Alam Maritim Resources Berhad
(700849-K)

38F Level 2, Jalan Radin Anum,
Bandar Baru Sri Petaling,
57000 Kuala Lumpur, Malaysia.

tel : 603 9058 2244
email : info@alam-maritim.com.my
www.alam-maritim.com.my

ALAM MARITIM RESOURCES BERHAD (700849-K)

2008 ANNUAL REPORT

enduring values

ALAM MARITIM RESOURCES BERHAD
(Co. No. 700849-K)

annual report 08

Enduring Values

To our Company; Alam Maritim Resources Berhad and the employees, the cover image serves as an inspiration, reminding us of its intrinsic value and preciousness, especially in facing the current global financial adversity. Just like a pearl, our Company is a coveted asset in the country's continued growth and a positive contributor to its development.

At the same time, to our customers and business partners, the oyster represents our Company and our core business as one of the leading providers of integrated offshore services. Like the oyster, we present a glowing treasure to our customers and business partners that act as an enabler and add value to their operations.

The delicate oyster also succinctly symbolises our Company's sensitivity to the environment in which we operate, with our commitment to minimising harmful environmental impact. This has, and always will be, our top priority in realising our aspiration to be the best.

Vision

We aim to be a leading integrated offshore service provider in the oil & gas industry.

Mission

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

- Promoting health, safety, environment and security at the workplace
- Developing human capital capabilities
- Inculcating result-oriented work culture
- Establishing good corporate governance practice
- Maximising shareholders' wealth

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Corporate Philosophy

Health, Safety & Environment Policy

ALAM MARITIM GROUP believes that sincere and continual commitment towards excellence on Health, Safety and Environment is vital in sustaining and preventing injury to human or loss of life, damages to our assets as well as the preservation of the marine environment.

ALAM MARITIM GROUP is in compliance with the International Safety Management ("ISM") Code in our maritime operations as well as internationally recognised Health, Safety and Environment Management System ("HSE-MS") in our business operations.

ALAM MARITIM GROUP HSE-MS objectives are:

- Ensuring the existence of safe practices for marine operations and compliance to health, safety and environment protection within the oil and gas industry.
- Ability to conduct risk assessment for all the activities.
- Continual improvement on personnel skills on health, safety and environment ("HSE") by providing adequate resources on training implementation.
- Maintaining emergency preparedness by ensuring the emergency response system is regularly tested.

The HSE-MS Objectives can be achieved through the following means:

- Recognizing employees as valuable assets to the company, ALAM MARITIM GROUP is committed to provide a healthy and safe working environment.
- Ensuring employees at every level are safeguarded from identified risks.
- Communicating to all employees, ensuring information are shared and issues are properly addressed through consultation.
- Comply with the statutory requirements in the countries where ALAM MARITIM GROUP operates and applying consistent HSE standards worldwide. As a minimum requirement, internationally accepted codes and standards shall be used in ALAM MARITIM GROUP operations.
- Contractors managed by ALAM MARITIM GROUP shall comply with ALAM MARITIM GROUP HSE standards as a minimum.
- Reviewing the HSE performance for frequent updating to ensure continual improvement in areas where there are weaknesses within the management system.
- Providing competent personnel and other resources as required in ensuring that work is being executed with consideration towards total accident prevention.

ALAM MARITIM GROUP is totally committed in attaining excellence towards the protection of Health, Safety and Environment, and would seek all Directors, Managers, Executives, every office base staff, and those mariners working offshore on board ALAM MARITIM GROUP marine spread for their fullest undivided support to execute and make ALAM MARITIM GROUP Policy on HSE a success and we can be proud of together.

Quality Policy

Alam Maritim Resources Berhad provides the following services to the oil and gas industry:

- Offshore support vessels.
- Offshore installation and underwater construction.
- Warehouse and logistics support.

We provide quality offshore support services to the global oil & gas industry with emphasis on:

- Promoting health, safety, environment at workplace.
- Developing human capital capabilities.
- Inculcating result oriented work culture.
- Establishing good corporate governance practice.
- Maximising shareholders' wealth.

