of accruals amounting to RM8.42 million due to over-accrual of interest expenses from revolving credits, waiver of debts of RM4.36 million as well as the gain on disposal of vessels, including 2 anchor handling tug supply vessels and a towing tug of RM3.05 million as part of the Company's restructuring plan.

FYE 2023

In the FYE 2023, the Group recorded other income of RM66.28 million which mainly comprised a one-off income of RM60.62 million arising from the Group's exercise on reconciling major balances in the financial position of the Group. Apart from that, other sources of income include gain on disposal of PVE, including 2 towing tugs, 3 utility vessels and 3 anchor handling tug supply vessels amounting to RM2.75 million as part of the Company's restructuring plan.

FYE 2024

In the FYE 2024, the Group recorded other income of RM27.59 million which mainly comprised gain from waiver of debt of RM19.88 million which resulted from the partial settlement of outstanding debt with a creditor via the proceeds from the disposal of a parcel of industrial land in Kuala Linggi, Melaka.

6-month FPE 31 December 2024

In the 6-month FPE 31 December 2024, the Group recorded other income of RM18.05 million which comprises, amongst others, reversal of impairment losses of investments in joint ventures amounting to RM16.42 million from THAL and APEH, following the receipt of dividend income comprising proceeds from the disposal of vessels and surplus cash.

(v) Employee benefits expenses

	Audited					Unaudited	
	FYE 2019	(Restated) FYE 2020	18-month FPE 2022	FYE 2023	FYE 2024	6-month FPE 31 Dec 2023	6-month FPE 31 Dec 2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Salaries, bonuses and allowances	14,789	13,995	18,647	10,907	10,857	4,202	49,933
Defined contribution plans	1,512	1,455	1,836	1,111	1,015	474	1,914
Other staff related expenses	1,851	1,603	2,180	1,353	4,598	378	1,250
Total staff costs	**18,152**	**17,053**	**22,663**	**13,371**	**16,470**	**5,054**	**53,097**

For information, employee benefits expenses relating to offshore employees are recorded separately under cost of sales. The employee benefits expenses here refer to land-based employees.

FYE 2019

Total staff costs decreased by 9.91% from RM20.15 million in the FYE 2018 to RM18.15 million in the FYE 2019. The decrease was mainly due to reduction in salaries, bonuses and allowances, defined contribution plans and other staff-related expenses. In turn, these reductions were partly contributed by the reduction in land-based employees from 168 as at end of FYE 2018 to 163 as at end of FYE 2019, as well as temporary salary reduction exercise which took effect in June 2019.

FYE 2020

Total staff costs decreased by 6.05% from RM18.15 million in the FYE 2019 to RM17.05 million in the FYE 2020. The decrease was mainly due to reduction in salaries, bonuses and allowances, defined contribution plans and other staff-related expenses. However, the number of land-based employees saw an increase in headcount from 163 as at end of FYE 2019 to 184 as at end of FYE 2020. Despite the increase in headcount, the reduction was mainly due to the temporary salary reduction exercise which took effect since the beginning of FYE 2020.

18-month FPE 2022

Total staff costs decreased on an annualised basis by 11.40% from RM17.05 million in the FYE 2020 to RM15.11 million in the 18-month FPE 2022. The decrease was mainly due to reduction in salaries, bonuses and allowances, defined contribution plans and other staff-related expenses. The reduction was in line with the reduction in land-based employees from 184 as at end of FYE 2020 to 154 as at end of 18-month FPE 2022 as a result of the cost containment measures, including right-sizing of manpower.

FYE 2023

Total staff costs decreased by 11.51% from an annualised staff costs of RM15.11 million in the 18-month FPE 2022 to RM13.37 million in the FYE 2023. The decrease was mainly due to reduction in salaries, bonuses and allowances, defined contribution plans and other staff-related expenses. The reduction was in line with the reduction in land-based employees from 154 as at end of 18-month FPE 2022 to 128 as at end of FYE 2023 as a result of the cost containment measures, including right-sizing of manpower.

FYE 2024

Total staff costs increased by 23.18% from RM13.37 million in the FYE 2023 to RM16.47 million in the FYE 2024. The increase was mainly due to incremental costs from other staff-related expenses, resulting from the staff retrenchment package of RM1.92 million.

6-month FPE 31 December 2024

Total staff costs increased by 950.59% from RM5.05 million in the 6-month FPE 31 December 2023 to RM53.10 million in the 6-month FPE 31 December 2024. The increase was mainly due to the contribution of staff costs from SWS of RM48.84 million following the full consolidation of SWS's financial performance, which accounted for 91.99% of the total staff costs. In the 6-month FPE 31 December 2024, SWS incurred higher staff costs of RM48.84 million as compared to RM2.84 million in the previous 6-month FPE 31 December 2023, mainly due to higher bonuses for employees and directors of SWS, in line with the higher PAT recorded by SWS of RM12.37 million as compared to RM10.11 million in the previous 6-month FPE 31 December 2023.

Excluding the staff costs attributed to SWS, the total staff costs declined by 15.89%, from RM5.05 million in the 6-month FPE 31 December 2023 to RM4.25 million in the 6-month FPE 31 December 2024, mainly due to reduction in employee headcount from 100 to 60 employees as a result of reduction in activities in the OSV segment.

(vi) Net impairment losses on trade and other receivables

	Audited					Unaudited	
	FYE 2019	(Restated) FYE 2020	(Restated) 18-month FPE 2022	(Restated) FYE 2023	FYE 2024	6-month FPE 31 Dec 2023	6-month FPE 31 Dec 2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Impairment losses on trade receivables	-	8,347	9,205	3,074	4,291	2,233	-
Impairment losses on other receivables	-	112,697	23,506	28,593	1,223	280	3,394
Reversal of impairment losses on trade receivables	-	-	(3,679)	(9,840)	(3,399)	(130)	-
Reversal of impairment losses on other receivables	-	-	-	(6,282)	(3,568)	(725)	-
Total net impairment losses on trade and other receivables	**-**	**121,044**	**29,032**	**15,546**	**(1,453)**	**1,657**	**3,394**

During the FYE 2020, 18-month FPE 2022 and FYE 2023, the Group recorded net impairment losses on receivables, amounting to RM121.04 million, RM29.03 million and RM15.55 million respectively. These impairments were mainly due to the adverse effects of the aftermath of COVID-19 pandemic.

Impairment losses on trade receivables amounted to RM8.35 million in FYE 2020, RM9.21 million in 18-month FPE 2022 and RM3.07 million in FYE 2023. Nevertheless, the Group managed to reverse some of these impairment losses in 18-month FPE 2022 and FYE 2023 amounted to RM3.68 million and RM9.84 million respectively, reflecting the ongoing nature of collection status for trade receivables.

Impairment losses on other receivables amounted to RM112.70 million in FYE 2020, RM23.51 million in 18-month FPE 2022 and RM28.59 million in FYE 2023. Nevertheless, the Group managed to reverse RM6.28 million of the impairment losses in FYE 2023 following the collection of long overdue amount from related parties.

For FYE 2024, the Group reported a net reversal of RM1.45 million, reflecting a net improvement in collection status, mainly from the net reversal of impairment losses on other receivables of RM2.35 million as a result of collection from joint venture companies. Impairment losses on trade receivables amounted to RM4.29 million in FYE 2024. Nevertheless, the Group managed to reverse some of these impairment losses amounted to RM3.40 million as a result of collection from trade debtors.

In the 6-month FPE 31 December 2024, the Group recognised an impairment of RM3.39 million on other receivables, mainly due to the assumption of debts by AMRB and AMSB on behalf of ARLI (a jointly-controlled entity) as a result of the crystallisation of the corporate guarantee by AMRB and AMSB in favour of ARLI for amount owing to an AMRB / AMSB FI Creditor.

(vii) Other operating expenses

	Audited					Unaudited	
	FYE 2019	(Restated) FYE 2020	(Restated) 18-month FPE 2022	(Restated) FYE 2023	FYE 2024	6-month FPE 31 Dec 2023	6-month FPE 31 Dec 2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Operating leases	-	-	(4,260)	(1,944)	(1,546)	(256)	(201)
Impairment loss & written off on PVE	(39,439)	(38,515)	(109,535)	(4,925)	(1,094)	-	-
Loss on disposal of PVE	(1,493)	-	-	-	(4,235)	-	-
Impairment losses on interest in associates	-	-	-	-	-	-	-
Impairment losses on interest in joint ventures	(4,936)	(14,600)	-	-	-	-	-
Impairment losses on inventories	(806)	(771)	-	-	-	-	-
Written off of trade and other receivables	-	(49,337)	(8,188)	(12,187)	-	-	-
Loss on disposal of subsidiaries	-	-	-	-	(3,311)	-	-
Professional fees	(3,036)	(2,273)	(2,726)	(1,379)	(2,394)	(1,651)	(2,757)
Others[(1)]	(18,389)	1,209	(13,258)	(6,098)	(313)	(2,123)	(3,184)
Other operating expenses	**(68,099)**	**(104,286)**	**(137,968)**	**(26,532)**	**(12,894)**	**(4,030)**	**(6,142)**

Note:-

(1) Comprises various items including office expenses and maintenance, foreign exchange losses, withholding tax, audit fees, secretarial fees, consultancy fees and bank charges.

FYE 2019

The Group's other operating expenses decreased by RM29.16 million or 29.98% from RM97.26 million in the FYE 2018 to RM68.10 million in the FYE 2019. The decrease was mainly contributed by the absence of impairment loss on associates of RM60.46 million recorded in the previous FYE 2018. However, this was partly offset by the impairment loss on PVE of RM39.44 million (FYE 2018: RM13.57 million) following a review of the recoverable amount of the Group's vessels based on the value-in-use against the carrying value of vessels.

FYE 2020

The Group's other operating expenses increased by RM36.18 million or 53.14% from RM68.10 million in the FYE 2019 to RM104.29 million in the FYE 2020. The increase was mainly due to write-off of trade and other receivables of RM49.34 million arising from the built-up of receivables from joint ventures and associates, which experienced cash flow constraints from the lack of contract as a result of adverse economic conditions from the COVID-19 pandemic.

18-month FPE 2022

The Group's other operating expenses decreased by RM12.31 million or 11.80% from RM104.29 million in FYE 2020 to an annualised other operating expenses of RM91.98 million in the 18-month FPE 2022. The decrease was mainly due to lower write-off of trade and other receivables of RM8.19 million (annualised: RM5.46 million) as compared to the RM49.34 million recorded in the previous FYE 2020. However, this was partly offset by higher impairment loss / write-off on PVE of RM109.54 million (annualised: RM73.02 million) as compared to the RM38.52 million recorded in the previous FYE 2020 following a review of the recoverable amount of the Group's vessels based on the value-in-use against the carrying value of vessels.

FYE 2023

The Group's other operating expenses decreased by RM65.45 million or 71.15% from an annualised other operating expenses of RM91.98 million in the 18-month FPE 2022 to RM26.53 million in the FYE 2023. The decrease was mainly due to lower impairment loss / write-off on PVE of RM4.93 million as compared to the RM109.54 million (annualised: RM73.02 million) recorded in the previous 18-month FPE 2022.

FYE 2024

The Group's other operating expenses decreased by RM13.64 million or 51.40% from RM26.53 million for FYE 2023 to RM12.89 million for FYE 2024. The decrease was mainly due to no write-off of trade and other receivables recorded in FYE 2024, as compared to a write-off of RM12.19 million recorded in FYE 2023.

6-month FPE 31 December 2024

The Group's other operating expenses increased by RM2.11 million or 52.41% from RM4.03 million for 6-month FPE 31 December 2023 to RM6.14 million for 6-month FPE 31 December 2024. The increase was mainly driven by higher professional fees incurred during the period, which amounted to RM2.76 million in 6-month FPE 31 December 2024 compared to RM1.65 million in 6-month FPE 31 December 2023.

(viii) Finance cost

	Audited					Unaudited	
	FYE 2019	(Restated) FYE 2020	(Restated) 18-month FPE 2022	(Restated) FYE 2023	FYE 2024	6-month FPE 31 Dec 2023	6-month FPE 31 Dec 2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Interest expense on:-							
Lease liabilities and hire purchase payables	47	38	35	8	2	-	-
Revolving credit	1,630	1,625	3,671	1,779	1,303	1,640	467
Sukuk Ijarah MTN	2,985	3,460	4,507	3,130	3,151	1,344	1,436
Term loans	319	582	880	444	446	237	341
Others	257	204	165	-	-	-	17
Total finance cost	**5,238**	**5,909**	**9,258**	**5,360**	**4,901**	**3,221**	**2,261**

The finance cost of the company has experienced notable fluctuations over the periods presented, with changes mainly attributed to revolving credit and Sukuk Ijarah MTN. The finance cost related to revolving credit increased significantly, particularly in 18-month FPE 2022 due to late payment issues and compounded interest rate charges. On the other hand, the finance cost associated with Sukuk Ijarah MTN also fluctuated due to insufficient funds in the sinking fund balance, which impacted the principal repayments and consequently, the interest expenses.

(ix) Share of results of joint ventures

	Audited					Unaudited	
	FYE 2019	(Restated) FYE 2020	(Restated) 18-month FPE 2022	(Restated) FYE 2023	FYE 2024	6-month FPE 31 Dec 2023	6-month FPE 31 Dec 2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Share of results of joint ventures	(10,608)	(14,440)	(16,302)	3,572	10,112	5,054	-

FYE 2019

In the FYE 2019, the share of losses of joint ventures decreased by 82.80% to RM10.61 million, mainly due to the derecognisation of a joint venture company that had been experiencing losses and contribution of share of full year profits from SWS.

FYE 2020

In the FYE 2020, the share of losses of joint ventures increased by 36.13% to RM14.44 million, mainly due to lower share of profits by SWS as a result of lower revenue for the year and higher losses from APEH due to lower vessel utilisation.

18-month FPE 2022

In the 18-month FPE 2022, the share of losses of joint ventures decreased by 24.74% to an annualized share of losses of joint ventures of RM10.87 million mainly due to higher share of profits from SWS. However, this was partially offset by higher losses from APEH.

FYE 2023

In the FYE 2023, the share of results of joint ventures turned from a loss of RM16.30 million for the 18-month FPE 2022 (annualised: RM10.87 million) to a profit of RM3.57 million. This was mainly due to lower losses from APEH.

FYE 2024

In the FYE 2024, the shares of results of joint ventures increased by 183.09% from RM3.57 million for the FYE 2023 to RM10.11 million. This was mainly due to higher profits from SWS.

6-month FPE 31 December 2024

The Group no longer recognises the share of results from joint venture due to the full consolidation of SWS, starting from 1 July 2024.

(x) Tax expense

	Audited					Unaudited	
	FYE 2019	(Restated) FYE 2020	(Restated) 18-month FPE 2022	(Restated) FYE 2023	FYE 2024	6-month FPE 31 Dec 2023	6-month FPE 31 Dec 2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Tax expense / (credit)	(473)	(887)	(2,652)	663	11,191	256	7,194

FYE 2019

For the FYE 2019, the Group recorded a tax credit of RM0.47 million. This comprised current tax credit of RM4.78 million, which was partly offset by deferred tax expense of RM4.31 million.

FYE 2020

In the FYE 2020, the Group recorded a tax credit of RM0.89 million. This comprised deferred tax credit of RM2.56 million, which was partly offset by current tax expense of RM1.70 million.

18-month FPE 2022

In the 18-month FPE 2022, the Group recorded a tax credit of RM2.65 million (annualised: RM1.78 million). This comprised deferred tax credit of RM3.07 million (annualised: RM2.05 million), which was partly offset by current tax expense of RM0.42 million (annualised: RM0.28 million).

FYE 2023

In the FYE 2023, the Group recorded a tax expense of RM0.66 million. This comprised deferred tax expense of RM0.34 million and current tax expense of RM0.32 million. This was in line with the Group recording a turnaround in profits in FYE 2023 as compared to previous financial years.

FYE 2024

In the FYE 2024, the Group recorded a tax expense of RM11.19 million. The increase in tax expense was in line with the increase in the Group's profits.

6-month FPE 31 December 2024

In the 6-month FPE 31 December 2024, the Group recorded a tax expense of RM7.19 million, compared to RM0.26 million in the 6-month FPE 31 December 2023. The increase in tax expense was in line with the increase in the Group's profits.

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1. Summary of business operations

Currently, SWS is principally involved in the provision of a range of Subsea services for the O&G industry including underwater IRM, platform and pipeline inspection, UWILD, diving and ROV services as well as marine support services. The Subsea services provided by SWS can be mainly categorised into the following:-

(i) Light offshore construction

SWS provides essential support for light offshore construction projects, backed by specialised vessels, advanced equipment and experienced personnel.

Key services include:-

- Anode, riser clamp and riser replacements
- Sectional pipeline and pipeline support installations
- Subsea tree interventions, leak repairs and knee brace replacements
- Catenary anchor leg mooring ("**CALM**") / single arm leg moored ("**SALM**") buoy replacements, hose changeouts and spool installations

Resources utilised:-

- Dynamic Positioning 2 ("**DP2**") vessels with cranes up to 100 tonnes
- Hyperbaric rescue facilities, saturation and air diving systems (for dives beyond and below 30 meters)
- Work class and inspection class ROVs
- Survey and navigation tools, hydraulic and grit blasting equipment, positioning beacons and underwater high-definition video systems

(b) Underwater IRM

SWS provides an extensive suite of underwater IRM services for submerged structures, ensuring integrity and compliance of critical offshore assets.

Key services include:-

- Platform inspections, including flooded member detection, cathodic protection and anode inspections
- Pipeline profiling, side scan sonar surveys and non-destructive testing (magnetic particle inspection ("**MPI**"), alternating current field measurement ("**ACFM**")) on welds
- UWILD for FPSO / FSO
- Subsea tree and manifold inspections, debris removal and Single Buoy Mooring ("**SBM**") / CALM inspections

Resources utilised:-

- DP2 vessels with 30-tonne cranes
- HRF, boats and diving systems for varying depths
- Hydraulic tools, cathodic protection meters and gamma flooded member detection equipment
- Positioning beacons, survey / navigation equipment and high-definition underwater video systems

Apart from the above, SWS had also provided OSV chartering and related services for the O&G industry in the past, which contributed 3.86% and 7.99% to the total revenue of SWS in the FYE 31 December 2020 and the 18-month FPE 30 June 2022 respectively. Nevertheless, OSV chartering is not a key focus area for SWS at this juncture.

2. Historical financial statements

2.1 Consolidated statements of comprehensive income

The following table sets out a summary of SWS's audited consolidated statements of comprehensive income for the 16-month FPE 31 December 2019 ("**16-month FPE 2019**"), the FYE 31 December 2020 ("**FYE 2020**"), the 18-month FPE 30 June 2022 ("**18-month FPE 2022**"), the FYE 30 June 2023 ("**FYE 2023**") and the FYE 30 June 2024 ("**FYE 2024**").

	Audited				
	16-month FPE 2019[(1)]	**FYE 2020**	**18-month FPE 2022**[(2)]	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue	91,212	66,879	222,080	248,605	255,569
Cost of sales	(70,054)	(51,629)	(184,591)	(206,661)	(208,338)
GP	**21,158**	**15,250**	**37,489**	**41,944**	**47,231**
Other income	-	-	-	411	28
Administrative expenses	(6,899)	(6,849)	(17,582)	(32,830)	(19,878)
Other expenses	(18)	(9)	(113)	(7)	(287)
Profit from operations	**14,241**	**8,392**	**19,794**	**9,518**	**27,094**
Finance cost	(120)	(18)	(52)	(303)	(484)
PBT	**14,121**	**8,374**	**19,742**	**9,215**	**26,610**
Tax expense	(3,389)	(1,992)	(4,748)	(2,071)	(6,385)
PAT	**10,732**	**6,382**	**14,994**	**7,144**	**20,225**

Notes:-

(1) The 16-month FPE 2019 spans from 6 September 2018, being the date of incorporation of SWS, to 31 December 2019.

(2) As a result of the change in the financial year end of SWS from 31 December to 30 June to synchronise with AMRB's new financial year end, the next audited financial statements of SWS were for a period of 18 months from 1 January 2021 to 30 June 2022.

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2.2 Consolidated statements of financial position

The following table sets out a summary of the audited consolidated statements of financial position as at 31 December 2019, 31 December 2020, 30 June 2022, 30 June 2023 and 30 June 2024.

	Audited				
	31 Dec 2019[(1)]	31 Dec 2020	30 June 2022[(2)]	30 June 2023	30 June 2024
	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Equipment	119	792	806	1,546	3,650
Total non-current assets	**119**	**792**	**806**	**1,546**	**3,650**
Current assets					
Inventories	-	309	2,728	3,101	4,854
Contract assets	19,041	4,103	24,333	46,339	52,872
Trade receivables	287	161	-	-	3,791
Other receivables	135	169	3,678	2,243	9,138
Amount due from corporate shareholders	12,267	12,773	14,688	26,350	5
Amount due from related parties	350	14,742	4,313	3,718	3,627
Current tax assets	-	-	-	398	-
Cash and bank balances	7,405	4,094	6,470	3,109	19,379
Total current assets	**39,485**	**36,351**	**56,210**	**85,258**	**93,666**
Total assets	**39,604**	**37,143**	**57,016**	**86,804**	**97,316**
EQUITY AND LIABILITIES					
Equity attributable to owners of SWS					
Share capital	1,000	1,000	1,000	1,000	1,000
Retained earnings	10,732	7,114	8,108	7,253	577
Total equity	**11,732**	**8,114**	**9,108**	**8,253**	**1,577**
Non-current liabilities					
Deferred tax liability	-	29	-	-	-
Hire purchase payables	-	-	-	-	1,132
Total non-current liabilities	**-**	**29**	**-**	**-**	**1,132**
Current liabilities					
Trade payables	12,815	1,692	7,405	10,280	20,065
Contract liabilities	7,193	6,979	11,560	15,831	26,455
Amount due to related corporations	1,139	-	280	75	624
Amount due to related parties	-	8,772	31	1,149	590
Amount owing to directors	-	-	-	600	-
Other payables	1,336	1,245	17,874	44,616	21,274
Dividend payables	-	10,000	9,500	6,000	23,900
Advances from corporate shareholders	2,000	-	-	-	-
Hire purchase payables	-	-	-	-	266
Income tax payables	3,389	311	1,257	-	1,433
Total current liabilities	**27,872**	**29,000**	**47,908**	**78,551**	**94,606**
Total liabilities	**27,872**	**29,029**	**47,908**	**78,551**	**95,738**
Total equity and liabilities	**39,604**	**37,143**	**57,016**	**86,804**	**97,316**

Notes:-

(1) The 16-month FPE 2019 spans from 6 September 2018, being the date of incorporation of SWS, to 31 December 2019.