Corporate information

Board of Directors

Dato' Captain Ahmad Sufian @ Qurnain bin Abdul Rashid
Non-Executive Chairman

Azmi bin Ahmad
Managing Director/
Chief Executive Officer

Shaharuddin bin Warno @ Rahmad
Executive Director/
Chief Operating Officer

Ahmad Hassanudin bin Ahmad Kamaluddin
Executive Director

Mohd Abd Rahman bin Mohd Hashim
Executive Director

Ab Razak bin Hashim
Executive Director

Haji Ab Wahab bin Haji Ibrahim
Non-Executive Director

Dato' Mohamad Idris bin Mansor
Non-Executive Director

Audit Committee

Haji Ab Wahab bin Haji Ibrahim
(Chairman)
Dato' Captain Ahmad Sufian @ Qurnain bin Abdul Rashid
Dato' Mohamad Idris bin Mansor

Risk Management Committee

Dato' Mohamad Idris bin Mansor
(Chairman)
Haji Ab Wahab bin Haji Ibrahim
Shaharuddin bin Warno @ Rahmad
Azmi bin Ahmad
(alternate member to Shaharuddin bin Warno @ Rahmad)

Nomination & Remuneration Committee

Dato' Captain Ahmad Sufian @ Qurnain bin Abdul Rashid
(Chairman)
Dato' Mohamad Idris bin Mansor
Haji Ab Wahab bin Haji Ibrahim
Azmi bin Ahmad
Shaharuddin bin Warno @ Rahmad

Company Secretary

Haniza binti Sabaran, ACIS
(MAICSA No.7032233)

Registered Office and Correspondence Address

Alam Maritim Resources Berhad
(HEAD OFFICE)
No. 38F, Level 2, Jalan Radin Anum
Bandar Baru Sri Petaling
57000 Kuala Lumpur
MALAYSIA
Tel : + 603 - 9058 2244
Fax : + 603 - 9059 6845
Website : www.alam-maritim.com.my
Email : info@alam-maritim.com.my

Share Registrar

PFA Registration Services Sdn Bhd
(19234-W)
Level 17, The Gardens,
North Tower, Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur, MALAYSIA
Tel: + 603 - 2264 3883

Auditors

Ernst & Young (AF0039)
Level 23A Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
50490 Kuala Lumpur.
Tel : + 603 - 7495 8000

Principal Bankers

Malayan Banking Berhad (3813-K)
Concourse Level
Petronas Twin Tower
Kuala Lumpur City Center
50088 Kuala Lumpur, MALAYSIA
Tel : + 603 - 2026 7952

Maybank International (L) Ltd
(900003-A)
Level 16 (B), Main Office Tower
Financial Park Labuan
Jalan Merdeka
87000 Wilayah Persekutuan Labuan
MALAYSIA
Tel : + 6087 - 414 406

CIMB Bank Berhad (13491-P)
10th Floor, Bangunan CIMB
Jalan Semantan
50490 Kuala Lumpur
MALAYSIA
Tel : + 603 - 2084 8388

Standard Chartered Bank Malaysia
Berhad (115793-P)
Level 16, Menara Standard Chartered
No. 30, Jalan Sultan Ismail
50250 Kuala Lumpur
MALAYSIA
Tel : +603 - 2117 7777

Bank Pembangunan Malaysia Berhad
(47572-H)
Bandar Wawasan
No. 1016, Jalan Sultan Ismail
50724 Kuala Lumpur
MALAYSIA
Tel : + 603 - 2692 9088

Bank Muamalat Malaysia Berhad
(6175-W)
Level 1, Podium Block
Menara Bumiputra
No. 21, Jalan Melaka
50100 Kuala Lumpur
MALAYSIA
Tel : +603-2032 4059/4060

Stock Exchange Listing

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

Legal Advisor

Zul Rafique & Partners
Suite 17-01
17th Floor, Menara Pan Global
No. 8, Lorong P. Ramlee
50250 Kuala Lumpur
Tel : + 603 - 2078 8228

Financial Calendar

2008

2 JANUARY 2008 (WEDNESDAY)
ALAM-Private Placement of up to 45,562,813 new ordinary shares of RM0.25 each.

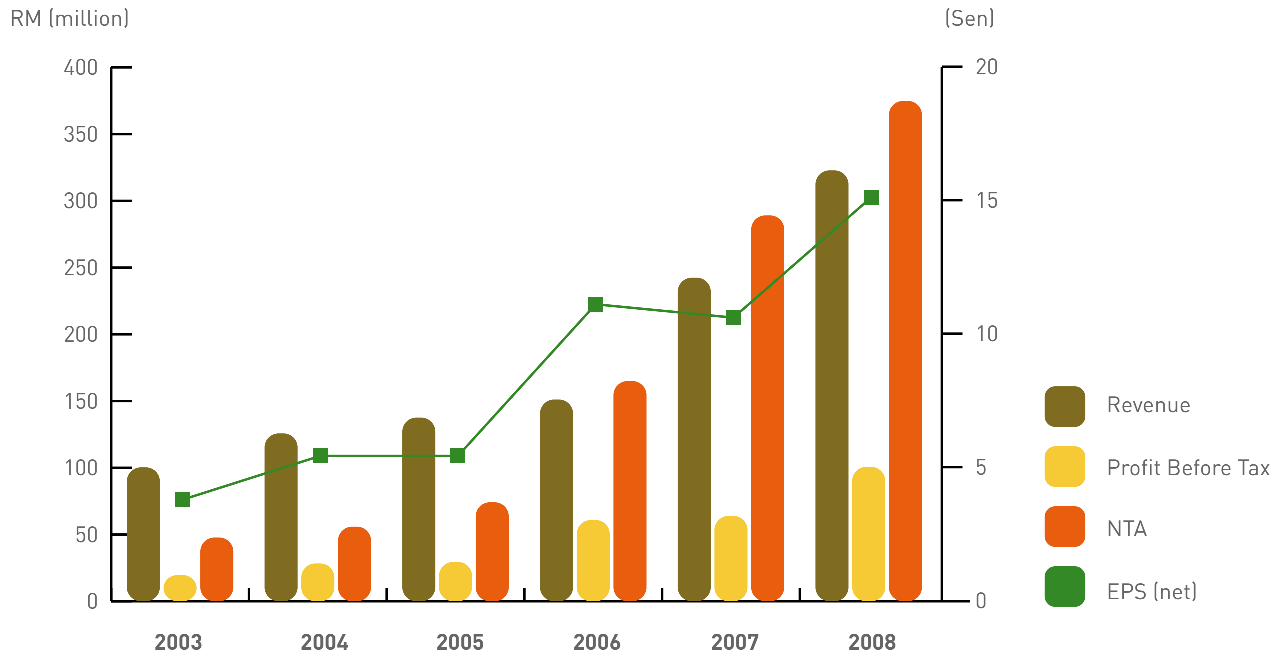
28 FEBRUARY 2008 (THURSDAY)
- Quarterly report on consolidated results for the financial period ended 31/12/2007
- Proposed final dividend in respect of the financial year ended 31 December 2007

20 MAY 2008 (TUESDAY)
Quarterly report on consolidated results for the financial period ended 31/3/2008

27 MAY 2008 (TUESDAY)
Notice of Annual General Meeting

4 JUNE 2008 (WEDNESDAY)
Notice of Extraordinary General Meeting

5-year Group Financial Highlights



20 JUNE 2008 (FRIDAY)
3rd Annual General Meeting & Extraordinary General Meeting

11 AUGUST 2008 (MONDAY)
- First and final dividend
- Quarterly report on consolidated results for the financial period ended 30/6/2008