(2) As a result of the change in the financial year end of SWS from 31 December to 30 June to synchronise with AMRB's new financial year end, the next audited financial statements of SWS were for a period of 18 months from 1 January 2021 to 30 June 2022.

3. Liquidity and capital resources

3.1 Working capital

SWS has been financing its operations through existing cash and bank balances, cash generated from operations and advances from related parties. As at 30 June 2024, the cash and cash equivalents of SWS stood at RM19.38 million.

The decision to utilise either internally generated funds or borrowings for business operations is based on various factors, including available cash and bank balances, expected cash inflows from the operations, future working capital and capital expenditure requirements, interest rate on borrowings and the availability of credit facilities.

The Board of Directors of SWS, after taking into consideration the following, is of the opinion that SWS will have sufficient working capital for a period of 12 months from the date of this Circular:-

(1) the Subsea contracts secured up to the LPD, as detailed in Section 6 of Appendix I of this Circular; and

(2) the back-to-back arrangements secured by SWS with most vessel and ROV owners as well as certain subcontractors for the provision of Subsea services.

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3.2 Historical statement of cash flows

The following table sets out a summary of the audited consolidated statements of cash flows for the 16-month FPE 2019, the FYE 2020, the 18-month FPE 2022, the FYE 2023 and the FYE 2024.

	Audited				
	16-month FPE 2019[(1)]	**FYE 2020**	**18-month FPE 2022[(2)]**	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Net cash generated from / (used in)					
Operating activities	4,892	(2,477)	17,283	9,083	26,494
Investing activities	(137)	(834)	(408)	(943)	(1,224)
Financing activities	2,650	-	(14,500)	(11,500)	(9,000)
Net increase / (decrease) in cash and cash equivalents	**7,405**	**(3,311)**	**2,375**	**(3,361)**	**16,270**
Cash and cash equivalents at the beginning of the year / period	-	7,405	4,094	6,470	3,109
Cash and cash equivalents at the end of the year / period	**7,405**	**4,094**	**6,470**	**3,109**	**19,379**

Notes:-

(1) The 16-month FPE 2019 spans from 6 September 2018, being the date of incorporation of SWS, to 31 December 2019.

(2) As a result of the change in the financial year end of SWS from 31 December to 30 June to synchronise with AMRB's new financial year end, the next audited financial statements of SWS were for a period of 18 months from 1 January 2021 to 30 June 2022.

(i) Net cash generated from / (used in) operating activities

16-month FPE 2019

SWS recorded net cash inflow from operating activities of RM4.89 million in the 16-month FPE 2019 which was mainly as a result of the following:-

(a) operational profit before changes in working capital of RM14.14 million;

(b) new trade and other receivables of RM12.69 million which are mainly new billings that have not been collected from customers via AHSB (who had subcontracted the contracts for the provision of Subsea services to SWS);

(c) new trade and other payables of RM15.29 million which are mainly new billings that have not been paid to various suppliers / subcontractors;

(d) new recognition of contract assets of RM19.04 million in line with the progress of work done but not yet billed as the conditions for billing have yet to be met; and

(e) new recognition of contract liabilities of RM7.19 million in line with the services rendered but not yet billed by the suppliers / subcontractors.

FYE 2020

SWS recorded net cash outflow from operating activities of RM2.48 million in the FYE 2020 which was mainly contributed by the following:-

(a) operational profit before changes in working capital of RM8.54 million;

(b) increase in trade and other receivables of RM14.81 million mainly due to issuance of billings in line with the progress of work done and meeting the conditions for billing;

(c) decrease in trade and other payables of RM5.58 million mainly due to payments to suppliers / subcontractors for services rendered;

(d) decrease in contract assets of RM14.94 million mainly due to reclassification into trade receivables upon the issuance of billings as per (b) above; and

(e) tax payments of RM5.04 million (which include taxes for the years of assessment of 2018, 2019 and 2020).

18-month FPE 2022

SWS recorded net cash inflow from operating activities of RM17.28 million in the 18-month FPE 2022 which was mainly contributed by the following:-

(a) operational profit before changes in working capital of RM20.13 million;

(b) increase in inventories of RM2.42 million following the purchase of vessel and diving system spare parts and diving gases;

(c) decrease in trade and other receivables of RM5.17 million mainly due to collection of amount due from related parties;

(d) increase in trade and other payables of RM13.88 million mainly due to payments to suppliers / subcontracts for services rendered (including profit sharing payments to a related party for the chartering of a diving support vessel as detailed in Section 4(i) below);

(e) increase in contract assets of RM20.23 million in line with the progress of work done but not yet billed as the conditions for billing have yet to be met;

(f) increase in contract liabilities of RM4.58 million mainly representing services rendered but not yet billed by the suppliers / subcontractors; and

(g) tax payments of RM3.83 million.

FYE 2023

SWS recorded net cash inflow from operating activities of RM9.08 million in the FYE 2023 which was mainly contributed by the following:-

(a) operational profit before changes in working capital of RM9.72 million;

(b) increase in trade and other receivables of RM9.63 million mainly due to the issuance of billings in line with the progress of work done and meeting the conditions for billing;

(c) increase in trade and other payables of RM35.34 million mainly due to accruals for directors' fees and staff bonuses as well as payments to suppliers / subcontracts for services rendered (including profit sharing payments to a related party for the chartering of a diving support vessel as detailed in Section 4(i) below); and

(d) increase in contract assets of RM22.01 million in line with the progress of work done but not yet billed as the conditions for billing have yet to be met.

FYE 2024

SWS recorded net cash inflow from operating activities of RM26.49 million in the FYE 2024 which was mainly contributed by the following:-

(a) operational profit before changes in working capital of RM27.61 million;

(b) decrease in trade and other receivables of RM15.75 million mainly due to collections from customers via AMSB (who had subcontracted the contracts for the provision of Subsea services to SWS);

(c) decrease in trade and other payables of RM3.48 million mainly due to lower accruals for directors' fees and staff bonuses as well as payments to suppliers / subcontractors for services rendered (including profit sharing payments to a related party for the chartering of a diving support vessel as detailed in Section 4(i) below). However, this was partly offset by dividend payables to shareholders; and

(d) increase in contract assets of RM6.53 million in line with the progress of work done but not yet billed as the conditions for billing have yet to be met.

(ii) Net cash generated from / (used in) investing activities

16-month FPE 2019

SWS recorded net cash outflow from investing activities of RM0.14 million in the 16-month FPE 2019 mainly due to an office set-up expenditure of RM0.10 million and the purchase of diving equipment for RM0.04 million.

FYE 2020

SWS recorded net cash outflow from investing activities of RM0.83 million in the FYE 2020 mainly due to the purchase of diving equipment amounting to RM0.79 million with the remaining balance used for office equipment expenditure.

18-month FPE 2022

SWS recorded net cash outflow from investing activities of RM0.41 million in the 18-month FPE 2022 mainly due to the purchase of diving equipment amounting to RM0.35 million with the remaining balance used for office equipment expenditure.

FYE 2023

SWS recorded net cash outflow from investing activities of RM0.94 million in the FYE 2023 mainly due to the purchase of diving equipment amounting to RM0.84 million with the remaining balance used for office equipment expenditure.

FYE 2024

SWS recorded net cash outflow from investing activities of RM1.22 million in the FYE 2024 mainly due to the purchase of diving equipment for RM0.85 million and a motor vehicle for RM0.37 million.

(iii) Net cash generated from / (used in) financing activities

<u>16-month FPE 2019</u>

SWS recorded net cash inflow from financing activities of RM2.65 million in the 16-month FPE 2019 mainly due to the following:-

(a) initial capital paid-up upon the incorporation of SWS amounting to RM1.00 million;

(b) advances from both the corporate shareholders i.e. AHSB and AME Subsea Sdn Bhd of RM1.00 million each; and

(c) placement of fixed deposits of RM0.35 million for bank guarantees related to Subsea contracts.

<u>FYE 2020</u>

SWS did not have any cash transaction for financing activities in the FYE 2020.

<u>18-month FPE 2022</u>

SWS recorded net cash outflow from financing activities of RM14.50 million in the 18-month FPE 2022 mainly due to dividend payout to shareholders.

<u>FYE 2023</u>

SWS recorded net cash outflow from financing activities of RM11.50 million in the FYE 2023 mainly due to dividend payout to shareholders.

<u>FYE 2024</u>

SWS recorded net cash outflow from financing activities of RM9.00 million in the FYE 2024 mainly due to dividend payout to shareholders.

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3.3 Key financial ratios

The key financial ratios of SWS are as follows:-

	Audited				
	16-month FPE 2019[(1)]	FYE 2020	18-month FPE 2022[(2)]	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Current ratio (times)[(1)]	1.42	1.25	1.17	1.09	0.99
Gearing ratio (times)[(2)]	-	-	-	-	0.89
Trade receivables turnover period (days)[(3)]	85	58	42	47	8
Trade payables turnover period (days)[(4)]	108	74	24	21	39
Asset turnover[(5)]	1.73	1.80	2.60	2.86	2.63

Notes:-

(1) Computed based on current assets over current liabilities as the end of the respective financial year / period.

(2) Computed based on the total interest-bearing debt over total equity as at the end of the respective financial year / period.

(3) Computed based on trade receivables from third parties as well as trade amounts owing by corporate shareholders and related parties as at the end of respective financial year / period divided by the annualised revenue (adjusted for movement in contract assets) for the respective financial year / period and multiplied by the number of days in the respective financial year / period.

(4) Computed based on trade payables from third parties, related corporations and related parties as at the end of respective financial year / period divided by the annualised cost of sales (excluding depreciation charges and adjustment for the movement in contract liabilities) for the respective financial year / period multiplied by the number of days in the respective financial year / period.

(5) Computed based on annualised revenue as at the end of respective financial year / period divided by the total asset for the respective financial year / period.

3.3.1 Current ratio

	Audited				
	31 December 2019	31 December 2020	30 June 2022	30 June 2023	30 June 2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Current assets	39,485	36,351	56,210	85,258	93,666
Current liabilities	27,872	29,000	47,908	78,551	94,606
Net current asset / (liabilities)	11,613	7,351	8,302	6,707	(940)
Current ratio (times)	**1.42**	**1.25**	**1.17**	**1.09**	**0.99**

SWS's current ratio, a measure of liquidity, has been healthy for the past financial years / period under review as it remained at least 0.99 times. Nevertheless, it gradually decreased from 1.42 times as at 31 December 2019 to 0.99 times as at 30 June 2024, mainly due to declaration of dividends to shareholders annually as well as increasing trend in trade payables and contract liabilities, all of which are in line with the business growth of SWS.

3.3.2 Gearing ratio

	Audited				
	31 December 2019	31 December 2020	30 June 2022	30 June 2023	30 June 2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Total borrowings	-	-	-	-	(1)1,398
Total equity	11,732	8,114	9,108	8,253	1,577
Gearing ratio (times)	**-**	**-**	**-**	**-**	**0.89**

Note:-

(1) Comprises hire purchase payables.

Prior to the FYE 2024, SWS had no borrowings from the 16-month FPE 2019 to the FYE 2023. During the FYE 2024, SWS obtained hire purchase facilities to finance the purchase of motor vehicles. In addition, total equity decreased from RM8.25 million as at 30 June 2023 to RM1.58 million as at 30 June 2024 as SWS declared dividends of RM26.90 million while also recording PAT of RM20.22 million in the FYE 2024. These factors had contributed to the gearing ratio of 0.89 times as at 30 June 2024.

3.3.3 Trade receivables turnover period

	Audited				
	16-month FPE 2019	FYE 2020	18-month FPE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Trade receivables	287	161	-	-	3,791
Trade amount owing by corporate shareholders	12,267	12,773	14,688	26,350	5
Trade amount owing by related parties	-	-	947	2,828	1,351
Total trade receivables	12,554	12,934	15,636	29,178	5,146
Revenue	91,212	66,879	222,080	248,605	255,569
Add: Opening balance for contract assets	-	19,041	4,103	24,333	46,339
Less: Closing balance for contract assets	(19,041)	(4,103)	(24,333)	(46,339)	(52,872)
Adjusted revenue for movement in contract assets	54,128(3)	81,818	134,567(4)	226,598	249,171
Trade receivables turnover period (days) (1)(2)	**85**	**58**	**42**	**47**	**8**

Notes:-

(1) Computed based on trade receivables from third parties as well as trade amounts owing by corporate shareholders and related parties as at the end of respective financial year / period divided by the annualised revenue (adjusted for movement in contract assets) for the respective financial year / period and multiplied by the number of days in the respective financial year / period.

(2) Contract assets represent work performed and recognised as revenue but not yet billed as at the reporting date. Adjustments for changes in contract assets account for timing differences between revenue recognition and actual billing.

(3) Computed based on an annualised figure derived from the 16-month FPE 2019.

(4) Computed based on an annualised figure derived from the 18-month FPE 2022.

Trade receivables turnover period for the periods under review ranged from 8 days to 85 days. Save for the 16-month FPE 2019 which recorded trade receivables turnover period of 85 days, the trade receivables turnover periods were within the normal credit terms granted to clients, typically ranging from 30 to 60 days.

For the 16-month FPE 2019, the trade receivables turnover period of 85 days was mainly due to the light-loaded operating activities in the initial stage, which affected the collection cycle. In the subsequent years, the trade receivables turnover periods have normalised as business operations became more established.

SWS has not experienced any issues with debt recovery and has not recognised any impairments on receivables to date.

The ageing of the trade receivables as at 30 June 2024 is as follows:-

	Total	Not past due	Past due 30-59 days	Past due 60-90 days	Past due >90 days
	RM'000	RM'000	RM'000	RM'000	RM'000
Trade receivables	3,791	3,791	-	-	-
Trade amount owing by corporate shareholders	5	5	-	-	-
Trade amount owing by related parties	1,351	1,351	-	-	-
Total trade receivables	**5,146**	**5,146**	**-**	**-**	**-**

3.3.4 Trade payables turnover period

	Audited				
	16-month FPE 2019	FYE 2020	18-month FPE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Trade payables	12,815	8,671	18,965	26,111	46,520
Accrued expenses	-	(6,979)	(11,560)	(15,831)	(26,455)
Net trade payables	12,815	1,692	7,405	10,280	20,065
Trade amount owing to related corporations	1,139	-	280	75	624
Trade amount owing to related parties	-	8,772	31	1,149	590
Total trade payables	13,954	10,464	7,716	11,505	21,278
Cost of sales[(1)]	70,049	51,473	184,209	206,465	207,879
Add: Opening balance for contract liabilities	-	7,193	6,979	11,560	15,831
Less: Closing balance for contract liabilities	(7,193)	(6,979)	(11,560)	(15,831)	(26,455)
Adjusted cost of sales for movement in contract liabilities	47,143[(3)]	51,686	119,752[(4)]	202,194	197,255
Trade payables turnover period (days)[(2)]	**108**	**74**	**24**	**21**	**39**

Notes:-

(1) To compute trade payables turnover period, cost of sales has:-
   (i) excluded depreciation charges as it is capital in nature; and
   (ii) adjusted for the movement in contract liabilities. Contract liabilities comprise amounts that have not been billed by suppliers for services rendered.

(2) Computed based on trade payables from third parties, related corporations and related parties as at the end of respective financial year / period divided by the annualised cost of sales (excluding depreciation charges and adjustment for the movement in contract liabilities) for the respective financial year / period multiplied by the number of days in the respective financial year / period.

(3) Computed based on an annualised figure derived from the 16-month FPE 2019.

(4) Computed based on an annualised figure derived from the 18-month FPE 2022.

The nature of trade payables relates to the purchase of spare parts, consumables, insurance and services for repair and maintenance. The trade payables turnover period for the periods under review has gradually reduced from 108 days in the 16-month FPE 2019 to 21 days in the FYE 2023, before increasing slightly to 39 days in the FYE 2024. Save for the 16-month FPE 2019 and the FYE 2020 which recorded trade payables turnover period of 108 days and 74 days respectively, the trade payables turnover periods were within the normal credit terms granted by suppliers, typically ranging from 30 to 60 days. The fluctuation in the trade payables turnover period was influenced by the nature of SWS's Subsea operations, particularly involving vessel chartering, equipment procurement and services.

For the 16-month FPE 2019, the trade payables turnover period was recorded at 108 days, mainly due to light-loaded operating activities in the initial phase, which impacted the payment cycle. In the subsequent years, the trade payables turnover periods have improved in line with the improvement in the trade receivables turnover periods as a result of faster collections from clients and better cash flow management.

In the FYE 2024, the trade payables turnover period increased slightly to 39 days mainly due to delayed billings, which subsequently led to slower payment collections and delayed repayments to trade creditors.

SWS continuously monitors the settlement of trade payables through an ageing analysis and maintains good relationships with suppliers. Despite occasional extensions in the payment period, SWS has not experienced any significant issues with supplier relationships or defaults in payments.

The ageing of the trade payables as at 30 June 2024 is as follows:-

	Total	Not past due	Past due 30-59 days	Past due 60-90 days	Past due >90 days
	RM'000	RM'000	RM'000	RM'000	RM'000
Trade payables (excluding accrued expenses)	20,065	5,428	10,956	1,603	2,078
Subsequent payment up to 31 October 2024	20,065	5,428	10,956	1,603	2,078
Balance trade payables	**-**	**-**	**-**	**-**	**-**

4. Commentary of historical financial performance

(i) Revenue

	Audited				
	16-month FPE 2019	FYE 2020	18-month FPE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Subsea services:-					
ROV	35,723	9,223	56,044	56,368	69,258
ROV and air diving	47,172	43,944	69,564	64,720	64,033
ROV and saturation diving	8,317	11,132	78,720	127,517	122,278
Total Subsea services	91,212	64,299	204,328	248,605	255,569
Charter hire of vessels and other shipping related income	-	2,580	17,752	-	-
Total revenue	**91,212**	**66,879**	**222,080**	**248,605**	**255,569**

The majority of the revenue for Subsea services are sourced from Subsea contracts secured by AMSB, a wholly-owned subsidiary of AMRB. Once the Subsea contracts are secured by AMSB, AMSB would then subcontract the same to SWS (either directly or via AHSB), with a referral fee of 1.5% of the contract value payable to AMSB. Thus, this means that 98.5% of the value of all Subsea contracts subcontracted by AMSB would be recorded as part of SWS's total net revenue (after deducting referral fee of 1.5%). This subcontract arrangement is based on agreements between AMSB and AHSB / SWS for each subcontract.

Since the inception of SWS, AMSB had contributed between 83.69% and 97.48% of the total revenue of SWS.

From the 16-month FPE 2019 to the FYE 2023, all the work subcontracted by AMSB to SWS was under a 5-year umbrella pan-Malaysia contract which was awarded by Petronas to AMSB to provide Subsea services for petroleum arrangement contractors. The umbrella contract works on a "call-out" basis whereby work orders are issued by the contractors directly to AMSB and the work will be charged based on the schedule of rates set out in the umbrella contract.

From the FYE 2024 onwards, AMSB was awarded 10 new contracts under another umbrella contract from Petronas, which are mainly valid for a period of 5 years until 2029.

<u>**16-month FPE 2019**</u>

During its first financial year of operations, SWS registered a revenue of RM91.21 million mainly from the provision of ROV services as well as ROV and air diving services which contributed 39.16% and 51.72% of total revenue respectively.

<u>**FYE 2020**</u>

SWS's revenue decreased by RM1.53 million or 2.24% from an annualised revenue of RM68.41 million in the 16-month FPE 2019 to RM66.88 million in the FYE 2020. SWS was affected by the COVID-19 pandemic, where lockdowns have caused some clients to delay their activities into the following year.

During the FYE 2020, SWS also chartered a DSV i.e. OLV Venture 1 to third parties, which contributed RM2.58 million to its revenue.

18-month FPE 2022

Based on the annualised results for the 18-month FPE 2022, SWS's revenue increased by RM81.17 million or 121.38% from RM66.88 million in FYE 2020 to an annualised revenue of RM148.05 million in the 18-month FPE 2022. The increase in revenue was mainly driven by:-

(i) completion of a short-term contract to provide saturation diving services in East Malaysia; and

(ii) resumption of activities upon upliftment of COVID-19 lockdowns which led to higher demand for ROV services and air diving services.

The chartering of a DSV i.e. OLV Venture 1 to third parties during the FYE 2020 as set out above was concluded during the 18-month FPE 2022, contributing RM17.75 million to SWS's revenue for the financial period.

FYE 2023

SWS's revenue increased by RM100.55 million or 67.92% from an annualised revenue of RM148.05 million in the 18-month FPE 2022 to RM248.61 million in the FYE 2023. The increase was mainly driven by:-

(i) higher daily charter rates for saturation diving services following a contract revision to align with market rates; and

(ii) execution of a contract for underwater inspection and maintenance work in East Malaysia.

FYE 2024

SWS's revenue increased by RM6.96 million or 2.80% from RM248.61 million in the FYE 2023 to RM255.57 million in the FYE 2024. The increase was mainly driven by higher daily charter rates for ROV services following a contract revision to align with market rates.

(ii) Cost of sales

	Audited				
	16-month FPE 2019	FYE 2020	18-month FPE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Subsea services:-					
ROV	28,618	7,692	48,956	50,463	61,530
ROV and air diving	37,128	33,782	55,121	51,017	49,107
ROV and saturation diving	4,308	7,873	64,185	105,181	97,701
Total Subsea services	70,054	49,347	168,262	206,661	208,338
Charter hire of vessels and other shipping related income	-	2,282	16,329	-	-
Total cost of sales	**70,054**	**51,629**	**184,591**	**206,661**	**208,338**

One of the vessels used by SWS to provide Subsea services, namely OLV Venture 1, has been chartered from Legasea Sdn Bhd ("**Legasea**") since the 16-month FPE 2019. Beginning 18-month FPE 2022, the chartering of OLV Venture 1 from Legasea is bound by a 20:80 profit-sharing agreement between SWS and Legasea whereby SWS is required to allocate 80% of the net profits from OLV Venture 1 (after deducting operational expenses such as staff costs, insurance expenses, management costs and maintenance cost) to Legasea. This arrangement, which ties the cost of charter to net profits, minimises the profit-loss risk to SWS which is especially pertinent during periods of low demand where revenue may be insufficient to cover the cost of charter from third parties.

Note:-

(1) Legasea is a company owned by Dato' Albert, Alvin Ch'ng Yi Ming and 3 other shareholders. Dato' Albert and Alvin Ch'ng Yi Ming are also directors and shareholders of AME Subsea Sdn Bhd which in turn co-owns SWS with AHSB.