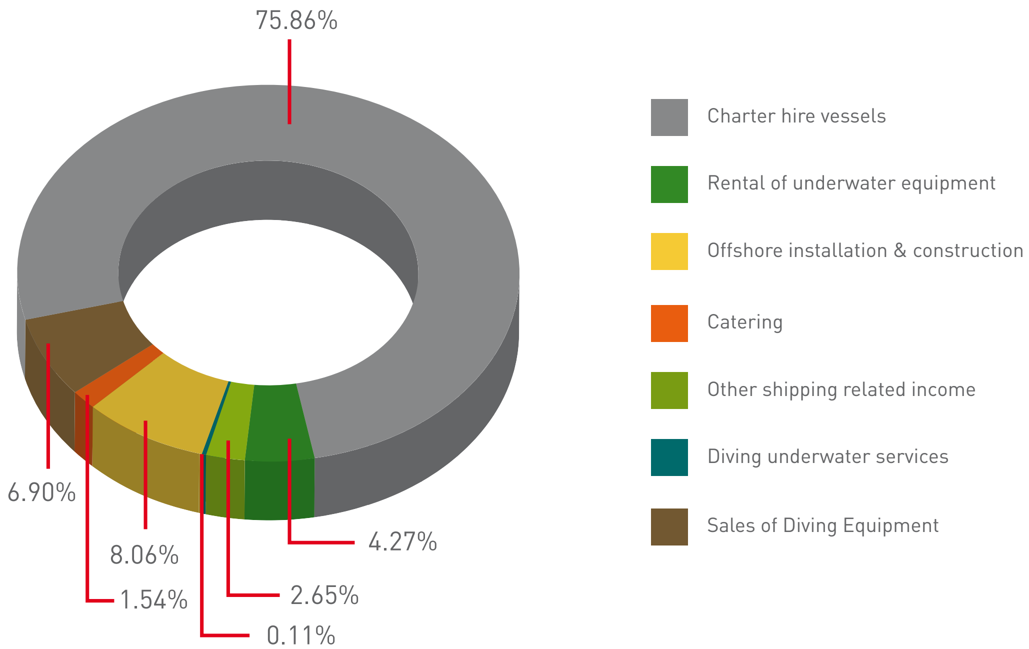
12 AUGUST 2008 (TUESDAY)
Alam-Notice of Book Closure

26 NOVEMBER 2008 (TUESDAY)
Quarterly report on consolidated results for the financial period ended 30/9/2008

2009

18 FEBRUARY 2009 (WEDNESDAY)
Quarterly report on consolidated results for the financial period ended 31/12/2008

Revenue Breakdown for the Financial Year 2008



Our Fleet

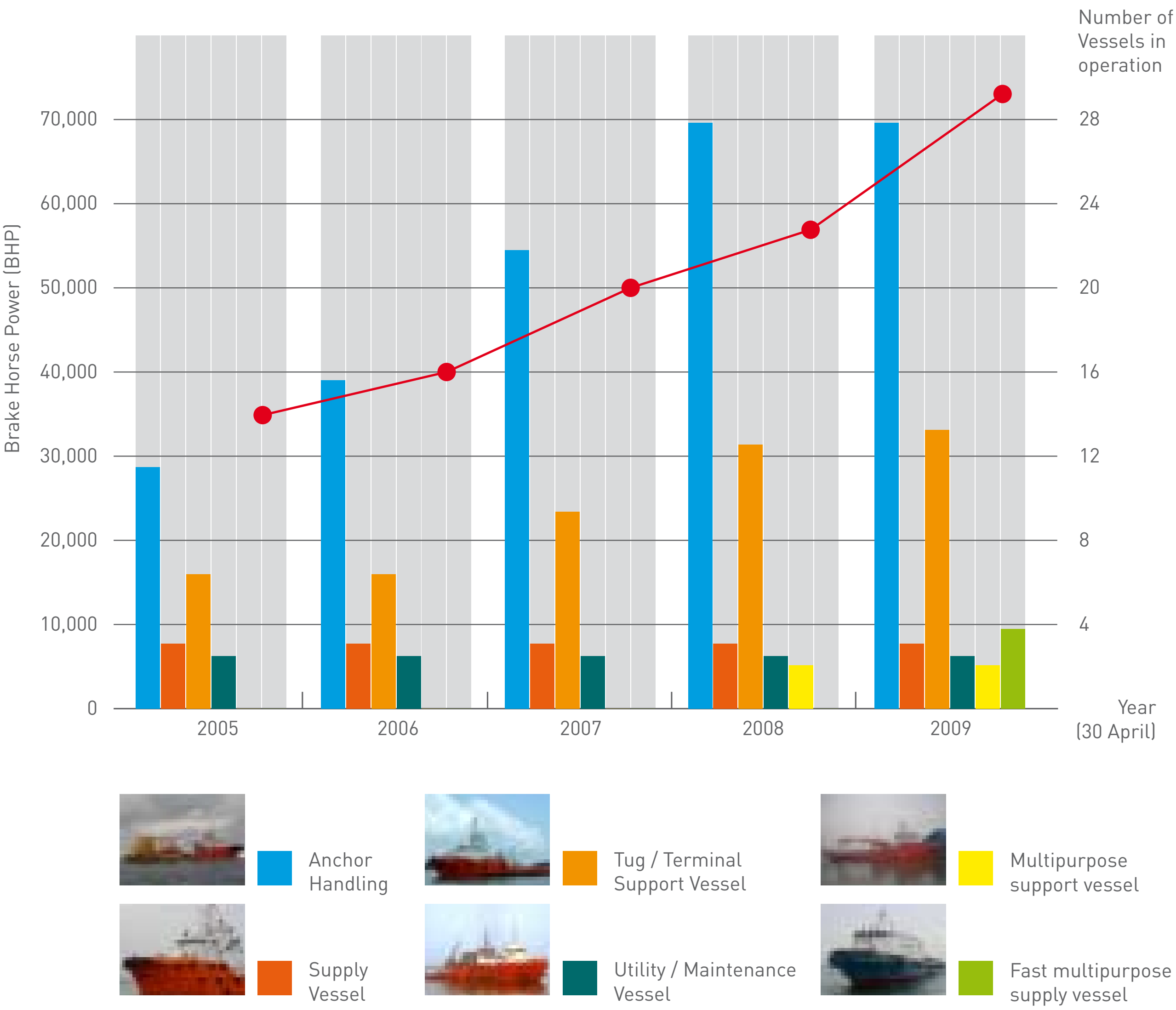
(as of 30 April 2009)