16-month FPE 2019

During its first financial year of operations, SWS's cost of sales was mainly contributed by ROV services and air diving services which contributed 40.85% and 53.00% of SWS's total cost of sales. This is in line with the revenue composition whereby most of the revenue was contributed by ROV services and air diving services.

FYE 2020

SWS's cost of sales decreased by RM0.91 million or 1.73% from an annualised cost of sales of RM52.54 million in the 16-month FPE 2019 to RM51.63 million in the FYE 2020.

The decrease was mainly in line with the lower revenue for the FYE 2020 which decreased by 2.24% on an annualised basis as compared to the 16-month FPE 2019.

18-month FPE 2022

SWS's cost of sales increased by RM71.43 million or 138.36% from RM51.63 million in the FYE 2020 to an annualised cost of sales of RM123.06 million in the 18-month FPE 2022.

The increase was mainly in line with the higher revenue for the 18-month FPE 2022 which increased by 121.38% on an annualised basis as compared to the FYE 2020. The higher cost of sales was also contributed by higher vessel costs from additional short-term chartering of vessels. The short-term chartering of vessels was needed because SWS did not have enough vessels to perform the work as some of its vessels were laid-up for maintenance.

FYE 2023

SWS's cost of sales increased by RM83.60 million or 67.93% from an annualised cost of sales of RM123.06 million in the 18-month FPE 2022 to RM206.66 million in the FYE 2023.

The increase was mainly in line with the higher revenue for the FYE 2023 which increased by 67.92% on an annualised basis as compared to the 18-month FPE 2022.

FYE 2024

SWS's cost of sales increased by RM1.68 million or 0.81% from RM206.66 million in the FYE 2023 to RM208.34 million in the FYE 2024.

The increase was mainly in line with the higher revenue for the FYE 2024 which increased by 2.80% as compared to the FYE 2023.

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(iii) GP and GP margin

	Audited				
	16-month FPE 2019	FYE 2020	18-month FPE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Subsea services					
ROV	7,107	1,531	7,088	5,905	7,727
ROV and air diving	10,043	10,162	14,443	13,703	14,926
ROV and saturation diving	4,008	3,259	14,535	22,336	24,578
Total Subsea services	21,158	14,952	36,066	41,944	47,231
Charter hire of vessels and other shipping related income	-	298	1,423	-	-
Total GP	**21,158**	**15,250**	**37,489**	**41,944**	**47,231**

	Audited				
	16-month FPE 2019	FYE 2020	18-month FPE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Subsea services					
ROV	19.89	16.60	12.65	10.48	11.16
ROV and air diving	21.29	23.13	20.76	21.17	23.31
ROV and saturation diving	48.20	29.28	18.46	17.52	20.10
Total Subsea services	23.20	23.25	17.65	16.87	18.48
Charter hire of vessels and other shipping related income	-	11.55	8.02	-	-
GP margin	**23.20**	**22.80**	**16.88**	**16.87**	**18.48**

<u>16-month FPE 2019</u>

During its first financial year of operations, SWS registered GP of RM21.16 million with a GP margin of 23.20%. The GP was mainly contributed by air diving services, which had a GP margin of 21.29%. Despite lower GP contribution, saturation diving services recorded the highest GP margin at 48.20%, reflecting the premium associated with the use of highly skilled employees and deep-sea coverage provided by saturation diving services.

<u>FYE 2020</u>

SWS's GP decreased by RM0.62 million or 3.90% from an annualised revenue of RM15.87 million in the 16-month FPE 2019 to RM15.26 million in the FYE 2020. The decrease was mainly in line with the lower revenue for FYE 2020 which decreased by 2.24% on an annualised basis as compared to 16-month FPE 2019, while GP margin remained relatively unchanged at 22.80% in FYE 2020 as compared to 23.20% in 16-month FPE 2019. The GP margin remained relatively unchanged mainly due to the back-to-back arrangements secured by SWS with most vessel and ROV owners as well as certain subcontractors for the provision of Subsea services, whereby the majority of costs such as rental of vessels and hiring of offshore freelancers are incurred only as and when revenue is generated.

<u>18-month FPE 2022</u>

SWS's GP increased by RM9.74 million of 63.89% from a GP of RM15.25 million in the FYE 2020 to an annualised GP of RM24.99 million in the 18-month FPE 2022. The increase was mainly in line with the higher revenue for 18-month FPE 2022 which increased by 121.38% on an annualised basis as compared to FYE 2020. Nevertheless, this was partly offset by a decrease in GP margin from 22.80% in FYE 2020 to 16.88% in 18-month FPE 2022 mainly due to increased costs of operation such as higher diver costs during the COVID-19 pandemic.

FYE 2023

SWS's GP increased by RM16.95 million or 67.82% from an annualised GP of RM24.99 million in the 18-month FPE 2022 to RM41.94 million in the FYE 2023. The increase was mainly in line with the higher revenue for the FYE 2023 which increased by 67.92% on an annualised basis as compared to the 18-month FPE 2022, while GP margin remained relatively unchanged at 16.87% in FYE 2023 as compared to 16.88% in the 18-month FPE 2022.

FYE 2024

SWS's GP increased by RM5.29 million or 12.61% from RM41.94 million in the FYE 2023 to RM47.23 million in the FYE 2024. Apart from the higher revenue for FYE 2024 which increased by 2.80% as compared to FYE 2023, the higher GP was also contributed by higher GP margin from 16.87% in the FYE 2023 to 18.48% in the FYE 2024 mainly due to higher daily charter rates while cost of sales remained relatively unchanged.

(iv) Other income

	Audited				
	16-month FPE 2019	FYE 2020	18-month FPE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Other income	-	-	-	411	28

In FYE 2023, SWS recorded other income of RM0.41 million comprising gain in foreign exchange of RM0.35 million and interest income from fixed deposit of RM0.06 million.

In FYE 2024, SWS registered other income of RM0.03 million comprising interest income from fixed deposit of RM0.03 million.

(v) Administrative expenses

	Audited				
	16-month FPE 2019	FYE 2020	18-month FPE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Directors' related fees	2,230	1,884	7,842	21,367	9,671
Staffs' related fees	3,945	4,058	8,169	9,987	8,333
Human Resources Development Fund	-	-	23	47	58
Sports club contribution	2	3	4	3	3
Short term lease expenses:-					
office	96	96	128	166	186
office equipment	21	28	51	21	4
motor vehicles	24	-	41	2	26
Training related expenses	70	48	113	67	276
Traveling related expenses	137	76	135	183	321
Subscription to related professional bodies	116	208	136	183	227
Professional fee	49	36	177	221	364
Others	209	413	763	583	409
Total administrative expenses	**6,899**	**6,849**	**17,582**	**32,830**	**19,878**

Administrative expenses mainly consist of directors' related fees and staffs' related fees, which collectively constitute between 86.76% and 95.50% of total administrative expenses from 16-month FPE 2019 until FYE 2024.

Directors' related fees and staffs' related fees increased substantially in the 18-month FPE 2022 mainly due to higher bonus payouts in line with the stronger growth in revenue which grew by 232.06%.

In FYE 2023, the substantial increase in directors' related fees was mainly due to additional management incentives in line with the continued growth in revenue, which grew by 11.94%. Meanwhile, the substantial increase in staffs' related fees was mainly attributable to the expanded workforce of SWS, which grew from 36 employees as at 30 June 2022 to 45 employees as at 31 December 2023.

In FYE 2024, the directors' related fees have decreased significantly to RM9.67 million from RM21.37 million in FYE 2023 in order to preserve and strengthen SWS's cash position, in view of the flatter revenue growth of only 2.80% in FYE 2024.

(vi) Other expenses

	Audited				
	16-month FPE 2019	**FYE 2020**	**18-month FPE 2022**	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Other operating expenses	18	9	113	7	287

Other operating expenses primarily consist of depreciation related to computer and office equipment. The significant increases in 18-month FPE 2022 and FYE 2024 were mainly due to foreign exchange losses.

(vii) Finance cost

	Audited				
	16-month FPE 2019	**FYE 2020**	**18-month FPE 2022**	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Bank guarantee related	120	18	52	-	64
Short-term borrowings	-	-	-	303	420
Total finance cost	**120**	**18**	**52**	**303**	**484**

SWS's finance cost remained minimal throughout all years under review, as SWS does not borrow long-term debt.

In FYE 2023 and FYE 2024, the finance costs of RM0.30 million and RM0.48 million respectively were primarily due to interest on short-term loans from directors. These loans were obtained to finance advance payments for the spot-chartering of vessels. The spot-chartering of vessels was needed as SWS secured additional work but did not have enough vessels.

(viii) Tax expense

	16-month FPE 2019	FYE 2020	18-month FPE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Taxation	3,389	1,992	4,748	2,071	6,385

SWS's effective tax rate has generally remained stable over the periods under review, closely aligning with the statutory tax rate of 24%.

In 16-month FPE 2019, 18-month FPE 2022 and FYE 2024, the effective tax rate was 24% of the PBT, indicating consistent tax expenses proportional to PBT.

In FYE 2020, the effective tax rate was slightly lower at 23.8%, while in FYE 2023, it decreased further to 22.5%. The decrease in FYE 2023 was mainly attributed to tax reliefs and deductions applicable in that particular year, resulting in a slightly reduced tax expense relative to the PBT.

The increase in taxation expenses in FYE 2024 to RM6.39 million was in line with the increase in PBT from RM9.22 million in FYE 2023 to RM26.61 million in FYE 2024, maintaining the effective tax rate at 24%.

(ix) Dividend

	16-month FPE 2019	FYE 2020	18-month FPE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Dividend declaration	-	10,000	14,000	8,000	26,900
Dividend payout ratio	-	156.69%	93.37%	111.98%	133.00%

SWS has no formal dividend policy, and the payout ratio has varied across the periods under review. Whilst there was no dividend being declared in the first year of the operation i.e. 16-month FPE 2019, the dividend declared in FYE 2020 of RM10.00 million has exceeded the earnings during the year, which in turns translated into a dividend payout ratio of 156.69%. The payout ratio moderated to 93.37% in the 18-month FPE 2022, with a dividend of RM14.00 million declared, aligning more closely with earnings.

In FYE 2023, the dividend payout ratio increased slightly to 111.98%, continuing the trend of high dividend returns to shareholders. In FYE 2024, the dividend payout ratio increased further to 133.00%.

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21 May 2025

The Board of Directors
Alam Maritim Resources Berhad
No. 38 F, Level 3, Jalan Radin Anum,
Bandar Baru Sri Petaling,
57000 Kuala Lumpur

PRIVATE AND CONFIDENTIAL

Dear Sirs,

ALAM MARITIM RESOURCES BERHAD ("AMRB" or the "Company") AND ITS SUBSIDIARIES (the "Group")

REPORT ON THE COMPILATION OF THE PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2024

We have completed our assurance engagement to report on the compilation of the Pro Forma Financial Information of AMRB and its subsidiaries (the "Group") as at 30 June 2024 for which the Directors of AMRB ("Directors") are solely responsible. The Pro Forma Financial Information consists of the Pro Forma Financial Information as at 30 June 2024 together with the accompanying notes thereon, for which we have stamped for the purpose of identification. The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are as described in Note 1 to the Pro Forma Financial Information ("Applicable Criteria").

The Pro Forma Financial Information of the Group as at 30 June 2024 have been compiled by the Directors to illustrate the impact of the following proposals as if the proposals had taken place on 30 June 2024:

i) Proposed reduction of RM440 million of the issued share capital of AMRB pursuant to Section 116 of the Companies Act, 2016 ("Act") ("Proposed Share Capital Reduction");

ii) Proposed consolidation of every 10 existing ordinary shares in AMRB ("AMRB Shares or "Shares") into 1 AMRB Share ("Consolidated Share") ("Proposed Share Consolidation");

iii) Proposed renounceable rights issue of new AMRB Shares ("Rights Shares") together with free detachable warrants in AMRB ("Warrants") ("Rights Warrants") on the basis 3 Rights Shares for every 4 Consolidated Shares held by entitled shareholders of the Company on an entitlement date to be determined and 1 Rights Warrant for every 4 Rights Shares subscribed ("Proposed Rights Issue with Warrants");

iv) Proposed settlement of part of the amount owing to the creditors of the Company via the issuance of new AMRB Shares ("Settlement Shares") and Warrants ("Settlement Warrants") pursuant to a scheme of arrangement under Section 366 of the Act ("Proposed Settlement"); and

v) Proposed internal restructuring involving the liquidation, striking-off and/or disposal of the non-core entities of AMRB ("Proposed Internal Restructuring").

(collectively hereinafter referred to as the "Proposed Regularisation Plan").

As part of this process, information about AMRB's financial position has been extracted by the Directors from the audited consolidated financial statements of the Group for the financial year ended 30 June 2024 which were reported by the auditors to the members of AMRB on 29 October 2024 with a disclaimer opinion.

Basis for Disclaimer of Opinion

Going concern

During the financial year ended 30 June 2024, the Group's and the Company's current liabilities exceeded their current assets by RM47,197,406 and RM49,502,664 respectively and recorded a capital deficiency of RM25,459,282 and RM49,502,664 respectively. The Group and Company also recorded a negative operating cash flow of RM14,524,679 and RM15,462,680 respectively during the financial year ended 30 June 2024.

On 31 October 2022, the Company announced that it became an Affected Listed Issuer pursuant to Practice Note 17 ("PN 17') of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") for the Main Market.

These events or conditions indicate existence of material uncertainties that may cast significant doubt on the Group's and the Company's ability to continue as a going concern.

Nevertheless, the financial statements of the Group and of the Company have been prepared by the directors on a going concern basis, the validity of which is highly dependent on the successful implementation of the Proposed Regularisation Plan and Proposed Debt Restructuring Plan by the directors in responding to the conditions above.

In view of the matters set out above, there are material uncertainties involving the approval by various parties and successful implementation of the Proposed Regularisation Plan and Proposed Debt Restructuring Plan, 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 a going concern. 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.

Opening balances for financial year ended 30 June 2024

The external auditors' report on the financial statements for the financial year ended 30 June 2023 included disclaimer of opinion which includes matters that the external auditors 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, revenue, cost of sales, other income, non-controlling interests, amounts owing from subsidiaries, inter-company balances and consolidated and equity accounted unaudited subsidiaries, associates and joint ventures.

We were unable to obtain sufficient and appropriate audit evidence to verify the accuracy, existence and completeness and determine whether the following accounting balances as at 30 June 2023 and 30 June 2022/1 July 2022 respectively, and for the respective corresponding financial years then ended contain material misstatements.

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 and of the Company as at 30 June 2023 and 30 June 2022/1 July 2022 respectively or on its financial performance for the corresponding financial years then ended respectively.

Basis for Disclaimer of Opinion (continued)

Opening balances for financial year ended 30 June 2024 (continued)

Since the opening amount of the above balances affects 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 year ended 30 June 2023 and financial period ended 30 June 2022/1 July 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.

Current period's account balance

We were unable to obtain sufficient and appropriate audit evidence to verify the accuracy, existence and completeness and determine whether the following accounting balances as at 30 June 2024 and for the financial year then ended contain material misstatements:

(i) As disclosed in notes to the financial statements, the Group's trade and other receivables as at 30 June 2024 amounted to RM92,110,315.

- *Included in these balances are other receivables balance of RM8,322,045 as at 30 June 2024, for which we have not received sufficient and appropriate evidence on the recoverable amount determined, and unreconciled balances arising from inter-company reconciliation that have not been eliminated, amounted to RM1,600,162 as at 30 June 2024.*
- *The amount due from joint ventures amounted to RM31,671,098 as at 30 June 2024.*

(ii) As disclosed in notes to the financial statements, the Group's trade and other payables as at 30 June 2024 amounted to RM174,350,692.

- *The trade payables amounted to RM18,509,305 as at 30 June 2024.*
- *The amount due to joint ventures amounted to RM54,107,202 as at 30 June 2024.*
- *The amount due to associates amounted to RM10,739,650 as at 30 June 2024.*

(iii) As disclosed in notes to the financial statements, the Group's costs of sales for the financial year ended 30 June 2024 amounted to RM324,611,310 in which in which we have not been able to obtain sufficient and appropriate audit evidence concerning the amount.

(iv) As disclosed in notes to the financial statements, included in other income for the financial year ended 30 June 2024 is an amount of RM2,195,440 being other income recognised arising from the Group's exercise on reconciling major balances in the financial position of the Group in which the appropriateness, nature and validity cannot be reliably determined.

(v) The truth and fairness of accumulated losses balance as at 30 June 2024 of the Group and the Company amounted to RM468,998,368 and RM492,170,067 respectively.

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 2024 or on its financial performance for the year then ended.

Any adjustments or additional disclosures that may be necessary in respect of the above matters, including any related tax impact, may have a consequential significant impact on the financial position of the Group and of the Company as at 30 June 2024 and the financial results and cash flows of the Group and of the Company for the financial year then ended.

Basis for Disclaimer of Opinion (continued)

Limitation of scope on the audit of subsidiaries, associates entities and jointly controlled entities

The associates and joint ventures had been consolidated and equity accounted for 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."

Directors' Responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the Pro Forma Financial Information based on the Applicable Criteria.

Our Independence and Quality Management

We are independent 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 ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our firm applies *International Standard on Quality Management 1 (ISQM 1), Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance or Related Services Engagements* and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, on whether the Pro Forma Financial Information have been compiled, in all material respects, by the Directors based on the Applicable Criteria.

We conducted our engagement in accordance with *International Standard on Assurance Engagements 3420: Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Financial Information based on the Applicable Criteria.

Reporting Accountants' Responsibilities (continued)

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information to the Board of Directors of AMRB in relation to the Proposals is solely to illustrate the effects of significant events or transactions on the unadjusted financial information of the Group as if the events had occurred or the transactions had been undertaken at an earlier date selected for illustrative purposes only. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information have been compiled, in all material respects, based on the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the Pro Forma Financial Information of the Group provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:-

(a) the related pro forma adjustments give appropriate effect to those criteria; and

(b) the Pro Forma Financial Information reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma Financial Information have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

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

Opinion

In our opinion:-

(i) the Pro Forma Financial Information of the Group have been properly compiled on the basis as set out in the accompanying notes to the Pro Forma Financial Information based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2024 (which have been prepared by the Directors in accordance with the Malaysian Financial Reporting Standards), and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group in the preparation of its audited consolidated financial statements for the financial year ended 30 June 2024; and

(ii) each material adjustment made to the information used in the preparation of the Pro Forma Financial Information is appropriate for the purpose of preparing the Pro Forma Financial Information.

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Other matters

This report has been prepared solely for inclusion in the circular. As such, this report should not be used, circulated, quoted or otherwise referred to in any document or used for any other purpose without the prior written consent from us. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully,

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Paul Tan Hong
No. 03459/11/2025 J
Chartered Accountant

Kuala Lumpur

ALAM MARITIM RESOURCES BERHAD

PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2024

The Pro Forma Financial Information of Alam Maritim Resources Berhad ("AMRB" or the "Company") and its subsidiaries (the "Group") as at 30 June 2024 as set out below for which the directors of AMRB ("Directors") are solely responsible, have been prepared for illustrative purposes only, to show the effects on the audited consolidated statement of financial position of the Group as at 30 June 2024 had the Restatement, Subsequent Events and Proposed Regularisation Plan as described in Notes 3.1, 3.2 and 2.1 been effected on that date, and should be read in conjunction with the accompanying notes to the Pro Forma Financial Information. Unless otherwise defined, all terms defined herein should have the same meanings as the terms defined in the Circular.