	Vessel Name	Vessel Type	Year Built	Class	BHP	Bollard Pull (in metric tonnes)	L x B x D (in metre)	Clear Deck Space (in square metres)	Accomodation Capacity
ANCHOR HANDLING									
1	Setia Jaguh	Anchor Handling Tug Supply Vessel	1999	BV	8,920	100	64 x 15 x 6.8	400	32 men
2	Setia Fajar	Anchor Handling Tug Supply Vessel	2005	BV	5,150	69	58.7 x 14.6 x 5.5	370	42 men
3	Setia Lestari	Anchor Handling Tug Supply Vessel	2005	BV	4,750	60	58.7 x 14.6 x 5.5	370	42 men
4	Setia Nurani	Anchor Handling Tug Supply Vessel	2005	ABS	5,150	60	59 x 14.6 x 5.5	375	42 men
5	Setia Padu	Anchor Handling Tug Supply Vessel	2006	BV	5,150	69	58.7 x 14.6 x 5.5	370	42 men
6	Setia Rentas	Anchor Handling Tug Supply Vessel	2006	BV	5,150	69	58.7 x 14.6 x 5.5	370	42 men
7	Setia Tangkas	Anchor Handling Tug Supply Vessel	2007	BV	5,150	67	58.7 x 14.6 x 5.5	370	42 men
8	Setia Wangsa	Anchor Handling Tug Supply Vessel	2007	BV	5,150	63	59.25 x 14.95 x 6.1	370	42 men
9	Setia Tegap	Anchor Handling Tug Supply Vessel	2008	BV	5,000	65	58.7 x 14.6 x 5.5	370	42 men
10	Setia Unggul	Anchor Handling Tug Supply Vessel	2007	BV	5,150	67	58.7 x 14.6 x 5.5	370	42 men
11	Setia Hebat	Anchor Handling Tug Supply Vessel (DP 1)	2008	BV	5,000	65	58.7 x 14.6 x 5.5	340	50 men
12	Setia Teguh	Anchor Handling Tug Supply Vessel (DP 1)	2008	BV	5,150	64	59.25 x 14.95 x 6.1	350	42 men
SUPPLY VESSEL									
13	Setia Indah	Utility / Supply	2005	BV	4,750	NA	57.5 x 13.8 x 5.5	350	42 men
TUG/PLATFORM SUPPORT VESSEL									
14	Setia Emas	Tug Supply Vessel	2004	BV	4,750	66	48 x 13.2 x 5.2	250	24 men
15	Setia Gagah	Platform Support / Supply Vessel	2003	ABS	4,750	47	60 x 13.3 x 6	280	23 men
16	Setia Handal	Towing / Safety Standby / Supply Vessel	2003	BV	3,000	48	50 x 11.58 x 4.2	256	24 men
17	Setia Kasturi	Support / Supply Vessel	2005	ABS	4,750	50	60 x 13.3 x 6	276	24 men
18	Setia Wira	Tug / Utility Vessel	2007	BV	3,500	46	48 x 11.8 x 4.6	180	28 men
19	Setia Zaman	Tug / Utility Vessel	2008	NKK	2,400	NA	40 x 11.8 x 4.6	150	26 men
20	Setia Cekap	Tug / Utility Vessel	2005	BV	3,500	42	45 x 11 x 4	158	20 men
21	Setia Azam	Tug / Utility Vessel	2007	ABS	3,880	46	45 x 11.8 x 4.6	151	20 men
22	Setia Budi	Tug / Utility Vessel	2008	NKK	2,400	NA	40 x 11.8 x 4.6	150	26 men
23	Setia Yakin	Tug / Utility Vessel	2008	NKK	3,200	NA	45 x 11 x 4	150	28 men
24	Setia Gigih	60M FSO Supply & Support Vessel	2009	ABS	5,220	60	60 x 13.3 x 6	350	46 men
UTILITY MAINTENANCE VESSEL									
25	Setia Abadi	Survey/Utility Vessel	1980	BV	1,040	NA	29.33 x 7.08 x 3	63	21 men
26	Setia Cekal	Platform Maintenance Vessel	1974	SCM	4,400	NA	62 x 12.8 x 4.9	400	63 men
27	Setia Damai	Platform Maintenance Vessel	1985	SCM	804	NA	33.69 x 10.08 x 2.77	108	16 men
MULTIPURPOSE SUPPORT VESSEL									
28	Setia Sakti	DP2 Multipurpose Workboat	2008	BV	5,150	NA	76 x 20 x 6.10	700	138 men
MULTIPURPOSE SUPPLY VESSEL									
29	Brompton Sun	Fast-Multipurpose Supply Vessel	2000	ABS	9,500	NA	50.25 x 9.1 x 3.86	190	200 seating capacity

New Deliveries
(2009 - 2010)