Consolidated Statement of Financial Position of the Group

				Pro Forma I	Pro Forma II	Pro Forma III	Pro Forma IV	Pro Forma V	Pro Forma VI
	Audited Consolidated Statement of Financial Position as at 30 June 2024	Restatement of Unaudited Consolidated Statement of Financial Position as at 30 June 2024	Subsequent Events	After Subsequent Events and Proposed Share Capital Reduction	After Pro Forma I and Proposed Share Consolidation	After Pro Forma II and Proposed Rights Issue and Warrants	After Pro Forma III and Proposed Settlement and Proposed Debt Restructuring	After Pro Forma IV and Full Exercise of the Warrants	After Pro Forma V and Proposed Internal Restructuring
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS									
Non-current assets									
Property, vessels and equipment	22,252	21,567	17,061	17,061	17,061	17,061	17,061	17,061	11,484
Investment properties	2,063	2,063	2,063	2,063	2,063	2,063	2,063	2,063	2,063
Investment in joint ventures	789	789	-	-	-	-	-	-	-
Deferred tax assets	96	-	-	-	-	-	-	-	-
Other investments	350	350	350	350	350	350	350	350	630
	25,550	24,769	19,474	19,474	19,474	19,474	19,474	19,474	14,177
Current assets									
Inventories	-	-	4,855	4,855	4,855	4,855	4,855	4,855	4,855
Contract assets	84,474	86,700	86,700	86,700	86,700	86,700	86,700	86,700	86,700
Tax assets	974	974	974	974	974	974	974	974	489
Trade and other receivables	92,110	75,575	76,554	76,554	76,554	76,554	76,554	76,554	70,451
Cash and short-term deposits	45,721	49,719	70,156	70,156	70,156	83,943	61,788	83,718	82,975
	223,279	212,968	239,239	239,239	239,239	253,026	230,871	252,801	245,470
TOTAL ASSETS	**248,829**	**237,737**	**258,713**	**258,713**	**258,713**	**272,500**	**250,345**	**272,275**	**259,647**

ALAM MARITIM RESOURCES BERHAD

PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2024 (CONTINUED)

Consolidated Statement of Financial Position of the Group (continued)

	Audited Consolidated Statement of Financial Position as at 30 June 2024 RM'000	Restatement of Unaudited Consolidated Statement of Financial Position as at 30 June 2024 RM'000	Subsequent Events RM'000	Pro Forma I After Subsequent Events and Proposed Share Capital Reduction RM'000	Pro Forma II After Pro Forma I and Proposed Share Consolidation RM'000	Pro Forma III After Pro Forma II and Proposed Rights Issue and Warrants RM'000	Pro Forma IV After Pro Forma III and Proposed Settlement and Proposed Debt Restructuring RM'000	Pro Forma V After Pro Forma IV and Full Exercise of the Warrants RM'000	Pro Forma VI After Pro Forma V and Proposed Internal Restructuring RM'000
EQUITY									
Equity attributable to owners of the Company									
Share capital	442,667	442,667	442,667	2,667	2,667	9,121	47,192	87,784	87,784
Other reserves	872	872	872	872	872	872	872	872	872
Warrants reserve	-	-	-	-	-	7,333	18,662	-	-
Accumulated losses	(468,998)	(567,614)	(547,658)	(107,658)	(107,658)	(107,658)	(46,656)	(46,656)	(35,283)
Shareholders' funds/ Net assets ("NA")	(25,459)	(124,075)	(104,119)	(104,119)	(104,119)	(90,332)	20,070	42,000	53,373
Non-controlling interests	-	-	789	789	789	789	789	789	789
TOTAL CAPITAL DEFICIENCIES/ TOTAL EQUITY	**(25,459)**	**(124,075)**	**(103,330)**	**(103,330)**	**(103,330)**	**(89,543)**	**20,859**	**42,789**	**54,162**
LIABILITIES									
Non-current liabilities									
Deferred tax liabilities	1,840	1,840	1,840	1,840	1,840	1,840	1,840	1,840	1,840
Loans and borrowings	1,972	1,972	3,104	3,104	3,104	3,104	3,104	3,104	3,098
	3,812	3,812	4,944	4,944	4,944	4,944	4,944	4,944	4,938
Current liabilities									
Loans and borrowings	86,404	86,404	76,800	76,800	76,800	76,800	11,707	11,707	502
Trade and other payables	174,351	261,846	269,116	269,116	269,116	269,116	201,652	201,652	188,862
Tax liabilities	9,721	9,750	11,183	11,183	11,183	11,183	11,183	11,183	11,183
	270,476	358,000	357,099	357,099	357,099	357,099	224,542	224,542	200,547
TOTAL LIABILITIES	**274,288**	**361,812**	**362,043**	**362,043**	**362,043**	**362,043**	**229,486**	**229,486**	**205,485**
TOTAL EQUITY AND LIABILITIES	**248,829**	**237,737**	**258,713**	**258,713**	**258,713**	**272,500**	**250,345**	**272,275**	**259,647**

BAKER TILLY MONTEIRO HENG PLT (LLP0019411-LCA) AF 0117 For Identification Purposes Only

ALAM MARITIM RESOURCES BERHAD

PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2024 (CONTINUED)

Consolidated Statement of Financial Position of the Group (continued)

				Pro Forma I	Pro Forma II	Pro Forma III	Pro Forma IV	Pro Forma V	Pro Forma VI
	Audited Consolidated Statement of Financial Position as at 30 June 2024	Restatement of Unaudited Consolidated Statement of Financial Position as at 30 June 2024	Subsequent Events	After Subsequent Events and Proposed Share Capital Reduction	After Pro Forma I and Proposed Share Consolidation	After Pro Forma II and Proposed Rights Issue and Warrants	After Pro Forma III and Proposed Settlement and Proposed Debt Restructuring	After Pro Forma IV and Full Exercise of the Warrants	After Pro Forma V and Proposed Internal Restructuring
Number of ordinary shares in issue ('000)	1,531,829	1,531,829	1,531,829	1,531,829	153,183	268,070	445,577	518,675	518,675
NA attributable to the owners of the Company (RM'000)	(25,459)	(124,075)	(104,119)	(104,119)	(104,119)	(90,332)	20,070	42,000	53,373
NA per share attributable to the owners of the Company (RM)	(0.02)	(0.08)	(0.07)	(0.07)	(0.68)	(0.34)	0.05	0.08	0.10
Total interest-bearing borrowings (RM'000)	88,376	88,376	79,904	79,904	79,904	79,904	14,811	14,811	3,600
Gearing (times)	N/A	N/A	N/A	N/A	N/A	N/A	0.74	0.35	0.07

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NOTES TO THE PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2024

1. **Basis of Preparation/ Applicable Criteria**

1.1 The Pro Forma Financial Information of the Group as at 30 June 2024, for which the Directors are solely responsible, have been prepared for illustrative purposes only, to show the effects on the audited consolidated statement of financial position of the Group as at 30 June 2024 had the Restatement, Subsequent Events and Proposed Regularisation Plan as described in Note 3.1, 3.2 and 2.1 been effected on that date, and should be read in conjunction with the accompanying notes to the Pro Forma Financial Information.

1.2 The Pro Forma Financial Information of the Group as at 30 June 2024 have been prepared in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group in the preparation of its audited consolidated financial statements for the financial year ended 30 June 2024, which have been prepared in accordance with the Malaysian Financial Reporting Standards.

1.3 The audited consolidated financial statements of AMRB for the financial year ended 30 June 2024 were reported by the auditors to the members of AMRB on 29 October 2024 with a disclaimer opinion.

<u>*Going concern*</u>

During the financial year ended 30 June 2024, the Group's and the Company's current liabilities exceeded their current assets by RM47,197,406 and RM49,502,664 respectively and recorded a capital deficiency of RM25,459,282 and RM49,502,664 respectively. The Group and Company also recorded a negative operating cash flow of RM14,524,679 and RM15,462,680 respectively during the financial year ended 30 June 2024.

On 31 October 2022, the Company announced that it became an Affected Listed Issuer pursuant to Practice Note 17 ("PN 17') of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") for the Main Market.

These events or conditions indicate existence of material uncertainties that may cast significant doubt on the Group's and the Company's ability to continue as a going concern.

Nevertheless, the financial statements of the Group and of the Company have been prepared by the directors on a going concern basis, the validity of which is highly dependent on the successful implementation of the Proposed Regularisation Plan and Proposed Debt Restructuring Plan by the directors in responding to the conditions above.

In view of the matters set out above, there are material uncertainties involving the approval by various parties and successful implementation of the Proposed Regularisation Plan and Proposed Debt Restructuring Plan, 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 a going concern. 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.

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NOTES TO THE PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2024

1. **Basis of Preparation/ Applicable Criteria (continued)**

Opening balances for the financial year ended 30 June 2024

The external auditors' report on the financial statements for the financial year ended 30 June 2023 included disclaimer of opinion which includes matters that the external auditors 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, revenue, cost of sales, other income, non-controlling interests, amounts owing from subsidiaries, inter-company balances and consolidated and equity accounted unaudited subsidiaries, associates and joint ventures.

We were unable to obtain sufficient and appropriate audit evidence to verify the accuracy, existence and completeness and determine whether the following accounting balances as at 30 June 2023 and 30 June 2022/1 July 2022 respectively, and for the respective corresponding financial years then ended contain material misstatements.

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 and of the Company as at 30 June 2023 and 30 June 2022/1 July 2022 respectively or on its financial performance for the corresponding financial years then ended respectively.

Since the opening amount of the above balances affects 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 year ended 30 June 2023 and financial period ended 30 June 2022/1 July 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.

Current period's account balance

We were unable to obtain sufficient and appropriate audit evidence to verify the accuracy, existence and completeness and determine whether the following accounting balances as at 30 June 2024 and for the financial year then ended contain material misstatements:

(i) As disclosed in notes to the financial statements, the Group's trade and other receivables as at 30 June 2024 amounted to RM92,110,315.

- *Included in these balances are other receivables balance of RM8,322,045 as at 30 June 2024, for which we have not received sufficient and appropriate evidence on the recoverable amount determined, and unreconciled balances arising from inter-company reconciliation that have not been eliminated, amounted to RM1,600,162 as at 30 June 2024.*
- *The amount due from joint ventures amounted to RM31,671,098 as at 30 June 2024.*

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NOTES TO THE PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2024

1. **Basis of Preparation/ Applicable Criteria (continued)**

<u>*Current period's account balance*</u> *(continued)*

(ii) As disclosed in notes to the financial statements, the Group's trade and other payables as at 30 June 2024 amounted to RM174,350,692.

- *The trade payables amounted to RM18,509,305 as at 30 June 2024.*
- *The amount due to joint ventures amounted to RM54,107,202 as at 30 June 2024.*
- *The amount due to associates amounted to RM10,739,650 as at 30 June 2024.*

(iii) As disclosed in notes to the financial statements, the Group's costs of sales for the financial year ended 30 June 2024 amounted to RM324,611,310 in which in which we have not been able to obtain sufficient and appropriate audit evidence concerning the amount.

(iv) As disclosed in notes to the financial statements, included in other income for the financial year ended 30 June 2024 is an amount of RM2,195,440 being other income recognised arising from the Group's exercise on reconciling major balances in the financial position of the Group in which the appropriateness, nature and validity cannot be reliably determined.

(v) The truth and fairness of accumulated losses balance as at 30 June 2024 of the Group and the Company amounted to RM468,998,368 and RM492,170,067 respectively.

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 2024 or on its financial performance for the year then ended.

Any adjustments or additional disclosures that may be necessary in respect of the above matters, including any related tax impact, may have a consequential significant impact on the financial position of the Group and of the Company as at 30 June 2024 and the financial results and cash flows of the Group and of the Company for the financial year then ended.

<u>*Limitation of scope on the audit of subsidiaries, associates entities and jointly controlled entities*</u>

The associates and joint ventures had been consolidated and equity accounted for 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.

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NOTES TO THE PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2024

2. **Proposed Regularisation Plan**

2.1 The proposals to be undertaken by AMRB comprise the following:

i) Proposed reduction of RM440 million of the issued share capital of AMRB pursuant to Section 116 of the Companies Act, 2016 ("Act") ("Proposed Share Capital Reduction");

ii) Proposed consolidation of every 10 existing ordinary shares in AMRB ("AMRB Shares or "Shares") into 1 AMRB Share ("Consolidated Share") ("Proposed Share Consolidation");

iii) Proposed renounceable rights issue of new AMRB Shares ("Rights Shares") together with free detachable warrants in AMRB ("Warrants") ("Rights Warrants") on the basis 3 Rights Shares for every 4 Consolidated Shares held by entitled shareholders of the Company on an entitlement date to be determined and 1 Rights Warrant for every 4 Rights Shares subscribed ("Proposed Rights Issue with Warrants");

iv) Proposed settlement of part of the amount owing to the creditors of the Company via the issuance of new AMRB Shares ("Settlement Shares") and Warrants ("Settlement Warrants") pursuant to a scheme of arrangement under Section 366 of the Act ("Proposed Settlement"); and

v) Proposed internal restructuring involving the liquidation, striking-off and/or disposal of the non-core entities of AMRB ("Proposed Internal Restructuring").

(collectively hereinafter referred to as the "Proposed Regularisation Plan").

NOTES TO THE PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2024

2. Proposed Regularisation Plan (continued)

2.2 Salient Terms of the Settlement Shares and Settlement Warrants

2.2.1 The salient terms of the Settlement Shares to be issued are as follows:

Issue price	:	The Settlement Shares will be issued to the Scheme Creditors based on the issue price of RM0.2783 each, which is equivalent to the theoretical ex-rights price ("TERP") of AMRB Shares after completion of the Proposed Share Consolidation and the Proposed Rights Issue with Warrants.
Ranking of Settlement Shares	:	The Settlement Shares shall, upon allotment and issuance, rank equally in all respects with the then-existing issued Shares, save and except that the holders of the Settlement Shares shall not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of the Settlement Shares.

2.2.2 The salient terms of the Settlement Warrants to be issued are as follows:

Issue price	:	The Settlement Warrants will be issued for free to the Scheme Creditors on the basis of 1 Settlement Warrant for every 4 Settlement Shares issued.
Ranking of Settlement Warrants	:	The Settlement Warrants shall rank equally in all respects with the Rights Warrants as defined herein as they form the same series of the warrants to be constituted by the deed poll governing the rights of warrant holders to be executed by AMRB ("Deed Poll") and are subject to the same terms and conditions as set out in the Deed Poll.
Tenure and exercise period of Settlement Warrants	:	The Settlement Warrants may be exercised at any time within a period of 3 years commencing from and including the date of issuance of the Settlement Warrants to the close of business at 5.00 p.m. (Malaysia time) of the market day immediately preceding the date which is the 3rd anniversary from the date of issuance of the Settlement Warrants. Any Settlement Warrants not exercised during this period will thereafter lapse and cease to be valid for any purpose.
Exercise Prices	:	The exercise price of the Settlement Warrants shall be fixed at RM0.30.
Subscription rights	:	Each Warrant entitles the registered Warrant holder to subscribe for one (1) new AMRB Share at the exercise price of RM0.30 each during the exercise period in accordance with the provisions of the Deed Poll.

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NOTES TO THE PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2024

3. Pro Forma Financial Information

3.1 Restatement of Unaudited Consolidated Statement of Financial Position as at 30 June 2024 ("Restatement")

Restatement of Unaudited Consolidated Statement of Financial Position as at 30 June 2024 incorporates the effects of the delayed audit performed by the statutory auditors on the core subsidiaries of AMRB that would remain in the AMRB Group moving forward, namely AMSB, Alam Hidro (M) Sdn. Bhd. ("**AHSB**") and Alam Maritim Properties (M) Sdn. Bhd. ("**AMPSB**"). Subsequently, the statutory audits for AHSB and AMPSB were completed on 14 March 2025 and the statutory audit for AMSB was completed on 26 March 2025.

The restatement of the audited statement of financial position as at 30 June 2024 for the above companies had the following impact on the unaudited consolidated statement of financial position of the Group as at 30 June 2024:

(i) <u>AMRB</u>

	Increase/(Decrease)	
	Effects on Total Assets RM'000	**Equity and Liabilities RM'000**
Trade and other receivables	(44)	-
Trade and other payables	-	20,954
Accumulated losses	-	(20,998)
	(44)	**(44)**

(ii) <u>AMSB</u>

	Increase/(Decrease)	
	Effects on Total Assets RM'000	**Equity and Liabilities RM'000**
Property, vessels and equipment	(685)	-
Contract assets	2,226	-
Cash and short-term deposits	3,979	-
Trade and other receivables	(16,616)	-
Trade and other payables	-	65,972
Accumulated losses	-	(77,068)
	(11,096)	**(11,096)**

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NOTES TO THE PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2024

3. Pro Forma Financial Information (continued)

3.1 Restatement of Unaudited Consolidated Statement of Financial Position as at 30 June 2024 (continued)

The restatement of the audited statement of financial position as at 30 June 2024 for the above companies had the following impact on the unaudited consolidated statement of financial position of the Group as at 30 June 2024: (continued)

(iii) AHSB

	Increase/(Decrease)	
	Effects on Total Assets RM'000	**Effects on Total Equity and RM'000**
Deferred tax assets	(96)	-
Trade and other receivables	(71)	-
Trade and other payables	-	15
Accumulated losses	-	(182)
	(167)	**(167)**

(iv) AMP

	Increase/(Decrease)	
	Effects on Total Assets RM'000	**Effects on Total Equity and Liabilities RM'000**
Cash and short-term deposits	19	-
Trade and other receivables	196	-
Trade and other payables	-	554
Tax liabilities	-	29
Accumulated losses	-	(368)
	215	**215**

NOTES TO THE PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2024

3. Pro Forma Financial Information (continued)

3.1 Restatement of Unaudited Consolidated Statement of Financial Position as at 30 June 2024 (continued)

The combined effects of the restatement of the unaudited consolidated statement of financial position as at 30 June 2024 had the following impact on the audited consolidated statement of financial position of the Group as at 30 June 2024:

	Increase/(Decrease)	
	Effects on Total Assets RM'000	Equity and Liabilities RM'000
Property, vessels and equipment	(685)	-
Deferred tax assets	(96)	-
Contract assets	2,226	-
Trade and other receivables	(16,535)	-
Cash and short-term deposits	3,998	-
Accumulated losses	-	(98,616)
Trade and other payables	-	87,495
Tax liabilities	-	29
	(11,092)	**(11,092)**

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NOTES TO THE PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2024

3. **Pro Forma Financial Information**

3.2 Subsequent Events

Subsequent Events incorporate the cumulative effects of Restatement of Statement of Financial Position as at 30 June 2024 and significant events subsequent to 30 June 2024 which comprise the change of the joint venture company, Subsea Worldwide Solutions Sdn. Bhd., ("**SWS**") into a subsidiary of the Group, disposal of vessels, reversal of impairment loss on investment in joint ventures and withdrawal of fixed deposit ("Subsequent Events").

SWS has been reclassified from a joint venture company to a subsidiary of AHSB on 1 July 2024 as the shareholders of SWS had agreed that the nominee director of AMRB (i.e. Datuk Azmi) be granted a casting vote to determine the outcome of a proposed resolution in the event of equality of votes cast by directors of SWS on any resolution of the Board of Directors of SWS, pursuant to the terms of the Second Supplementary Agreement.

The reclassification of SWS had the following impact on the audited consolidated statement of financial position of the Group as at 30 June 2024:-

	Increase/(Decrease)	
	Effects on Total Assets RM'000	**Effects on Total Equity and Liabilities RM'000**
Property, vessels and equipment	3,650	-
Inventories	4,855	-
Trade and other receivables	979	-
Cash and short-term deposits	19,379	-
Investment in joint ventures	(789)	-
Trade and other payables	-	24,454
Loans and borrowings (Non-current)	-	1,132
Loans and borrowings (Current)	-	266
Tax liabilities	-	1,433
Non-controlling interests	-	789
	28,074	**28,074**

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NOTES TO THE PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2024

3. Pro Forma Financial Information (continued)

3.2 Subsequent Events (continued)

In April 2024, AMRB executed memorandums of agreements with Ruhm Mazu Sdn. Bhd. for the disposals of Setia Rentas (a supply vessel), Setia Yakin (a tug vessel) and Setia Zaman (a tug vessel) for a total cash consideration of RM9.87 million. The transactions were completed in February 2025, following which the Group recorded a gain on disposal amounting to RM2.30 million.

In October 2024, AMSB executed a memorandum of agreement with Sapor Shipbuilding Industries Sdn. Bhd. for the disposal of Setia Budi (a tug/platform support vessel) for a cash consideration of RM2.00 million. The transaction was completed in October 2024, following which the Group recorded a gain of disposal amounting to RM1.41 million.

The proceeds from the disposal of vessels were used to settle the outstanding loans secured to the vessels.

The disposal of vessels has the following impact on the audited consolidated statement of financial position of the Group as at 30 June 2024:

	Increase/(Decrease)	
	Effects on Total Assets RM'000	Effects on Total Equity and Liabilities RM'000
Property, vessels and equipment	(8,156)	-
Cash and short-term deposits	2,000	-
Loans and borrowings (current)	-	(9,870)
Accumulated losses	-	3,714
	(6,156)	**(6,156)**

NOTES TO THE PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2024

3. Pro Forma Financial Information (continued)

3.2 Subsequent Events (continued)

On 29 October 2024, the Group performed a withdrawal of fixed deposits of RM3.26 million which was used to repay the expenses of the Group.

The withdrawal of fixed deposits had the following impact on the audited consolidated statement of financial position of the Group as at 30 June 2024:-

	Increase/(Decrease)	
	Effects on Total Assets RM'000	Effects on Total Equity and Liabilities RM'000
Accumulated losses	-	(3,263)
Cash and short-term deposits	(3,263)	-
	(3,263)	**(3,263)**

There was a reversal of the Group's impairment of investments in TH Alam Holdings (L) Inc ("**THAL**") and Alam-PE Holdings (L) Inc ("**APEH**"), both joint venture companies, of RM16.23 million following the receipt of dividend income of RM16.23 million as a result of the disposal of vessels and surplus cash which were completed on 18 November 2024 and 24 December 2024 respectively.

From the dividend income received, RM13.91 million was used to settle the outstanding amount payable to TH Alam Management (M) Sdn. Bhd. ("**THAM**"), a joint venture company. The remaining RM2.32 million will be debited to the cash and short-term deposits account.

The reversal of impairment of joint ventures had the following impact on the audited consolidated statement of financial position of the Group as at 30 June 2024:

	Increase/(Decrease)	
	Effects on Total Assets RM'000	Effects on Total Equity and Liabilities RM'000
Trade and other payables	-	(13,909)
Cash and short-term deposits	2,321	-
Accumulated losses	-	16,230
	2,321	**2,321**

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NOTES TO THE PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2024

3. Pro Forma Financial Information (continued)

3.2 Subsequent Events (continued)

In March 2025, there was a reversal of the impairment of the Group's investment in THAL following the receipt of dividend income of RM3.28 million. The proceeds from the dividend income were then used to settle the Group's outstanding amount payable to THAL.

The reversal of impairment of joint ventures had the following impact on the audited consolidated statement of financial position of the Group as at 30 June 2024:-

	Increase/(Decrease) Effects on Total Equity and Liabilities RM'000
Trade and other payables	(3,275)
Accumulated losses	3,275
	-

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NOTES TO THE PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2024

3. Pro Forma Financial Information (continued)

3.3 Pro Forma I

Pro Forma I incorporates the cumulative effects of the Restatement, as described in Note 3.1, Subsequent Events as described in Note 3.2 and the effects of the Proposed Share Capital Reduction on the audited consolidated statement of financial position of AMRB as at 30 June 2024, as described in Note 2.1(i):

The Proposed Share Capital Reduction will have the following impact on the Pro Forma Financial Information of the Group as at 30 June 2024:

	Increase/(Decrease) Effects on Total Equity RM'000
Share capital	(440,000)
Accumulated losses	440,000
	-

3.4 Pro Forma II

Pro Forma II incorporates the cumulative effects of Pro Forma I and the effects of the Proposed Share Consolidation on the audited consolidated statement of financial position of AMRB as at 30 June 2024 as described in Note 2.1(ii).

The Proposed Share Consolidation will reduce the total number of shares from 1,531,828,805 AMRB Shares to 153,182,880 AMRB Shares.

The Proposed Share Consolidation will not have an impact on the amount of share capital of AMRB.

NOTES TO THE PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2024

3. Pro Forma Financial Information (continued)

3.5 Pro Forma III

Pro Forma III incorporates the cumulative effects of Pro Forma II and the effects of the Proposed Rights Issue with Warrants on the audited consolidated statement of financial position of AMRB as at 30 June 2024 as described in Note 2.1(iii). The Proposed Rights Issue with Warrants would entail the issuance of 114,887,160 Rights Shares together with 28,721,790 Rights Warrants based on the entitlement basis of 3 Rights Shares for every 4 Consolidated Shares held and 1 Rights Warrant for every 4 Rights Shares subscribed.

Rights Shares

Issue price	:	RM0.12 per Rights Share represents a discount of RM0.1583 or 56.88% to the Theoretical Ex-Rights Price ("TERP") of the Shares of RM0.2783.

Warrants Reserve

The allocated fair value of free warrants is credited to a Warrants Reserve Account, which is non-distributable. The Warrants Reserve Account will be transferred to the Share Capital Account upon exercise of the warrants.

For the preparation of the Pro Forma Consolidated Statements of Financial Position, the value of the warrants is based on the relative fair value of the ordinary shares by reference to the following information extracted from Bloomberg as at 25 July 2024:-

Valuation model	:	Trinomial option pricing model
TERP	:	RM0.2783
Fair value of warrant	:	RM0.2553
Exercise price	:	RM0.3000 per warrant
Tenure of warrants	:	3 years
Dividend	:	No dividend
Risk free interest rate	:	3.429% per annum

As the above variables are subject to change upon the implementation of the Proposed Rights Issue with Warrants as described in Note 2, the actual quantum of the components of the warrants reserve will only be determined upon issuance of the warrants. As such, the actual quantum may differ from the amount computed above.

NOTES TO THE PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2024

3. Pro Forma Financial Information (continued)

3.5 Pro Forma III (continued)

The Proposed Rights Issue with Warrants will have the following impact on the Pro Forma Financial Information of the Group as at 30 June 2024:

	Increase	
	Effects on Total Assets RM'000	**Effects on Total Equity and Liabilities RM'000**
Cash and short-term deposits	13,787	-
Share capital	-	6,454
Warrants reserve	-	7,333
	13,787	**13,787**

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NOTES TO THE PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2024

3. **Pro Forma Financial Information (continued)**

3.6 **Pro Forma IV**

(i) Alam Maritim (M) Sdn. Bhd. ("AMSB" a wholly-owned subsidiary of AMRB) Unsecured Scheme

The AMSB Unsecured Scheme is a scheme of arrangement pursuant to Section 366 of the Act which involves the settlement of the AMSB Scheme Amounts.

The mode of settlement pursuant to the AMSB Unsecured Scheme is set out below:-

	Outstanding Amounts RM'000	Set-off against AMSB's fixed deposit receipts and Sinking Fund Account RM'000	Scheme Amounts RM'000	Upfront Cash Settlement (1) RM'000	Rights Issue Cash Settlement (1) RM'000	Shares Settlement (1) RM'000	Total proposed payment to each Scheme Creditor RM'000	Remaining Scheme Amounts RM'000	Proposed Waiver RM'000	Total Scheme Amounts to be dealt with in the AMRB Unsecured Scheme RM'000
AMSB Financial Institution creditors (2)	75,892	3,250	72,642	2,343	4,686	19,288	26,317	46,325	-	46,325
Trade and other creditors (1)	11,786	-	11,786	380	760	3,130	4,270	7,516	(7,516)	-
AMRB (3)	101,613	-	101,613	3,277	6,554	26,982	36,813	64,800	(64,800)	-
Total	**189,291**	**3,250**	**186,041**	**6,000**	**12,000**	**49,400**	**67,400**	**118,641**	**(72,316)**	**46,325**

Notes:-

(1) The Upfront Cash Settlement, the Rights Issue Cash Settlement and the Settlement Shares amounting to RM6.00 million, RM12.00 million and RM49.40 million respectively will be distributed to the AMSB Scheme Creditors in proportion to the AMSB Scheme Amounts owing to them.

NOTES TO THE PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2024

3. Pro Forma Financial Information (continued)

3.6 Pro Forma IV (continued)

(i) Alam Maritim (M) Sdn. Bhd. ("AMSB" a wholly-owned subsidiary of AMRB) Unsecured Scheme (continued)

Notes: (continued)

(2) These creditors have the benefit of corporate guarantees from AMRB. As such, the remaining AMSB Scheme Amounts owing to them after the AMSB Unsecured Scheme (amounting to RM46.33 million) will be recognised as an unsecured debt and settled via the AMRB Unsecured Scheme.

(3) These creditors do not have the benefit of any corporate guarantee from AMRB. As such, the remaining AMSB Scheme Amounts owing to them after the AMSB Unsecured Scheme (amounting to RM72.32 million) will be waived.

(ii) AMRB Unsecured Scheme

The AMRB Unsecured Scheme is a scheme or arrangement pursuant to Section 366 of the Act which involves the settlement of the AMRB Scheme Amounts which comprise:-

(i) amounts owing to the unsecured creditors of AMRB as at the Cut-off Date; and

(ii) the balance AMSB Scheme Amounts (after settlement via the AMSB Unsecured Scheme) owing to the AMSB Scheme Creditors who have the benefit of corporate guarantees with AMRB.

NOTES TO THE PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2024

3. Pro Forma Financial Information (continued)

3.6 Pro Forma IV (continued)

(ii) AMRB Unsecured Scheme (continued)

The mode of settlement pursuant to the AMRB Unsecured Scheme is set out below:-

	Balance debt to be dealt with in AMRB Unsecured Scheme RM'000	Redistribution of Upfront Cash Settlement received by AMRB in AMSB Unsecured Scheme (1) RM'000	Redistribution of Rights Issue Cash Settlement received by AMRB in AMSB Unsecured Scheme (1) RM'000	Redistribution of Shares Settlement received by AMRB in AMSB Unsecured Scheme (1) RM'000	Total proposed payment to each AMRB Scheme Creditor RM'000	Remaining amount to be waived RM'000	Proposed Waiver RM'000
AMSB Financial Institution creditors (2)	46,325	1,511	3,022	12,440	16,973	29,352	(29,352)
Sukuk	43,312	1,412	2,825	11,630	15,867	27,445	(27,445)
AMRB Financial Institution creditor	10,844	354	707	2,912	3,973	6,871	(6,871)
Total	**100,481**	**3,277**	**6,554**	**26,982**	**36,813**	**63,668**	**(63,668)**

Notes:-

(1) The Upfront Cash Settlement, the Rights Issue Cash Settlement and the Settlement Shares received by AMRB pursuant to the AMSB Unsecured Scheme amounting to RM3.28 million, RM6.55 million and RM26.98 million respectively will be distributed to the AMRB Scheme Creditors in proportion to the AMRB Scheme Amounts owing to them.

(2) These creditors have the benefit of corporate guarantees from AMRB. As such, the AMRB Scheme Amounts owing to them to be settled under the AMRB Unsecured Scheme comprises the remaining AMSB Scheme Amounts owing to them after the AMSB Unsecured Scheme.

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NOTES TO THE PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2024

3. Pro Forma Financial Information (continued)

3.6 Pro Forma IV (continued)

Pro Forma IV incorporates the cumulative effects of Pro Forma III and the effects of the Proposed Settlement and Proposed Debt Restructuring on amounts owing to the Scheme Creditors via the issuance of 177,506,735 Settlement Shares at an issue price of RM0.2783 each and 44,376,683 Settlement Warrants on the basis of 1 Settlement Warrant for every 4 Settlement Shares, as described in Note 2.1(iv).

The Proposed Settlement and Proposed Debt Restructuring will have the following impact on the Pro Forma Financial Information of the Group as at 30 June 2024:

	Increase/(Decrease)	
	Effects on Total Assets RM'000	Effects on Total Equity and Liabilities RM'000
Cash and short-term deposits	(18,000)	-
Loans and borrowings (Current)	-	(65,093)
Trade and other payables	-	(67,464)
Accumulated losses	-	65,157
Warrants reserve	-	11,329
Share capital	-	38,071
	(18,000)	**(18,000)**

The impact of the estimated expenses in relation to the Proposed Regularisation Plan on the Pro Forma Financial Information of the Group as at 30 June 2024 of RM4.16 million will be debited to the Accumulated Losses Account and credited from the Cash and Short-term Deposits Account as follows:

	Decrease	
	Effects on Total Assets	Effects on Total Equity
Cash and short-term deposits	4,155	-
Accumulated losses	-	4,155
	4,155	**4,155**

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NOTES TO THE PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2024

3. Pro Forma Financial Information (continued)

3.7 Pro Forma V

Pro Forma V incorporates the cumulative effects of Pro Forma IV and the effects after assuming full exercise of up to 73,098,473 Warrants at an exercise price of RM0.30 each, as described in Note 2.1(v).

The full exercise of the warrants will have the following impact on the Pro Forma Financial Information of the Group as at 30 June 2024:

	Increase/(Decrease)	
	Effects on Total Assets RM'000	**Effects on Total Equity and Liabilities RM'000**
Cash and short-term deposits	21,930	-
Warrants reserve	-	(18,662)
Share capital	-	40,592
	21,930	**21,930**

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NOTES TO THE PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2024

3. Pro Forma Financial Information (continued)

3.8 Pro Forma VI

Pro Forma VI incorporates the cumulative effects of Pro Forma V and the effects of the Proposed Internal Restructuring on the audited consolidated statement of financial position of AMRB as at 30 June 2024, as described in Note 2.1(v):

The Proposed Internal Restructuring shall entail the following:

(i) liquidation of the following companies:

(a) AMLI;
(b) Alam Food Industries (M) Sdn Bhd;
(c) Alam Eksplorasi (M) Sdn Bhd;
(d) Alam Synergy I (L) Inc;
(e) Alam Synergy II (L) Inc
(f) Alam Synergy III (L) Inc;
(g) Alam Radiance (M) Sdn Bhd; and

(ii) disposal of International Gateway Services Sdn Bhd (formerly known as Alam Offshore Logistics & Services Sdn Bhd) to a potential third party.

The Proposed Internal Restructuring will have the following impact on the Pro Forma Financial Information of the Group as at 30 June 2024:

	Increase/(Decrease)	
	Effects on Total Assets RM'000	**Equity and Liabilities RM'000**
Other investments	280	-
Trade and other receivables	(6,103)	-
Property, vessels and equipment	(5,577)	-
Tax assets	(485)	-
Cash and short-term deposits	(743)	-
Accumulated losses	-	11,373
Loans and borrowings (Non-current)	-	(6)
Loans and borrowings (Current)	-	(11,205)
Trade and other payables	-	(12,790)
	(12,628)	**(12,628)**

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NOTES TO THE PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2024 (CONTINUED)

4. Movements in Share Capital and Reserves

The pro forma effects of the Proposal on the issued share capital and reserves of the Group are as follows:

	← Share Capital	→					
	Number of shares '000	Amount RM'000	Other reserves RM'000	Warrants reserves RM'000	Accumulated losses RM'000	Non-controlling interests RM'000	Total RM
Audited as at 30 June 2024	1,531,829	442,667	872	-	(468,998)	-	(25,459)
Arising from Restatement	-	-	-	-	(98,616)	-	(98,616)
As per Restatement	**1,531,829**	**442,667**	**872**	-	**(567,614)**	-	**(124,075)**
Arising from Subsequent Events	-	-	-	-	19,956	789	20,745
As per After Subsequent Events	**1,531,829**	**442,667**	**872**	-	**(547,658)**	**789**	**(103,330)**
Arising from Proposed Capital Reduction	-	(440,000)	-	-	440,000	-	-
As per Pro Forma I	**1,531,829**	**2,667**	**872**	-	**(107,658)**	**789**	**(103,330)**
Arising from Proposed Share Consolidation (1)	(1,378,646)	-	-	-	-	-	-
As per Pro Forma II	**153,183**	**2,667**	**872**	-	**(107,658)**	**789**	**(103,330)**
Arising from Proposed Rights Issues with Warrants	114,887	6,454	-	7,333	-	-	13,787
As per Pro Forma III	**268,070**	**9,121**	**872**	**7,333**	**(107,658)**	**789**	**(89,543)**
Arising from Proposed Settlement and Debt Restructuring	177,507	38,071	-	11,329	61,002	-	110,402
As per Pro Forma IV	**445,577**	**47,192**	**872**	**18,662**	**(46,656)**	**789**	**20,859**
Arising from Full Exercise of the Warrants	73,098	40,592	-	(18,662)	-	-	21,930
As per Pro Forma V	**518,675**	**87,784**	**872**	-	**(46,656)**	**789**	**42,789**
Arising from Proposed Internal Restructuring	-	-	-	-	11,373	-	11,373
As per Pro Forma VI	**518,675**	**87,784**	**872**	-	**(35,283)**	**789**	**54,162**

Note:

(1) The Proposed Share Consolidation will reduce the total number of shares from 1,531,828,805 AMRB Shares to 153,182,880 AMRB Shares.

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NOTES TO THE PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2024 (CONTINUED)

5. Movements in Cash and Short-term Deposits

	RM'000
Audited as at 30 June 2024	**45,721**
Arising from Restatement	3,998
As per Restatement	**49,719**
Arising from Subsequent Events	20,437
As per After Subsequent Events	**70,156**
Arising from Proposed Capital Reduction	-
As per Pro Forma I	**70,156**
Arising from Proposed Share Consolidation	-
As per Pro Forma II	**70,156**
Arising from Proposed Rights Issues with Warrants	**13,787**
As per Pro Forma III	**83,943**
Arising from Proposed Settlement and Proposed Debt Restructuring	(22,155)
As per Pro Forma IV	**61,788**
Arising from Full Exercise of the Warrants	21,930
As per Pro Forma V	**83,718**
Arising from Proposed Internal Restructuring	(743)
As per Pro Forma VI	**82,975**

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NOTES TO THE PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2024 (CONTINUED)

6. Movements in Loans and Borrowings

	RM'000
Audited as at 30 June 2024	**88,376**
Arising from Restatement	-
As per Restatement	**88,376**
Arising from Subsequent Events	(8,472)
As per After Subsequent Events	**79,904**
Arising from Proposed Capital Reduction	-
As per Pro Forma I	**79,904**
Arising from Proposed Share Consolidation	-
As per Pro Forma II	**79,904**
Arising from Proposed Rights Issues with Warrants	-
As per Pro Forma III	**79,904**
Arising from Proposed Settlement and Proposed Debt Restructuring	(65,093)
As per Pro Forma IV	**14,811**
Arising from Full Exercise of the Warrants	-
As per Pro Forma V	**14,811**
Arising from Proposed Internal Restructuring	(11,211)
As per Pro Forma VI	**3,600**

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ALAM MARITIM RESOURCES BERHAD

APPROVAL BY BOARD OF DIRECTORS

Approved and adopted by the Board of Directors of Alam Maritim Resources Berhad in accordance with a resolution dated 21 MAY 2025

....

Datuk Azmi Bin Ahmad
Director

BAKER TILLY MONTEIRO HENG PLT
(LLP0019411-LCA)
AF 0117
For Identification Purposes Only

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Protégé ASSOCIATES

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The Board of Directors
Alam Maritim Resources Berhad
38 F, Level 2, Jalan Radin Anum
Bandar Baru Sri Petaling
57000 Kuala Lumpur

Date: 14 May 2025

Dear Sir/Madam,

Strategic Analysis of the Oil and Gas Services and Equipment Industry in Malaysia

Protégé Associates Sdn Bhd ("**Protégé Associates**") has prepared this 'Strategic Analysis of the Oil and Gas Services and Equipment ("**OGSE**") Industry in Malaysia' for inclusion in the explanatory statement/circular to shareholders of Alam Maritim Resources Berhad ("**Alam Maritim**") in relation to Alam Maritim's plan to regularise its financial condition.

Protégé Associates is an independent market research and business consulting company. Our market research reports provide an in-depth industry and business assessment for companies raising capital and funding in the financial markets; covering their respective market dynamics such as market size, key competitive landscape, demand and supply conditions, government regulations, market trends and the outlook of the industry.

Mr. Seow Cheow Seng is the Managing Director of Protégé Associates. He has 25 years of experience in market research, having started his career at Frost & Sullivan where he spent 7 years. He has been involved in a multitude of industries covering agriculture, automotive, construction, electronics, healthcare, energy, information technology, oil and gas to various other sectors. He has also provided his market research expertise to government agencies such as Malaysia Digital Economy Corporation Sdn Bhd, Malaysia Debt Ventures Berhad and Malaysia Technology Development Corporation Sdn Bhd.

Protégé Associates has prepared this report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of the report. We believe that this report presents a true and fair view of the industry within the boundaries and limitations of secondary statistics, primary research and continued industry movements. Our research has been conducted to present a view of the overall industry and may not necessarily reflect the performance of individual companies in this industry. We are not responsible for the decisions and/ or actions of the readers of this report. This report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies.

Thank you.

Yours sincerely,

SEOW CHEOW SENG
Managing Director

Protégé
ASSOCIATES
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1.0 Introduction to OGSE

The oil and gas industry is structured into three main sectors, namely upstream, midstream, and downstream, which encompass the exploration, extraction, and processing of crude oil and natural gas. The upstream sector focuses on the exploration, development, and extraction of oil and gas from both onshore and offshore fields. The midstream sector plays a vital role in transporting crude oil and refined petroleum products to refineries, processing facilities, and storage locations. Finally, the downstream sector revolves around the refining of crude oil, processing of natural gas, production of petroleum and petrochemical products, and distribution of these products to end-users through marketing and retail channels.

OGSE plays a crucial role in supporting the oil and gas value chain. In Malaysia, OGSE can be categorised into standardised work and equipment categories ("**SWECs**") for services and SWECs for products, as classified by Petroliam Nasional Berhad ("**PETRONAS**"). SWECs for services includes consultancy services, electrical engineering and maintenance, engineering design, architecture and draughting services, floating and mobile offshore facilities, manpower supply, marine transportation and support services, offshore facilities construction as well as pipeline and associated services. On the other hand, SWECs for products include chemicals, drilling equipment and materials, electrical, instrumentation, insulation, pipes, mechanical, rotating equipment, civil and structural, subsea and valves.

1.1 Overview of the Global Oil and Gas Industry

Global crude oil production rose marginally by 0.58% to 73.24 million barrels per day in 2023 from 72.82 million barrels per day in 2022. In 2023, the Middle East region maintained its position as the largest crude oil producer, contributing 23.81 million barrels per day, while the Asia-Pacific region contributed 6.21 million barrels per day to global production. On a country level, the top five crude oil producing countries in the world in 2023 were the United States of America, Saudi Arabia, Russia, China, and Iraq. In the Asia-Pacific region, major crude oil producers included China, India, Indonesia, and Malaysia. Major crude oil producers in the Middle East region include Iran, Iraq, Kuwait, Oman, Saudi Arabia, and the United Arab Emirates.

Given the cyclical nature of crude oil prices, Protégé Associates has used the historical price movements of the Europe Brent Spot Price free on board ("**FOB**") as a proxy for the overall price trend in the global crude oil market. From 2014 to 2019, crude oil prices fluctuated within a range of United States Dollar ("**USD**") 43.64 per barrel to USD98.97 per barrel. However, crude oil prices faced heavy downward pressure in 2020 due to the price war initiated by Saudi Arabia and the sharp decline in fuel demand caused by the Coronavirus Disease 2019 ("**COVID-19**") pandemic. This resulted in a significant oversupply in the market, leading to crude oil prices declining sharply from USD63.65 per barrel in January 2020 to USD18.38 per barrel in April 2020. Nevertheless, as movement and travel restrictions eased and economic activities resumed in many countries, oil demand gradually recovered, leading to a gradual alleviation of the global oil oversupply. Furthermore, news of the availability of COVID-19 vaccines generated optimism on the recovery of oil demand. By December 2020, the price of crude oil rose to USD 49.99 per barrel.

Despite a resurgence in COVID-19 cases in 2021, crude oil prices continued to recover. This was mainly due to the reluctance of many governments to reimpose lockdown measures that had resulted in a slowdown in the global economy. As economic activities rebounded, the demand for oil quickly absorbed the oil glut, leading to a situation where supply struggled to keep up with demand due to delays in restarting production by oil producers. In addition, the Organization of Petroleum Exporting Countries ("**OPEC**") and its allies (together known as OPEC+) agreed to cut production in late 2020, leading to slower increase in crude oil production. This agreement aimed to support higher crude oil prices and involved limiting production increases throughout 2021. As a result, the Europe Brent Spot Price FOB trended higher, rising from USD54.77 per barrel in January 2021 to USD 74.17 per barrel in December 2021. The average price for the year stood at USD70.86 per barrel.

In 2022, crude oil prices continued their ascent. In particular, the ongoing conflict between Russia and Ukraine caused disruptions to the global supply chain. As one of the world's largest oil exporters, Russia's involvement in the war raised uncertainties about the country's oil supply. From March to August 2022, crude oil prices hovered between USD100.45 and USD122.71 per barrel. Nonetheless, concerns about recessions in major economies and the economic slowdown in China led to oil prices dipping below USD100 per barrel in September 2022. To counter the decline in oil prices, OPEC+ agreed in early October 2022 to implement a production cut of 2 million barrels per day, effective from November 2022 until the end of 2023. By the end of December 2022, oil prices stood at USD80.92 per barrel.

OPEC+ made an announcement on 2 April 2023 regarding a further production cut of 1.16 million barrels per day. This decision is expected to result in an increase in crude oil prices. The production cut agreement saw Saudi Arabia pledging to voluntarily reduce its output by an additional 1 million barrels per day for the month of July, which could be extended. In November, OPEC+ agreed to extend the production cuts into the first quarter of 2024. Additionally, the economic recovery in China has also contributed to the stability of crude oil prices. As of December 2023, crude oil prices stood at USD77.63 per barrel, with an average price of USD82.47 per barrel for the year. In 2024, crude oil prices remained range-bound between

USD73.86 per barrel and USD89.94 per barrel (crude oil prices averaged USD80.53 per barrel during the year). Going into 2025, crude oil prices are forecast to trend lower as global growth in production of petroleum and other liquids and slower demand growth put downward pressure on prices. Crude oil prices stood at USD79.27 per barrel in January 2025 and fell to USD68.13 per barrel in April 2025.

The world marketed production of natural gas remained almost the same for 2022 and 2023, with global production amounting to 4.256 trillion standard cubic meters and 4.283 trillion standard cubic meters, respectively. The Americas and Eurasia ranked first and second in natural gas production in 2023, with 1.309 trillion standard cubic meters and 859,106.00 million standard cubic meters, respectively. The Middle East region came next, contributing 756,577.00 million standard cubic meters in 2023, while the Asia-Pacific region followed with 723,171.00 million standard cubic meters. Notably, the top five countries with the highest marketed natural gas production in 2023 were the United States of America, Russia, Iran, China, and Qatar. In the Asia-Pacific region, major contributors to marketed natural gas production include China, Australia, Indonesia, and Malaysia.

In terms of global refinery capacity, there was a slight increase from 101.47 million barrels per calendar day in 2022 to 102.92 million barrels per calendar day in 2023. Among the regions, the Asia-Pacific region had the highest refinery capacity with 36.39 million barrels per calendar day, while the Middle East region had a capacity of 10.66 million barrels per calendar day. Countries in the Asia-Pacific and the Middle East regions with refinery capacities exceeding 2.00 million barrels per calendar day in 2023 were China, India, Japan, South Korea, Iran, and Saudi Arabia.

The global output of petroleum products rose from 90.64 million barrels per day in 2022 to 92.61 million barrels per day in 2023. The Asia-Pacific region maintained its position as the largest producer of petroleum products, with an output of 34.47 million barrels per day in 2023, while the Middle East region produced 8.58 million barrels per day. The petroleum products producing countries in the Asia-Pacific and the Middle East regions with outputs exceeding 2.00 million barrels per day in 2023 include China, India, Japan, South Korea, and Saudi Arabia.

1.2 Overview of the Malaysian Oil and Gas Industry

Since its first official oil discovery in 1882, the Malaysian oil and gas industry has undergone significant transformation. Initially, exploration efforts focused solely on onshore fields, but advancements in offshore petroleum technology paved the way for offshore oil exploration. The turning point came in 1962 when oil was found in two offshore areas in Sarawak. In Peninsular Malaysia, the first oilfield was discovered in 1971. Presently, the oil and gas industry has become a cornerstone of the Malaysian economy, forming part of the broader mining and quarrying sector.

In 2024, the mining and quarrying sector contributed RM98.41 billion or 5.97% to Malaysia's real gross domestic product ("**GDP**"). Specifically, the activities related to crude oil, condensate, and natural gas accounted for RM88.80 billion or 5.39% of the country's real GDP. GDP from crude oil, condensate, and natural gas related activities recorded a slight increase of 0.66% from RM88.22 billion in 2023.

In 2024, Malaysia is a net importer of crude petroleum (by value) with a deficit of RM37.06 billion. The export value of crude petroleum amounted to RM26.11 billion, while imports reached RM63.17 billion. During the year, Malaysia was also a net importer of petroleum products by value. The export value of petroleum products stood at RM127.37 billion, while imports amounted to RM128.57 billion during the year. The downstream capabilities of Malaysia have received a significant boost from heavy investments made in recent years, such as the Pengerang Integrated Complex and the new Integrated Aroma Ingredients Complex. PETRONAS has successfully ventured into specialty chemicals and increased its refining capacity which allows Malaysia to match gasoline supply and demand efficiently. In addition, PETRONAS is now better positioned to undertake a lot more blending of oil to meet demand for low-sulphur oil from shippers following the new fuel regulations by the International Maritime Organization.

Furthermore, Malaysia is a prominent exporter of natural gas in the Asia-Pacific region, with the country exporting liquefied natural gas ("**LNG**") worth more than RM40.00 billion annually. Although the value of LNG exports experienced a dip to RM29.87 billion in 2020 due to the impact of the COVID-19 pandemic, it subsequently rebounded in 2021, reaching RM38.19 billion. In 2022, the value of LNG exports from Malaysia witnessed continuous growth, reaching RM67.99 billion, a 78.0% increase compared to the previous year. However, LNG export value fell in 2023 to RM60.23 billion as LNG average spot and futures prices fell from 2022 due to lower demand for LNG after Europe and China recording above average temperatures in winter and large stockpiles. The export value of LNG rose to RM60.84 billion in 2024. Backed by key assets such as the PETRONAS Floating LNG Facilities (PFLNG-1 and PFLNG-2) and the PETRONAS LNG Complex in Bintulu, Sarawak, Malaysia is expected to continue expanding its gas production efforts and reinforce its position as a dependable LNG supplier.

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1.3 Overview of the Marine Transportation and Support Services Market in Malaysia

The marine transportation and support services market encompasses the transportation of personnel, equipment and supplies, as well as extracted oil and gas, and refined petroleum products across water bodies. In Malaysia, marine transportation and support services mainly involves tankers and offshore support vessels ("**OSVs**").

Tankers are merchant vessels designed to transport liquid and gas bulks. They enable the transportation of crude oil, refined petroleum products (both clean and dirty products) and chemicals from one location to another. In addition, the liquid cargoes in these tankers are carried in numerous bulk tanks inside the vessels. This specific design bulk tanks mainly serves two reasons, ensuring safety and enabling the transport of different liquid products simultaneously. There are four categories of tankers, namely crude oil tankers, product tankers, chemical tankers as well as other tankers (which includes bulk carriers and containerships).

On the other hand, OSVs are primarily built to aid the offshore oil and gas industry, specifically supporting offshore activities. The main functions of OSVs include transporting goods, supplies, equipment, or crew on a regular basis to support activities such as exploration, exploitation, and production of oil and gas resources. OSVs are classified based on their operating characteristics or capabilities and fall into various functional classifications. They are generally highly manoeuvrable, equipped with storage space for consumables, have large open aft decks, and come with the necessary equipment for anchor handling, cargo handling, and towing operations.

Figure 1: Types and Descriptions of Selected OSVs

Type	Description
Anchor Handling Tug Supply ("**AHTS**")	• Primarily used to place anchors for drilling rigs at locations as well as to tow mobile drilling rigs and equipment to different locations.
Barge	• Is typically a flat-bottomed vessel built mainly for transporting supplies or bulk cargo to offshore platforms.
Construction Support Vessel	• Often plays a supporting role in assisting the construction and installation of offshore platforms as well as pipelines by transporting bulk cargos of required materials and supplies.
Crewboat	• Used for fast mobilisation of crew or cargo between production platforms and rigs. • Are usually used for transporting supplies or crew on a time-sensitive basis because it is designed for speed.
Diving Support Vessel	• Used for providing support or to facilitate diving operations performed at the oil production platforms as well as for related installations in open water.
Drill Ship	• Is fitted with drilling equipment designed to do exploratory drilling for new oil or gas fields in deep water.
Floating Production, Storage and Offloading Vessel ("**FPSO**")	• Is a flexible stand-alone facility with storage capacity that is capable of being relocated when required. • May also be converted to a tanker when required. • Participating in the offshore oil and gas production process by facilitating transportation, processing, storing and offloading of oil from the offshore fields.
Platform Supply Vessel	• Used to assist drilling and production facilities. • Providing support for offshore construction and maintenance works. • Also used for carrying supplies, equipment and crew to platforms.
Remotely Operated Vehicle ("**ROVs**")	• Is generally utilised to repair complex deepwater production systems. • Also used in highly specialised operations particularly tasks that are not considered suitable for humans' intervention.
Specialty Vessel	• Providing support to ROVs or other vessels that are involved in oil and gas exploration activities such as seismic data gathering.

Type	Description
	• Is also used for activities related to oil recovery and oil spill response
Standby Support Vessel	• Is typically put on station as a contingency measure to provide a safety backup particularly to offshore rigs and production facilities. • Is generally required for all manned locations and used for safety patrolling duty at specific areas. • Can also act as supply vessel if required.
Bunker Barges	• Is generally used to supply vessels with fuel while the vessels are at anchor in port or are tied up alongside in port.
Tug	• Used to tow or push other vessels such as barges. • Often works hand-in-hand with barges as single operating system.
Utility Vessel	• Used to provide support in the offshore oil and gas E&P activities by transporting oil field support equipment and to a lesser extent, crew as well. • Sometimes it may be used to provide standby functions.

Note: The above list of OSVs is not exhaustive and only serves to provide a better understanding to readers.

Source: Protégé Associates

1.4 Overview of the Subsea Services Market in Malaysia

Subsea services refer to oil and gas exploration, production, construction and maintenance operations that take place under the ocean surface. They mainly encompass the installation of subsea production systems and underwater inspection, repair and maintenance ("**IRM**") services for offshore platforms, drilling rigs, and subsea equipment. A subsea production system generally consists of the following:

(a) Wellhead to control the flow of petroleum from the oil well;

(b) Manifold that receives and distributes production fluids and hydrocarbon between the wellhead and production platform;

(c) Umbilical that consists of cables and hoses to deliver power, control signals and fluids to the subsea production system equipment; and,

(d) Risers and seafloor pipelines that carry petroleum across long distance of the seafloor and flow upwards to the production platform.

Subsea production systems are used to establish multiple seafloor oil wells over a large area and are connected by risers to production platforms as opposed to building oil rigs over each oil well. This improves the utilisation of production platforms and reduces operating costs. They are also used in remote or deepwater areas that are technically challenging for floating production platforms to reach and are used to enhance marginal fields recovery rate by creating additional pressure during extraction. Subsea production systems are mostly used for the extraction of petroleum before transporting them to production platforms. They do not process the extracted petroleum. To navigate the underwater environment, subsea operations rely on special equipment such as diving systems including saturated diving systems that enable divers to reach underwater depths of up to 300 feet, and diving support vessels that are designed with the safety of the divers in mind. ROVs are often used in place of human divers to minimise safety risks posed by the hazardous underwater environment.

Underwater IRM services are often conducted to ensure the integrity and operational efficiency of any permanent structure offshore. The IRM scope of work uses divers and ROVs and covers light construction, correction of defects, strengthening of structures, change-out or repair of boat landings on platforms, retrofit of anodes for platform and pipelines, sectional replacement of pipelines, change-out or repair of flowlines, inspection and repair of export facilities including FPSOs, and floating storage and offloading units ("**FSO**"), pipeline tie-ins, retrofitting of risers, detailed inspection of all pipelines and any underwater work that is conducted after the installation of that offshore structure. Once the structure is installed by the barges, lay-barge or work barges, any subsequent future work until such time as the structure is removed, will be part of the IRM scope of work.

1.5 Historical Market Performance and Growth Forecast

The OGSE industry encompasses a wide range of activities, including marine transportation and support services (which entails the provision of OSVs) as well as subsea services. As such, the OGSE industry has been used to represent the industry Alam Maritim operates in.

The potential size of the OGSE industry in Malaysia is heavily dependent on the capital expenditure committed by PETRONAS. As the custodian of Malaysia's petroleum resources, PETRONAS allocates budgets and determines upstream and downstream oil and gas projects that will be undertaken in Malaysia which have a positive impact on the participation rate and revenue stream of OGSE industry players. For the purpose of this report, Protégé Associates has used the annual domestic capital expenditure programme of PETRONAS as a proxy to gauge the historical performance and future outlook of the OGSE industry in Malaysia.

Figure 2: Historical and Growth Forecast of the Domestic Capital Expenditure of PETRONAS, 2021-2029

Year	Domestic Capital Expenditure (RM billion)	Growth Rate (%)
2021	15.00	-
2022	18.60	24.00
2023	26.20	40.86
2024	33.06	26.18
2025 f	32.50	-1.69
2026 f	33.00	1.54
2027 f	33.50	1.52
2028 f	34.00	1.49
2029 f	34.50	1.47

*Compound annual growth rate ("**CAGR**") (2025-2029) (base year of 2024): 0.86%*

Note: f denotes forecast

Sources: PETRONAS and Protégé Associates

PETRONAS recorded a significant increase in its domestic capital expenditure by 24.0% from RM15.00 billion in 2021 to RM18.60 billion in 2022, driven by the need to boost the Malaysian oil and gas industry. Despite disruptions in the global oil supply chain caused by the Russian-Ukraine war and the ongoing post-pandemic economic recovery, PETRONAS has remained committed to strengthening its business and investing in exploration, development, and production activities to sustain and enhance production in Malaysia. In 2022, approximately RM10.50 billion of domestic capital expenditure was spent on upstream activities namely on intensifying efforts to enhance recovery rate of existing fields as well as the development of new fields.

In 2023, the domestic capital expenditure of PETRONAS increased by 40.86% to RM26.20 billion. This increase can be mainly attributed to PETRONAS' investments in key projects such as the Nearshore Floating LNG project in Sabah, the development of the Kasawari Gas Field, and the establishment of carbon sequestration facilities (i.e. the process of capturing and storing carbon dioxide in the atmosphere with a goal of reducing climate change) in Sarawak. Additionally, the high average crude oil prices environment throughout the year supported PETRONAS' robust investments. The increased capital expenditure by PETRONAS is expected to generate higher demand for services from OGSE players. At the same time, PETRONAS' international capital expenditure for overseas (including subsea services) stood at RM26.60 billion in 2023.

In 2024, PETRONAS increased its domestic capital expenditure by 26.18% to RM33.06 billion, driven by upstream projects including the Kasawari Gas Field and Integrated Bekok Oil development projects. In 2025, PETRONAS's domestic capital expenditure is expected to slow down due to declining crude oil prices and crude oil demand amid an expected global economic slowdown arising from escalating trade tensions between the USA and its trading partners. As such, domestic capital expenditure of PETRONAS is forecast to fall to RM32.50 billion in 2025. The International Monetary Fund has also projected global economic growth to slow to 2.8% in 2025 from 3.3% in 2024.

PETRONAS has also outlined its commitment on sustaining and growing Malaysia's oil and gas production in its 2025-2027 Activity Outlook. Over the next three years, approximately 367 Facilities Improvement Plans ("**FIPs**") will be implemented annually to ensure optimal production of the producing fields and facilities. These plans include rejuvenation projects, replacements of gas turbines and generators, and other significant maintenance works. Moreover, around 153 matured assets will undergo decommissioning activities, while disused assets will be assessed for potential reuse or repurposing.

According to the Petronas Activity Outlook 2025-2027 ("**PAO 2025-2027**"), the local O&G industry will require 118 OSVs to support activities between 2025 and 2027. The 118 vessels requirement is to support current production operations and does not include requirement for drilling and maintenance. The estimated number of vessels required to support drilling and maintenance projects in the next three years stood at 220, 234, and 222 vessels respectively. The local OSV sector may experience a shortage of vessels in coming years due to insufficient new builds and an ageing fleet. It is estimated that there will be a critical shortage of AHTS vessels below 80 tonnes beyond 2030 unless owners acquire new vessels. This demand-supply gap is expected to drive the addition of new vessels in the coming years, presenting growth opportunities for the local OGSE industry.

From 2025 to 2027, PETRONAS has projected an average of 1,216 days of underwater activities execution annually involving the inspection, maintenance and repair of underwater structures, including platform jackets, offshore pipelines, and subsea intervention works as well as surveying and clearing of debris. Out of this, 356 days are allocated to underwater services that require the use of saturation diving systems, 509 days for ROV and air diving system, and 353 days for subsea intervention related works.

1.6 Competitive Analysis

The OGSE industry in Malaysia is considered mature with the presence of established industry players. It has relatively high barriers to entry in the form of stringent regulatory requirements, sizeable capital requirements, high dependency on skilled workers and high technology intensity. OGSE industry players are required to obtain a valid licence from PETRONAS in order to supply goods or services to the upstream sector in the Malaysian oil and gas industry and the downstream sector of PETRONAS Group of Companies, including maritime activities. Those intending to provide goods or services solely to the PETRONAS Group of Companies within the downstream sector need to have a valid registration from PETRONAS. OGSE industry players in Malaysia can apply for one or more SWECs under the list of SWECs for services and/or products subject to meeting the minimum technical requirements and application type criteria for the SWECs applied. Foreign OGSE industry players can participate in Malaysia's upstream sector but only by appointing a local company as an exclusive agent or forming a joint venture with a local company.

According to the Malaysian Petroleum Resources Corporation (an agency under the Ministry of Economy that provides recommendations and implements initiatives to advance Malaysia's OGSE industry and drive the sector's development towards cleaner and sustainable energy), 665 companies were recognised as OGSE companies in 2022, whom are companies registered with the Companies Commission of Malaysia and have revenue generated from oil and gas activities. These industry players have the competency and capabilities that span across the different segments of the entire oil and gas value chain, namely seismic and hydrographic surveys, drilling and drilling related services, engineering and consultancy services, equipment and system suppliers or manufacturers, shipbuilding and repair, fabrication, construction and modification, pipeline, offshore installation, civil and dredging, inspection, maintenance and repair, hook-up and commissioning, transport and logistics services, health, safety, environment and quality assurance or quality control services, personnel services, research and development and others segments.

In particular, some of the OGSE industry players that are involved in the marine transportation and support services (namely provision of OSVs) market include listed entities such as Alam Maritim, Avangaard Berhad (formerly known as E.A. Technique (M) Berhad), Lianson Fleet Group Berhad (formerly known as ICON Offshore Berhad) and Sealink International Berhad, as well as non-listed companies such as DESB Marine Services Sdn Bhd, Dinastia Jata Sdn Bhd, Jasa Merin (Malaysia) Sdn Bhd, and Kejora Resources Sdn Bhd. At the same time, OGSE industry players that are involved in the subsea services market include Alam Maritim, Aker Solutions APAC Sdn Bhd, Bintang Subsea Ventures (M) Sdn Bhd, Bumi Subsea Malaysia Sdn Bhd, Mermaid Subsea Services (Malaysia) Sdn Bhd, ROV Resources (M) Sdn Bhd, and Sapura Subsea Services Sdn Bhd.

1.7 Comparison between Alam Maritim and Selected Industry Players

Alam Maritim is principally involved in the provision of offshore support services, namely OSV and subsea services for the local oil and gas industry. For the financial year ended ("**FYE**") 30 June 2024, Alam Maritim registered revenue of RM357.2 million, of which revenue from subsea activities was RM234.6 million and revenue from OSV activities was RM119.1 million.

Protégé Associates has identified several key industry players that are comparable based on the following criteria:

- involved in the provision of OSVs chartering and offshore support services, and subsea services to the oil and gas industry; and
- registered revenue of below RM350.00 million based on its latest publicly available financial information.

After taking into consideration the above criteria, Protégé Associates has selected the following industry players as comparable companies with Alam Maritim.

Figure 3: Financial Information of Alam Maritim and Selected Players in the OGSE Industry in Malaysia

Company Name	Product Offering		FYE	Revenue (RM'000)	Gross Profit (RM'000)	Profit After Tax (RM'000)	Gross Profit Margin[1] (%)	Profit After Tax Margin[2] (%)
	OSVs	Subsea						
Alam Maritim	√	√	30-06-2024	357,195.39[3]	32,584.08	26,279.68	9.12	7.36
Aker Solutions APAC Sdn Bhd[4]		√	31-12-2023	59,877.00	37,738.00	25,041.00	63.03	41.82
Avangaad Berhad[5]	√		31-12-2024	122,663.00	50,057.00	154,330.00	40.81	125.82
Bintang Subsea Ventures (M) Sdn Bhd		√	31-12-2023	152,406.46	12,875.96	2,893.79	8.45	1.90
Bumi Subsea Malaysia Sdn Bhd		√	31-12-2023	29,763.51	1,242.83	932.27	4.18	3.13
DESB Marine Services Sdn Bhd[6]	√		31-12-2023	155,962.60	45,097.42	30,353.86	28.92	19.46
Dinastia Jati Sdn Bhd	√		31-12-2023	109,521.97	13,556.16	1,939.84	12.38	1.77
Fast Meridian Sdn Bhd	√		31-12-2023	31,842.26	15,602.80	1,373.64	49.00	4.31
Jasa Merin (Malaysia) Sdn Bhd[7]	√		30-04-2024	265,920.00	91,120.00	63,894.00	34.27	24.03
Kejora Resources Sdn Bhd	√		31-12-2023	63,093.43	26,402.50	13,254.20	41.85	21.01
KBH Marine Industry Sdn Bhd	√		31-12-2023	10,052.77	1,061.99	-179.67	10.56	-1.79
Lianson Fleet Group Berhad[8]	√		31-12-2024	235,781.13	71,961.87	26,196.66	30.52	11.11
Lunar Shipping Sdn Bhd	√		31-08-2023	13,772.15	4,139.43	2,566.52	30.06	18.64
Mermaid Subsea Services (Malaysia) Sdn Bhd[9]		√	31-12-2022	101,912.23	1,696.41	-1,786.17	1.66	-1.75
ROV Resources (M) Sdn Bhd		√	31-12-2023	1,938.25	666.23	2.11	34.37	0.11
Sapura Subsea Services Sdn Bhd[10]		√	31-1-2024	174,204.00	-71,375.00	-136,484.00	-40.97	-78.35
Sealink International Berhad	√		31-12-2023	106,360.70	20,944.32	-1,740.81	19.69	-1.64
Sribima (M) Shipping Sdn Bhd	√		31-12-2023	16,560.26	2,348.27	-420.18	14.18	-2.54

Notes:
(a) The list of market players is alphabetically arranged and does not constitute as a ranking;
(b) Financial information of comparable market players and Alam Maritim such as revenue, gross profit and profit/ loss after tax were based on information from Companies Commission of Malaysia and Alam Maritim, respectively while the financial ratios in the table were computed by Protégé Associates.
[1] Gross Profit Margin = Gross Profit / Revenue
[2] Profit after Tax Margin = Profit after Tax / Revenue
[3] Alam Maritim's revenue can be segmented into subsea activities (RM234.6 million), OSV activities (RM119.1 million) and others (RM3.5 million).
[4] Aker Solutions APAC Sdn Bhd is a subsidiary of Aker Solutions ASA, which is listed on the Oslo Stock Exchange.
[5] Avangaad Berhad was formerly known as E.A. Technique (M) Berhad

[6] DESB Marine Services Sdn Bhd is a subsidiary of Dayang Enterprise Holdings Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad.
[7] Jasa Merin Sdn Bhd is a subsidiary of Marine & General Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad.
[8] Lianson Fleet Group Berhad was formerly known as ICON Offshore Berhad
[9] Mermaid Subsea Services (Malaysia) Sdn Bhd is a subsidiary of Mermaid Maritime Public Company Limited, which is listed on the Singapore Stock Exchange. Mermaid Subsea Services (Malaysia) Sdn Bhd has not generated any revenue for the financial year ended 31 December 2023.
[10] Sapura Subsea Services Sdn Bhd is a subsidiary of Sapura Energy Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad

Sources: Alam Maritim, Companies Commission of Malaysia, annual reports of Avangaard, Lianson Fleet Group, Sealink International, and Protégé Associates

2.0 Alam Maritim's Market Share Analysis

For the FYE 30 June 2024, Alam Maritim generated revenue of RM357.2 million, representing 1.1% share of the Malaysian OGSE industry, that amounted to RM33.10 billion in 2024.

3.0 Demand Conditions

Figure 4: Demand Conditions Affecting the OGSE Industry in Malaysia, 2025-2029

Impact	Demand Conditions	Short-Term	Medium-Term	Long-Term
		2025-2026	2027-2028	2029
+	The Presence of Strategic Petroleum Reserves	High	High	High
+	Petrochemical Industry as a Long-Term Source of Incremental Demand	Medium	Medium	Medium
+	Continuing Investments Driving Upstream and Downstream Oil and Gas Activities	Low	Low	Medium
-	Fluctuations in Crude Oil Prices May Lead to Uncertain Earnings	High	Medium	Medium
-	The Implementation of Further Efficiency Improvements in Road Transportation	Medium	Medium	Medium
-	Increasing Threat of Substitutability from Greener and Renewable Sources of Energy	Low	Low	Medium

Source: Protégé Associates

In order to maintain national fuel security and protect the economy during an energy crisis, crude oil is often stockpiled into what is commonly known as strategic petroleum reserves. The drawdown and replenishment or addition of strategic petroleum reserves can also act as a stabilising force against sharp fluctuations in the prices of crude oil. As a result, the existence of strategic petroleum reserves has a positive impact on the overall development of the oil and gas industry, including the OGSE sector.

The petrochemical and industry consumed 20.0 million barrels per day in 2023 and is expected to increase its consumption to 25.3 million barrels per day in 2050. The increase will primarily be driven by the increasing need for a diverse range of products such as plastics, synthetic fibres, detergents, paints, adhesives, aerosols, insecticides, and pharmaceuticals. Approximately 70.0% of the oil demand is utilised as petrochemical feedstock for plastics production. Demand for petrochemical feedstocks used to produce plastics is expected to continue to increase, driven by growing demand for plastics from emerging markets is likely to offset the implementation of measures by various countries to restrict single-use plastics, improve recycling rates, and promote alternative feedstocks. The persistent reliance on petrochemicals for producing these goods is propelled by the expanding global population and ongoing industrialization. Consequently, this trend is expected to drive growth in the oil and gas industry, fuelling expansion in the local OGSE sector.

As petroleum reserves in easily accessible oil and gas fields at traditional shelf basins becomes increasingly tapped, future offshore exploration endeavours are likely to extend to deep and ultra-deep waters. This is expected to bolster demand for OGSE, including for subsea and underwater services. The country's deepwater explorations are expected to accelerate in the future as more investments are directed towards underexplored areas. This bodes well for OGSE including subsea and underwater services. Additionally, as investments continue to flow into the petroleum products (including petrochemicals) industry, the downstream sector of the local oil and gas industry is expected to record continued growth. Following 47 approved mining projects worth RM4.46 billion in 2023, another 27 projects worth RM4.46 billion was approved for the mining sector in 2024. These projects are anticipated to generate demand for OGSE.

Meanwhile, the commercial viability of OGSE projects is significantly influenced by the fluctuations in crude oil prices. The COVID-19 pandemic resulted in a contraction in global oil demand due to lockdown measures, leading to a decline in crude oil prices. However, with the lifting of lockdown measures as the COVID-19 situation improved, oil demand started to recover and crude oil prices recovered in 2021. In 2022, crude oil prices became volatile due to the Russia-Ukraine war, causing disruptions in oil supply and a spike in prices. Later that year, concerns about recessions in major economies and an economic slowdown in China further dampened crude oil prices. Throughout 2022, crude oil prices averaged at USD100.93 per barrel. In 2023, prices fluctuated between USD74.84 per barrel and USD93.72 per barrel from January to December, with an average of USD82.49 per barrel for the year. In 2024, crude oil traded range bound between USD73.86 and USD89.94, with an average of USD80.53. Crude oil prices is expected to trend lower in 2025 as production growth coupled with slower demand weigh on prices. Crude oil prices fell to USD68.13 per barrel in April 2025. These price fluctuations have made it increasingly challenging for OGSE companies to forecast earnings and plan for the future due to rapid market changes and heightened uncertainty.

Technological advancements, stricter energy policies, and the increasing adoption of electric and alternative-fuel vehicles have resulted in notable fuel efficiency improvements within the road transportation sector. According to the International Energy Agency ("**IEA**"), electric car sales exceeded 10.0 million in 2022, a 55.0% increase from 6.6 million sales in 2021, despite supply chain disruptions, macro-economic and geopolitical uncertainty and high commodity and energy prices. Global electric car sales continued to grow strongly with 14.0 million sales recorded in 2023, amid growing concern about climate change and the reduction of greenhouse gas emissions as countries establish their green energy transition goals. The adoption of electric cars is expected to dampen the demand for oil which does not augur well for the growth in the oil and gas industry including the OGSE industry. With growing global concerns regarding climate change, there has also been increasing focus on exploring greener and renewable energy sources like solar, wind, hydro, and biomass as alternatives to fossil fuels. PETRONAS has recognised the significance of this shift and has taken steps to develop the alternative energy sector through the establishment of Gentari Sdn Bhd, to provide comprehensive sustainable energy solutions, encompassing renewable energy, hydrogen, and green mobility. PETRONAS has also committed to achieve net zero carbon emissions by 2050, which has prompted the company to diversify its operations beyond its core oil and gas business and venture into green and renewable energy. Nevertheless, fossil fuels are still expected to remain the dominant energy source due to their cost-efficiency advantage to the majority of major energy users. While there are ongoing initiatives to diversify and promote cleaner energy alternatives, the infrastructure and scalability of renewable energy sources have not yet reached a level where they can effectively replace the demand for fossil fuels in the short term.

3.0 Supply Conditions

Figure 5: Supply Conditions Affecting the OGSE Industry in Malaysia, 2025-2029

Impact	Supply Conditions	Short-Term	Medium-Term	Long-Term
		2025-2026	2027-2028	2029
+	Strong Leadership by PETRONAS	High	High	High
+	Continuing Close Attention and Support from the Malaysian Government	High	High	High
-	Relatively High Regulatory Barriers to Entry	High	High	High
-	Underinvestment in Oil and Gas amid a Shift to Cleaner Fuels	Low	Low	Medium

Source: Protégé Associates

PETRONAS who is the custodian of Malaysia's petroleum resources, plays an important role in driving the growth of the local oil and gas industry including the local OGSE industry. PETRONAS fosters collaborations and partnerships throughout the value chain and asset life by working with operators involved in petroleum activities. PETRONAS has also adopted new Technical Standards to align with international standards, which can result in cost savings, improved quality, reliability, safety, and adherence to schedules for the local OGSE industry players. Further traction in standardisation can help to reduce cost and open up opportunities to create greater value for manufacturers, suppliers and principals. In addition, digitalisation, permanent reservoir modelling and enhanced oil recovery methods are expected to continue improving oil recovery rate from mature oil fields and drive the advent of tight oil and shale gas. As a key source of revenue and economic driver, the local oil and gas industry including the local OGSE industry has strategic importance to the country and can look forward to the continuing close attention and support from the Malaysian Government in the form of national strategic policies or masterplans. In particular, the Malaysian Investment Development Authority ("**MIDA**") remains focused on the continued strategic integration in the country's downstream operations to meet demands and capture value across the oil and gas value chain. MIDA also encourages more joint ventures or collaborations between local and foreign players with expertise to enhance local capabilities via knowledge transfer.

On the other hand, the OGSE industry has relatively high barriers to entry as potential entrants are required to obtain licenses, registrations and/or approvals to provide OGSE, thus restraining the number of entrants into the industry. In addition, the local OGSE industry is also experiencing a lack of investment in new oil and gas supplies as focus shifts towards cleaner energy sources. According to the IEA, in 2024, the global fossil fuel investment grew by 2.4%, which was slower than global clean energy investment growth of 6.3%. Furthermore, the IEA has called for increasing clean energy spending to reduce oil and gas demand in order to achieve net zero emission by 2050. This will negatively impact investments in new fossil fuel projects, which is likely to cause further decrease in oil and gas supplies as major oil and gas players increasingly diversify towards green and renewable energy. Nevertheless, oil and gas continue to play a crucial role in the energy sector, in terms of fuel consumption and power generation. The underinvestment in the global oil and gas sector may potentially lead to tighter supplies as oil demand continues to expand with global economic growth, particularly due to increasing needs in sectors such as road transportation, aviation and shipping. While the transition to green and renewable energy is gradually progressing, there is no guarantee that it will meet the growing energy demand sustainably.

4.0 Outlook and Prospect of the OGSE Industry in Malaysia

The outlook for the local OGSE industry is largely dependent on the annual domestic capital expenditure of PETRONAS. In 2022, PETRONAS allocated RM18.60 billion for domestic capital expenditure, an increase from RM15.00 billion the previous year. This growth is driven by the need to develop the Malaysian oil and gas industry. The industry has faced challenges in recent years due to volatile crude oil prices caused by the COVID-19 pandemic and disruptions in the global oil supply chain resulting from the Russia-Ukraine war. Concerns over potential recessions in major economies and the economic slowdown in China have also put pressure on crude oil prices. Despite these challenges, PETRONAS has remained committed to strengthening its business and investing in exploration, development, and production activities to sustain and enhance oil and gas production in Malaysia. In 2022, approximately RM10.50 billion of domestic capital expenditure was spent on upstream activities namely on intensifying efforts to enhance recovery rate of existing fields as well as the development of new fields. Some key projects include the Nearshore Floating LNG project in Sabah, the development of the Kasawari Gas Field, and the establishment of carbon sequestration facilities in Sarawak.

In 2023, the domestic capital expenditure of PETRONAS reached RM26.20 billion, which was an increase of 40.86%. PETRONAS domestic capital expenditure further increased to RM33.06 billion in 2024, bolstered by upstream projects including the Kasawari Gas Field and Integrated Bekok Oil Development projects. Going forward, growth in the OGSE industry is expected to be supported by PETRONAS' long-term target of sustaining and expanding Malaysia's oil and gas production. Moreover, the projected high average crude oil prices will support PETRONAS' increased spending. It is projected that PETRONAS' domestic capital expenditure will decline slightly to RM32.50 billion in 2025. The growth outlook is due to declining crude oil prices and crude oil demand amid an expected global economic slowdown arising from escalating trade tensions between the USA and its trading partners. The International Monetary Fund has projected global economic growth to slow to 2.80% in 2025 from 3.30% in 2024.

The factors contributing to growth in the local OGSE industry include the presence of strategic petroleum reserves, ongoing investments stimulating upstream and downstream oil and gas activities, and the petrochemical industry serving as a long-term source of incremental demand for oil. However, the growth of the industry can be affected by fluctuations in crude oil prices which can impact the profits of oil and gas companies. In addition, the OGSE industry face challenges posed by improvements in road transportation efficiency and the increasing threat of substitution from greener and renewable energy sources. Even so, they are not anticipated to significantly impact the demand for fossil fuels in the forecast period. Fossil fuels are projected to remain the predominant and cost-efficient choice for the majority of major energy users, with fossil fuels expected to account for 78.0% of the global energy mix by 2032, compared to 81.0% in 2022.

On the supply side, the local oil and gas industry, including the OGSE sector, benefits from PETRONAS' strong leadership and the close attention and support it receives from the Malaysian Government. This ensures that the industry is guided by stable hands in navigating its future direction. However, on the other hand, participation in the local OGSE industry is hindered by the relatively high regulatory barriers to entry. These barriers make it challenging for new players to enter the market. Additionally, the lack of investment in the oil and gas sector is expected to have an impact on the overall growth and progress of the local industry, including the OGSE industry.

The salient terms of the Warrants are set out below:-

Issuer	:	AMRB
Issue size	:	73,098,473 Warrants comprising:- (i) 28,721,790 Rights Warrants; and (ii) 44,376,683 Settlement Warrants.
Form	:	The Warrants will be issued in registered form and constituted by the Deed Poll.
Detachability of the Rights Warrants	:	The Rights Warrants which are to be issued with the Rights Shares will immediately be detached from the Rights Shares upon allotment and issuance and will be traded separately on Bursa Securities.
Board lot	:	For the purposes of trading on Bursa Securities, a board lot of Warrants shall comprise 100 units of Rights Warrants, or such other number of units as may be prescribed by Bursa Securities.
Tenure and exercise period of the Warrants	:	The Warrants may be exercised at any time within a period of 3 years commencing from and including the date of issuance of the Warrants to the close of business at 5.00 p.m. (Malaysia time) on the Market Day immediately preceding the date which is the 3rd anniversary from the date of issuance of the Warrants ("**Exercise Period**"). Any Warrants not exercised during this period will thereafter lapse and cease to be valid for any purpose.
Exercise price of Warrants	:	The exercise price of the Warrants shall be fixed at RM0.30 ("**Exercise Price**").
Subscription rights	:	Each Warrant shall entitle its registered holder to subscribe for 1 new Share at any time during the Exercise Period at the Exercise Price, subject to adjustments in accordance with the provisions of the Deed Poll.
Mode of exercise	:	The registered holders of the Warrants are required to lodge a subscription form with the Company's Share Registrar, duly completed, signed and stamped together with payment by way of banker's draft or cashier's order drawn on a bank operating in Malaysia or by way of internet bank transfer for the electronic submission of subscription form via email to the Share Registrar for the aggregate of the Exercise Price payable when exercising their Warrants to subscribe for new Shares. The payment of such fee must be made in Ringgit Malaysia.
Adjustments to the Exercise Price and/or the number of Warrants	:	Subject to the provisions of the Deed Poll, the Exercise Price and/or the number of unexercised Warrants in issue may be subject to adjustments by the Board in consultation with an approved adviser appointed by the Company or the auditors in the event of any alteration in the share capital of the Company at any time during the Exercise Period, whether by way of, amongst others, rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital, in accordance with the provisions of the Deed Poll.
Rights of the Warrant holders	:	The Warrants do not confer on their holders any voting rights or any right to participate in any form of distribution and/or offer of further securities in the Company until and unless such holders of Warrants exercise their Warrants for new Shares in accordance with the provisions of the Deed Poll and such new Shares have been allotted and issued to such holders.
Ranking of the new Shares to be issued pursuant to the exercise of the Warrants	:	The new Shares to be issued pursuant to the exercise of the Warrants in accordance with the provisions of the Deed Poll shall, upon allotment, issuance and full payment of the Exercise Price, rank equally in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares to be issued pursuant to the exercise of the Warrants.

Rights of the Warrant holders in the event of winding up, liquidation, compromise and/or arrangement	:	(i) Where a resolution has been passed for a members’ voluntary winding-up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with 1 or more companies, then for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the holders of the Warrants (or some other persons designated by them for such purpose by special resolution) shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the holders of the Warrants; and (ii) in any other cases, every Warrant holder shall be entitled to exercise his/her Warrants at any time within 6 weeks after the passing of such resolution for a members’ voluntary winding up of the Company or within 6 weeks after the granting of the court order approving the winding-up, compromise or arrangement, whereupon the Company shall allot the relevant new Shares to the Warrant holder credited as fully paid subject to the prevailing laws, and such Warrant holder shall be entitled to receive out of the assets of the Company which would be available in liquidation if he/she had on such date been the holder of the new Shares to which he/she would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. Upon the expiry of the above 6 weeks, all subscription rights of the Warrants shall lapse and cease to be valid for any purpose.
Modification of rights of Warrant holders	:	Save as otherwise provided in the Deed Poll, a special resolution of the Warrant holders is required to sanction any modification, alteration or abrogation in respect of the rights of the Warrant holders.
Modification of Deed Poll	:	Any modification to the terms and conditions of the Deed Poll may be effected only by a further deed poll, executed by the Company and expressed to be supplemental to the Deed Poll. Any of such modification shall however be subject to the approval of Bursa Securities (if so required). No amendment or addition may be made to the provisions of the Deed Poll without the sanction of a special resolution unless the amendments or additions are required to correct any typographical errors or relate purely to administrative matters or are required to comply with any provisions of the prevailing laws or regulations of Malaysia or in the opinion of the Company, will not be materially prejudicial to the interests of the Warrant holders.
Listing	:	The Warrants will be listed and traded on the Main Market of Bursa Securities. The listing and quotation of the Warrants on the Main Market of Bursa Securities is subject to a minimum of 100 holders of Warrants holding not less than 1 board lot each.
Transferability	:	The Warrants shall be transferable in the manner provided under the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository.
Deed Poll	:	The Warrants shall be constituted by the Deed Poll.
Governing laws	:	The Warrants and the Deed Poll shall be governed by the laws and regulations of Malaysia.

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and the Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Circular The Board confirms that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements contained in this Circular or other facts, the omission of which would make any statement in this Circular false or misleading.

2. CONSENTS AND CONFLICT OF INTEREST

2.1 Interpac

Interpac, being the Principal Adviser for the Proposed Regularisation Plan, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

Interpac is not aware of any conflict of interest which exists or is likely to exist in relation to its role as the Principal Adviser for the Proposed Regularisation Plan.

2.2 Baker Tilly Monteiro Heng PLT

Baker-Tilly Monteiro Heng PLT, being the Reporting Accountants for the Proposed Regularisation Plan, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, its accountants' letter on the pro forma consolidated statements of financial position of the AMRB Group and all references thereto in the form and context in which they appear in this Circular.

Baker-Tilly Monteiro Heng PLT is not aware of any conflict of interest which exists or is likely to exist in relation to its role as the Reporting Accountants for the Proposed Regularisation Plan.

2.3 Protégé Associates Sdn Bhd

Protégé Associates Sdn Bhd, being the Independent Market Researcher for the Proposed Regularisation Plan, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, its IMR Report and all references thereto in the form and context in which they appear in this Circular.

Protégé Associates Sdn Bhd is not aware of any conflict of interest which exists or is likely to exist in relation to its role as the Independent Market Researcher for the Proposed Regularisation Plan.

2.4 Axcelasia Sdn Bhd

Axcelasia Sdn Bhd, being the Internal Control Reviewer for the Proposed Regularisation Plan, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

Axcelasia Sdn Bhd is not aware of any conflict of interest which exists or is likely to exist in relation to its role as the Internal Control Reviewer for the Proposed Regularisation Plan.

3. MATERIAL CONTRACTS

Save as disclosed below, as at the LPD, the Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within 2 years immediately preceding the date of this Circular:-

(i) On 14 July 2023, AMSB entered into a sale and purchase agreement with A Plus Manufacturing Sdn Bhd for the disposal of a parcel of land held under PN 52833, Lot 3500, Mukim Kuala Linggi, Daerah Alor Gajah, Melaka for a cash consideration of RM5.00 million. As at the LPD, the transaction has been completed in accordance with the terms of the sale and purchase agreement.

(ii) From 27 October 2023 to 7 October 2024, the Group had entered into the following memoranda of agreement for the disposals of vessels owned by the Group:-

(a) Memorandum of agreement dated 27 October 2023 entered into between AMSB and AME Subsea Management Sdn Bhd for the disposal of a tug vessel, Setia Wira, for a cash consideration of USD460,000.00. As at the LPD, the transaction has been completed in accordance with the terms of the memorandum of agreement.

(b) Memorandum of agreement dated 17 April 2024 entered into between AMLI and RMSB for the disposal of a supply vessel, Setia Rentas, for a cash consideration of RM7,755,000.00. As at the LPD, the transaction has been completed in accordance with the terms of the memorandum of agreement.

(c) Memorandum of agreement dated 7 October 2024 entered into between AMSB and Sapor Shipbuilding Industries Sdn Bhd for the disposal of a tug / utility vessel, Setia Budi, for a cash consideration of RM2.00 million. As at the LPD, the transaction has been completed in accordance with the terms of the memorandum of agreement.

4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

4.1 Material commitments

As at the LPD, the Board confirmed that there are no material commitments incurred or known to be incurred by the Group.

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4.2 Contingent liabilities

As at the LPD, saved as disclosed below, the Board confirmed that there are no contingent liabilities incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the financial results or position of the Group:-

Contingent liabilities	RM'000
- Corporate guarantees extended to financial institutions for credit facilities granted to subsidiaries of the Company	32,625
- Corporate guarantees extended to financial institutions for credit facilities granted to its jointly controlled entities	54,111
- Bank and performance guarantees extended to third parties in respect of the contracts being undertaken by the Group	5,776
Total	**92,512**[(1)]

Note:-
(1) Upon completion of the Proposed Debt Restructuring, all the corporate guarantees amounting to RM92.51 million which have been extended to financial institutions for credit facilities granted to subsidiaries and jointly controlled entities of the Company will be released.

5. MATERIAL LITIGATION

As at the LPD, save as disclosed below, the Group is not engaged in any material litigation, claim and/or arbitration, either as plaintiff or defendant, which may have a material effect on the financial position or business of the Group and the Board confirms that there are no proceedings, pending or threatened, or any facts likely to give rise to any proceedings which may have a material effect on the financial position or business of the Group:-

(i) Matters which form part of the Proposed Debt Restructuring and will be settled via the Proposed Debt Restructuring

(a) Matters between RHB Islamic Bank Berhad ("RHB Islamic"), AMLI and AMRB

(i) Kuala Lumpur High Court Suit No.: WA-22M-1792-12/2023 by RHB Islamic against AMLI

On 7 December 2023, RHB Islamic filed a legal suit against AMLI claiming for the sum of USD2,347,280.65, being the payment due and owing to RHB Islamic under the Commodity Murabahah Term Financing-i and the Commodity Murabahah Revolving Credit-i granted to AMLI (collectively, the "**RHB Islamic Facilities**") and subsequently filed an application for summary judgment on 13 February 2024.

AMLI subsequently filed an application for stay and discovery of documents on 6 March 2024 ("**AMLI Stay and Discovery Application**").

On 8 August 2024, the court allowed the AMLI Stay and Discovery Application with costs of RM3,000, subject to the payment of allocatur of RM120.

On 9 September 2024, RHB Islamic obtained summary judgment in the sum of RM10,181,329.82 with interest at the rate of 4.375 per annum with effect from 7 November 2023 against AMLI.

On 23 October 2024, a stay of execution pending appeal against the summary judgment decision to the Court of Appeal was obtained by AMLI from the Kuala Lumpur High Court.

As at the LPD, AMLI's appeal against the summary judgment decision is fixed for hearing on 13 February 2026.

(ii) Kuala Lumpur High Court Suit No.: WA-22M-2065-12/2023 by RHB Islamic against AMRB

On 26 December 2023, RHB Islamic filed a legal suit against AMRB claiming for the sum of USD2,347,280.65, being the payment due and owing by AMLI to RHB Islamic under the RHB Islamic Facilities by virtue of the corporate guarantee provided by AMRB in favour of RHB Islamic.

A judgment in default of appearance for the sum of USD2,347,280.65 was entered against AMRB on 22 January 2024 ("**RHB Islamic JID**").

AMRB subsequently filed an application on 24 January 2024 to set aside the RHB Islamic JID and to stay the enforcement of the RHB Islamic JID pending disposal of AMRB's setting aside application ("**JID Setting Aside Application**"). AMRB also filed an application on 6 March 2024 for discovery of documents ("**AMRB Discovery Application**").

As at the LPD, the case management for the JID Setting Aside Application and the AMRB Discovery Application is fixed on 6 January 2026 pending the implementation of the Proposed Debt Restructuring.

The solicitors for AMLI and AMRB are of the opinion that RHB Islamic has no claim now pending the settlement of matters through the schemes of arrangement in relation to the Proposed Debt Restructuring, which has been approved and sanctioned by the High Court on 4 September 2024.

For information purposes, the outstanding amount due and owing by AMLI to RHB Islamic will be settled via the Proposed Debt Restructuring.

(b) Kuala Lumpur High Court Suit No.: WA-27NCC-39-08/2021 by BSASB against AMSB

On 2 August 2021, BSASB filed a legal suit against AMSB claiming for the sum of RM1,813,423.97 from AMSB, being the payment due and owing based on the invoices issued by BSASB to AMSB pursuant to the logistics and agency services rendered.

BSASB subsequently filed an application for summary judgment on 7 September 2021.

As at the LPD, the case management for this matter is fixed on 8 September 2025 in line with the schemes of arrangement in relation to the Proposed Debt Restructuring which has been approved and sanctioned by the High Court on 4 September 2024.

The solicitors for AMSB are of the opinion that the court would likely grant summary judgment in favour of BSASB as there are no seriously disputed facts.

For information purposes, the outstanding amount due and owing by AMSB to BSASB will be settled via the Proposed Debt Restructuring.

(c) Shah Alam Sessions Court Suit No.: BA-A52-NCVC-507-09/2020 by EDSB against AMSB

On 30 September 2020, EDSB filed a legal suit against AMSB claiming for the sum of RM611,799.82 from AMSB, being the amount due and owing to EDSB pursuant to the offshore catering and associated services rendered by EDSB for 2 of the projects of AMSB.

As at the LPD, the case management for this matter is fixed on 5 November 2025 in line with the schemes of arrangement in relation to the Proposed Debt Restructuring which has been approved and sanctioned by the High Court on 4 September 2024.

The solicitors for AMSB are of the opinion that there is a reasonable defence that has been raised and this matter would likely proceed to trial.

For information purposes, the outstanding amount due and owing by AMSB to EDSB will be settled via the Proposed Debt Restructuring.

(ii) Matters which are not part of the Proposed Debt Restructuring

(a) Matters between John Albert D'Lima ("JADL"), AMLI and Workboat International DMCCO ("WIDMCCO")

(i) Panama First Maritime Court Auto No. 95 del 14 de marzo de 2024 by JADL and WIDMCCO against AMLI

(ii) Arbitration matter between JADL, AMLI and WIDMCCO

On 28 August 2016, WIDMCCO, a subsidiary of the Company incorporated in the United Arab Emirates, entered into a memorandum of agreement with AMLI for the disposal of a vessel, WBI Trinity, for a consideration of USD7,500,000.00 ("**WBI Trinity Disposal**").

JADL, the former managing director of WIDMCCO, subsequently sought to unwind the WBI Trinity Disposal.

On 8 January 2018, WIDMCCO and JADL filed a legal suit against AMLI in the First Maritime Court of Panama ("**Panama Court**") claiming for an aggregate sum of USD9,647,218.00, being the end of service benefits owed for the termination of JADL's employment, the advances given by JADL to WIDMCCO during his tenure as the managing director of WIDMCCO, the purchase consideration of the WBI Trinity Disposal and the legal fees relating to his claim. The Panama Court had on 7 November 2019 decided in favour of WIDMCCO and JADL ("**Panama Court Decision**").

AMLI subsequently appealed against the Panama Court Decision. The Maritime Court of Appeals of Panama ("**Panama Court of Appeals**") had on 2 September 2020 revoked the Panama Court Decision and decided that it was not the proper forum for the said dispute to be ventilated and made an order for the dispute to be referred to arbitration in Kuala Lumpur, Malaysia.

Pursuant to a notice of arbitration dated 11 September 2020, JADL referred the dispute to arbitration in Kuala Lumpur claiming for an aggregate sum of USD3,947,218.00 against WIDMCCO and/or AMLI, being the advances given by JADL to WIDMCCO during his tenure as the managing director of WIDMCCO and the proceeds of WBI Trinity Disposal agreed by the then existing directors of WIDMCCO.

On 6 July 2023, AMLI filed a motion to uplift the injunction registered on the Certificate of Registry of WBI Trinity in Panama, originally lodged by JADL in 2018 after the vessel sale dispute arose but the said motion was dismissed by the Panama Court.

In view of the fact that JADL did not initiate arbitration proceedings in Kuala Lumpur within the 2-year limited under the laws of Panama, the Panama Court had on 13 July 2023 ruled to re-acquire jurisdiction over this matter and granted JADL and WIDMCCO a 30-day period to formally and properly initiate arbitration proceedings in Kuala Lumpur upon notification.

On 3 August 2023, the Panama Court ordered JADL and WIDMCCO to proceed with the arbitration proceedings in Kuala Lumpur within 30 days from the acceptance of the court order ("**Panama Court Order**").

On 4 October 2023, JADL served the notice of arbitration dated 11 September 2020 to WIDMCCO in Kuala Lumpur. On 27 October 2023, the solicitors for AMLI and WIDMCCO responded and contended that the arbitration initiated in Kuala Lumpur was not in compliance with the Panama Court Order.

On 21 December 2023, AMLI filed another motion to uplift the injunction registered on the Certificate of Registry of WBI Trinity in Panama but the said motion was again dismissed by the Panama Court. The Panama Court had also ruled to re-acquire jurisdiction over this matter and to decide the merits of the claim in Panama given that the claim was not litigated in Kuala Lumpur.

As at the LPD, AMLI has not received any official reply from JADL pertaining to the arbitration despite numerous follow-ups.

The solicitors for AMLI are of the opinion that JADL does not have a good claim under the notice of arbitration dated 11 September 2020 and a negative outcome is most probable. Therefore, it is not expected have a material impact to AMLI and/or the Group.

(b) Kuala Lumpur High Court Suit No. WA-22NCvC-199-03/2025 by Sage 3 Sdn Bhd ("Sage 3") against AMRB

On 25 March 2025, Sage 3 filed a legal suit against AMRB claiming for an abortive fee of RM3.5 million arising from the alleged termination by AMRB of the advisory services rendered by Sage 3. AMRB subsequently filed its defence on 24 April 2025.

Subsequently, the court fixed the case management for this matter on 23 June 2025.

The solicitors for AMRB are of the opinion that AMRB's prospects of successfully defending Sage 3's claim are more than even, on the basis that Sage 3's claim is without merit, and that Sage 3 is not entitled to the abortive fee as claimed, or any sum at all.

In the event that the Company is unsuccessful in the material litigation set out in Section 5(ii) above, it is unlikely that the Group will retrigger any of the prescribed criteria under PN17 of the Listing Requirements.

6. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of the Shares as transacted on Bursa Securities for the past 12 months preceding the date of this Circular as well as the last transacted market prices of the Shares on the relevant dates are as follows:-

	High (RM)	Low (RM)
2024		
May	0.030	0.020
June	0.035	0.025
July	0.045	0.030
August	0.035	0.025
September	0.035	0.025
October	0.035	0.025
November	0.035	0.030
December	0.035	0.030
2025		
January	0.035	0.030
February	0.035	0.025
March	0.035	0.025
April	0.030	0.025
Last transacted market price on 25 July 2024, being the last trading day prior to the first announcement of the Proposed Regularisation Plan	0.035	
Last transacted market price on the LPD	0.030	

(Source: Bloomberg)

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 38F, Level 3, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Malaysia during normal business hours from Mondays to Fridays (except public holidays) following the date of this Circular up to and including the date of the forthcoming EGM:-

(i) constitution of AMRB;

(ii) audited consolidated financial statements of AMRB for the FYE 31 December 2019, the FYE 31 December 2020, the 18-month FPE 30 June 2022, the FYE 30 June 2023 and the FYE 30 June 2024 as well as the latest unaudited consolidated financial statements of AMRB for the 6-month FPE 31 December 2024;

(iii) Reporting Accountants' letters relating to the pro forma consolidated statements of financial position of the AMRB Group as set out in Appendix IV of this Circular;

(iv) letters of consent and declaration of conflict of interest referred to in Section 2 of this Appendix VII;

(v) relevant cause papers in respect of the material litigation referred to in Section 5 of this Appendix VII;

(vi) IMR Report referred to in Appendix V of this Circular;

(vii) letters of Undertakings referred to in Section 4.3 of this Circular;

(viii) draft Deed Poll; and

(ix) material contracts referred to in Section 3 of this Appendix VII.

ALAM MARITIM RESOURCES BERHAD
(Registration No. 200501018734 (700849-K))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("**EGM**") of Alam Maritim Resources Berhad ("**AMRB**" or the "**Company**") will be held at HIVE 5 (Enterprise 4), Taman Teknologi MRANTI, Lebuhraya Puchong-Sungai Besi, 57000 Bukit Jalil, Kuala Lumpur on Tuesday, 17 June 2025 at 10.30 a.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolutions with or without any modification:-

SPECIAL RESOLUTION

PROPOSED REDUCTION OF THE COMPANY'S SHARE CAPITAL PURSUANT TO SECTION 116 OF THE COMPANIES ACT, 2016 ("ACT") ("PROPOSED SHARE CAPITAL REDUCTION")

"**THAT** subject to the passing of Ordinary Resolutions 1, 2 and 3, the confirmation of the High Court of Malaya pursuant to Section 116 of the Act and if required, the approvals of any other relevant authorities or parties being obtained, approval be and is hereby given to the Company to implement the cancellation of RM440.00 million of the issued ordinary share capital of the Company, which is lost or unrepresented by available assets, and that the credit arising from such reduction is to be utilised to set off the accumulated losses of the Company;

AND THAT the Board of Directors of the Company ("**Board**") be and is hereby authorised to give effect to the Proposed Share Capital Reduction with full power to assent to any terms, conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company, to do all acts, deeds and things and to execute, sign and deliver for and on behalf of the Company all such documents as may be necessary and/or expedient in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Share Capital Reduction."

ORDINARY RESOLUTION 1

PROPOSED CONSOLIDATION OF EVERY 10 EXISTING ORDINARY SHARES IN AMRB ("AMRB SHARES" OR "SHARES") INTO 1 AMRB SHARE ("CONSOLIDATED SHARES") ("PROPOSED SHARE CONSOLIDATION")

"**THAT** subject to passing of the Special Resolution as well as Ordinary Resolutions 2 and 3, upon the approvals being obtained from the relevant authorities / parties (where required), approval be and is hereby given to the Company to give effect to the consolidation of every 10 existing AMRB Shares into 1 consolidated AMRB Share;

THAT the Consolidated Shares shall rank equally in all respects with one another;

THAT the fractional entitlements arising from the Proposed Share Consolidation shall be disregarded and/or dealt with by the Board in such manner at its absolute discretion as it may deem fit or expedient and in the best interest of the Company;

AND THAT the Board be and is hereby authorised to sign and execute all document to give effect to the Proposed Share Consolidation with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required or imposed by the relevant authorities and to take all steps and do all acts and things in the manner as the Board may consider necessary or expedient in order to implement, finalise and give full effect to the Proposed Share Consolidation."

ORDINARY RESOLUTION 2

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW AMRB SHARES ("RIGHTS SHARES") TOGETHER WITH FREE DETACHABLE WARRANTS IN AMRB ("WARRANTS") ("RIGHTS WARRANTS") ON THE BASIS OF 3 RIGHTS SHARES FOR EVERY 4 CONSOLIDATED SHARES HELD BY ENTITLED SHAREHOLDERS OF THE COMPANY ON AN ENTITLEMENT DATE TO BE DETERMINED AND 1 RIGHTS WARRANT FOR EVERY 4 RIGHTS SHARES SUBSCRIBED ("PROPOSED RIGHTS ISSUE WITH WARRANTS")

"**THAT** subject to the passing of the Special Resolution as well as Ordinary Resolutions 1 and 3, upon the approvals being obtained from the relevant authorities / parties (where required), approval be and is hereby given to the Company to undertake the Proposed Rights Issue with Warrants as follows:-

(i) to provisionally allot and issue by way of a renounceable rights issue of 114,887,160 Rights Shares together with 28,721,790 free detachable Rights Warrants to the shareholders of the Company ("**Shareholders**") whose names appear in the record of depositors of the Company at the close of business on an entitlement date to be determined by the Board ("**Entitlement Date**") ("**Entitled Shareholders**") and/or their renouncee(s), on the basis of 3 Rights Shares for every 4 existing Consolidated Shares held by the Entitled Shareholders on the Entitlement Date together with 1 Rights Warrant for every 4 Rights Shares subscribed;

(ii) to enter into and execute the deed poll constituting the Warrants ("**Deed Poll**") and to do all acts, deeds and things as the Board may deem fit or expedient in order to implement, finalise and give effect to the Deed Poll (including, without limitation, the affixing of the Company's company seal, where necessary);

(iii) to allot and issue the Rights Warrants in registered form to the Entitled Shareholders (and/or their renouncee(s), as the case may be) and Excess Applicants (as defined below), if any, who subscribe for and are allotted the Rights Shares, each Rights Warrant conferring the right to subscribe for 1 new Share at an exercise price of RM0.30, subject to the provisions for adjustment to the subscription rights attached to the Rights Warrants in accordance with the provisions of the Deed Poll;

(iv) to allot and issue such number of additional Warrants pursuant to adjustments as provided for under the Deed Poll ("**Additional Warrants**") and to adjust from time to time the exercise price of the Warrants as a consequence of the adjustments under the provisions of the Deed Poll and/or to effect such modifications, variations and/or amendments as may be imposed, required or permitted by Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant authorities or parties (where required); and

(v) to allot and issue such number of new Shares credited as fully paid-up to the holders of Rights Warrants upon their exercise of the relevant Rights Warrants to subscribe for new Shares during the tenure of the Rights Warrants, and such further new Shares as may be required or permitted to be issued pursuant to the exercise of the Additional Warrants and such adjustments in accordance with the provisions of the Deed Poll;

THAT the issue price of the Rights Shares shall be fixed at RM0.12 per Rights Share;

THAT any Rights Shares which are not validly taken up or which are not allotted for any reason whatsoever to the Entitled Shareholders and/or their renouncee(s) shall be made available for excess applications in such manner and to such persons ("**Excess Applicants**") as the Board shall determine at its absolute discretion;

THAT the Rights Shares, the Rights Warrants and the new Shares to be issued pursuant to the exercise of the Rights Warrants and the Additional Warrants (if any) shall be listed on the Main Market of Bursa Securities;

THAT the proceeds of the Proposed Rights Issue with Warrants shall be utilised for the purposes as set out in Section 4.5 of the Circular to Shareholders of the Company dated 26 May 2025 and the Board be and is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interests of the Company, subject to the approval of the relevant authorities (where required);

THAT the Rights Shares shall, upon allotment, issuance and full payment of the issue price of the Rights Shares, rank equally in all respects with the then existing issued Shares, save and except that the holders of such Rights Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such Rights Shares;

THAT the new Shares to be issued arising from the exercise of the Rights Warrants (including the Additional Warrants, if any) shall, upon allotment, issuance and full payment of the exercise price of the Rights Warrants (or the Additional Warrants, if any) rank equally in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares to be issued arising from the exercise of the Rights Warrants (including the Additional Warrants, if any);

THAT the Board be and is hereby entitled to deal with all or any of the fractional entitlements of the Rights Shares and the Rights Warrants arising from the Proposed Rights Issue with Warrants, which are not validly taken up or which are not allotted for any reason whatsoever, in such manner and to such persons as the Board may in its absolute discretion deem fit and in the best interest of the Company (including without limitation to disregard such fractional entitlements altogether);

THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things, and to execute, enter into, sign, deliver and cause to be delivered for and on behalf of the Company all such transactions, arrangements, agreements and/or documents as it may consider necessary or expedient in order to implement, give full effect to and complete the Proposed Rights Issue with Warrants, with full powers to assent to and accept any conditions, modifications, variations, arrangements and/or amendments to the terms of the Proposed Rights Issue with Warrants as the Board may deem fit, necessary and/or expedient in the best interests of the Company or as may be imposed by any relevant authority or consequent upon the implementation of the aforesaid conditions, modifications, variations, arrangements and/or amendments and to take all steps as it considers necessary in connection with the Proposed Rights Issue with Warrants in order to implement and give full effect to the Proposed Rights Issue with Warrants;

AND THAT this Ordinary Resolution 2 constitutes specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all the Rights Shares, the Rights Warrants (including the Additional Warrants, if any) and the new Shares to be issued pursuant to the exercise of the Rights Warrants have been duly allotted and issued in accordance with the terms of the Proposed Rights Issue with Warrants."

ORDINARY RESOLUTION 3

PROPOSED SETTLEMENT OF PART OF THE AMOUNT OWING TO THE CREDITORS OF THE COMPANY VIA THE ISSUANCE OF NEW AMRB SHARES AND WARRANTS PURSUANT TO A SCHEME OF ARRANGEMENT UNDER SECTION 366 OF THE ACT ("PROPOSED SETTLEMENT")

"**THAT** subject to the passing of the Special Resolution as well as Ordinary Resolutions 1 and 2, the sanction of the High Court of Malaya as well as the approval of all relevant authorities and/or parties (where applicable) being obtained, approval be and is hereby given to AMRB to undertake the Proposed Settlement as follows:-

(i) allot and issue 177,506,735 new Shares ("**Settlement Shares**") together with 44,376,683 Warrants ("**Settlement Warrants**") to the scheme creditors of the AMRB group of companies ("**Scheme Creditors**") in accordance with the terms and conditions of a scheme of arrangement pursuant to Section 366 of the Act;

(ii) to enter into and execute the Deed Poll and to do all acts, deeds and things as the Board may deem fit or expedient in order to implement, finalise and give effect to the Deed Poll (including, without limitation, the affixing of the Company's company seal, where necessary);

(iii) to allot and issue the Settlement Warrants in registered form to the Scheme Creditors, each Settlement Warrant conferring the right to subscribe for 1 new Share at an exercise price of RM0.30, subject to the provisions for adjustment to the subscription rights attached to the Settlement Warrants in accordance with the provisions of the Deed Poll; and

(iv) to allot and issue such number of new Shares credited as fully paid-up to the holders of Settlement Warrants upon their exercise of the relevant Settlement Warrants to subscribe for new Shares during the tenure of the Settlement Warrants, and such further new Shares as may be required or permitted to be issued pursuant to the exercise of the Additional Warrants and such adjustments in accordance with the provisions of the Deed Poll;

THAT the Settlement Shares shall, upon allotment and issuance, rank equally in all respects with the then existing issued Shares, save and except that the holders of such Settlement Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such Settlement Shares;

THAT the new Shares to be issued arising from the exercise of the Settlement Warrants (including the Additional Warrants, if any) shall, upon allotment, issuance and full payment of the exercise price of the Settlement Warrants (or the Additional Warrants, if any) rank equally in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares to be issued arising from the exercise of the Settlement Warrants (including the Additional Warrants, if any);

THAT the Board be and is hereby authorised and empowered to take all such steps and enter into all deeds, agreements, arrangements, undertakings, transfers and indemnities as it deems fit, necessary, expedient and/or appropriate and in the best interest of the Company in order to implement, finalise, complete and give full effect to the Proposed Settlement with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by any relevant authorities as the Board deems fit, appropriate and in the best interest of the Company;

AND THAT this Ordinary Resolution 3 constitutes specific approval for the issuance of securities in the Company contemplated herein and shall continue in full force and effect until all the Settlement Shares, the Settlement Warrants (including the Additional Warrants, if any) and the new Shares to be issued pursuant to the exercise of the Settlement Warrants have been duly allotted and issued in accordance with the terms of the Proposed Settlement."

ORDINARY RESOLUTION 4

PROPOSED INTERNAL RESTRUCTURING INVOLVING THE LIQUIDATION, STRIKING-OFF AND/OR DISPOSAL OF THE NON-CORE ENTITIES OF AMRB ("PROPOSED INTERNAL RESTRUCTURING")

"**THAT** subject to passing of the Special Resolution as well as Ordinary Resolutions 1, 2 and 3, upon the approvals being obtained from the relevant authorities / parties (where required), approval be and is hereby given to the Company to give effect to the liquidation, striking-off and/or disposal of the non-core entities in the manner as set out in Section 6 of the Circular to Shareholders of the Company dated 26 May 2025 and upon such terms and conditions (including disposal consideration) to be determined by the Board;

AND THAT the Board be and is hereby authorised to sign and execute all document to give effect to the Proposed Internal Restructuring with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required or imposed by the relevant authorities and to take all steps and do all acts and things in the manner as the Board may consider necessary or expedient in order to implement, finalise and give full effect to the Proposed Internal Restructuring."

By order of the Board
ALAM MARITIM RESOURCES BERHAD

Nur Aznita binti Taip, ACIS (MAICSA 7067607)
Company Secretary

Kuala Lumpur
26 May 2025

Notes:-

1. *Only members whose names appear in the Record of Depositors on 10 June 2025 shall be entitled to attend and vote at this Extraordinary General Meeting.*
2. *A member entitled to attend and vote at this meeting is entitled to appoint at least one proxy to attend and vote in his stead. A 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 and vote at the meeting.*
3. *Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
4. *Where a member is an exempt authorised nominee (EAN) as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.*
5. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, under its Common Seal or the hand of its attorney duly authorised.*
6. *The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, deposit in the drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than 48 hours before the time set for holding the meeting or any adjournment hereof.*
7. *In compliance with the Main Market Listing Requirements of Bursa Securities, all resolutions set out in the Notice will be voted by poll.*

ALAM MARITIM RESOURCES BERHAD
(Registration No. 200501018734 (700849-K))
(Incorporated in Malaysia)

FORM OF PROXY

I/We____ NRIC No.: ____ of

____

________________ (FULL ADDRESS) being a Member / Members of Alam Maritim Resources Berhad (Registration No. 200501018734 (700849-K)), hereby appoint(s)

First Proxy

Full Name (in Block) and NRIC/ Passport Number	Address	Proportion of shareholdings	
		Number of shares	Percentage (%)

and/or failing him/her

Second Proxy

Full Name (in Block) and NRIC/ Passport Number	Address	Proportion of shareholdings	
		Number of shares	Percentage (%)

or failing him/her, the Chairman of the Meeting as my/our proxy, to attend and vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at HIVE 5 (Enterprise 4), Taman Teknologi MRANTI, Lebuhraya Puchong-Sungai Besi, 57000 Bukit Jalil, Kuala Lumpur, or at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the meeting as indicated there under. If no specific direction as to voting is given, my/our proxy/proxies may vote or abstain from voting at his/her discretion.

The proxy is to vote on the resolutions set out in the Notice of Extraordinary General Meeting as indicated with an "X" in the appropriate space. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his discretion.

Resolutions		For	Against
Special Resolution	Proposed Share Capital Reduction		
Ordinary Resolution 1	Proposed Share Consolidation		
Ordinary Resolution 2	Proposed Rights Issue with Warrants		
Ordinary Resolution 3	Proposed Settlement		
Ordinary Resolution 4	Proposed Internal Restructuring		

____
Signature/Common Seal

Signed this _____ day of __________, ____

No. of Shares held	
CDS Account No.	

Notes:-

1. *Only members whose names appear in the Record of Depositors on 10 June 2025 shall be entitled to attend and vote at this Extraordinary General Meeting.*
2. *A member entitled to attend and vote at this meeting is entitled to appoint at least one proxy to attend and vote in his stead. A 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 and vote at the meeting.*
3. *Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
4. *Where a member is an exempt authorised nominee (EAN) as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.*
5. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, under its Common Seal or the hand of its attorney duly authorised.*
6. *The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, deposit in the drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than 48 hours before the time set for holding the meeting or any adjournment hereof.*
7. *In compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice will be voted by poll.*

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company's Share Registrar
ALAM MARITIM RESOURCES BERHAD
(Registration No. 200501018734 (700849-K))

Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur

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