	Vessel Name	Vessel Type	Year Built	Class	BHP	Bollard Pull (in metric tonnes)	L x B x D (in metre)	Clear Deck Space (in square metre	Accomodation Capacity	Expected Delivery
30	Setia Kental	60M FSO Supply & Support Vessel	2009	ABS	5,220	60	60 x 13.3 x 6	350	46 men	2Q 2009
31	Setia Ulung	188Men Self Propelled Accomodation Vessel	2009	ABS	5,220	NA	78 x 20 x 6.5	680	188 men	2Q 2009
32	Setia Aman	188Men Sel Propelled Accomodation Vessel	2009	ABS	5,220	NA	78 x 20 x 6.5	680	188 men	2Q 2009
33	Setia Deras	40M Triple Screw Mono Hull Utility Vessels	2009	ABS	4,200	NA	40.38 x 7.8 x 3.4	100	80 seating capacity	2Q 2009
34	Setia Kilas	40M Triple Screw Mono Hull Utility Vessels	2009	ABS	4,200	NA	40.38 x 7.8 x 3.4	100	80 seating capacity	2Q 2009
35	Setia Qaseh	Anchor Handling Tug Supply Vessel	2009	BV	5,150	65	58.70 x 14.6 x 5.5	370	42 men	3Q 2009
36	Setia Erat	Anchor Handling Tug Supply Vessel (DP 1)	2010	BV	5,150	65	58.70 x 14.6 x 5.5	370	42 men	4Q 2010
37	Setia Perkasa	Anchor Handling Tug Supply Vessel (DP 2)	2010	ABS	12,180	150	80 x 17.2 x 8.5	570	50 men	2Q 2010
38	Setia Jati	Anchor Handling Tug Supply Vessel (DP 2)	2010	ABS	12,180	150	80 x 17.2 x 8.5	570	50 men	3Q 2010
39	Setia Iman	Anchor Handling Tug Supply Vessel (DP 1)	2010	ABS	5,150	62	59.25 x 14.95 x 6.1	340	42 men	3Q2010
40	Setia Luhur	Anchor Handling Tug Supply Vessel (DP 1)	2010	ABS	5,150	62	59.25 x 14.95 x 6.1	340	42 men	4Q 2010

Fleet Graph
(as of 30 April 2009)



Our Underwater Assets (as of 30 April 2009)

Remotely Operated Vehicle (ROV)

Model : **KINGFISHER Inspection and Light Work-Class ROV**
Type : 300 meters

Dimension : Length x Width x Height 1400mm x 900mm x 1,100mm
Weight in air : 500kgs
Performance :

Foward	110kgf	3.0 knots
Reverse	77kgf	3.0 knots
Lateral	73kgf	2.5 knots
Vertical	55kgf	1.5 knots

Work Capabilities :
- Light construction support
- Survey support
- Seabed mapping / site surveys

Power 440V, 100amps, 50/60Hz

Model : **PARI 1**
125HP Work-Class ROV
Type : 1,500m (Free-swimming)

Model : **SWIFT 3000 MSW**
160HP Work-Class ROV
Type : 3,000m (TMS)

Dimensions : (Length x Width x Height) 2,500mm x 1,450mm x 1,800mm
Weight in air : 2,400kg
Performance :

Forward	700kgf	3.5 knots
Lateral	550kgf	3.0 knots
Vertical	500kgf	1.5 knots

Work Capabilities :
- Marine and subsea construction/installation support
- Drilling, production & work-over support
- Facility inspection, maintenance and repair support

Power 440V, 300amps, 50/60Hz

Tooling Options :
a. Friction welding for anode installation
b. Cable and jumper installation
c. Cutting, cleaning and torque tools
d. Wellhead intervention tools
e. Cable and pipeline tracker system and trenching
f. Other specialised tooling-marine salvage support & facility decommission

Tether Management System (TMS)

Major Diameter	: 1,800 mm
Heights	: 2,000 mm
Weight in Air	: 2,200 kg
Weight in Water	: 2,000 kg
Excursion Tether Length	: 250 meters
Design	: Lloyds DNV Rules Sea State 5/6

Setia Selam 1: 200m 9-man Saturation Diving System 3-man Bell c/w

1. SURFACE DECOMPRESSION CHAMBER

2. DIVE BELL

Generic Specification

The 200m, 9-man saturation diving system with 3-man bell, was designed and fabricated to IMCA DESIGN D024 Standard in 2004 and certified by the American Bureau of Shipping (ABS). The system has undergone Thermal Test successfully in January 2005 as recommended by International Marine Contractor Association (IMCA).

The system is designed to provide the Clients eith deployment flexibility to suit their operating, requirements vis-à-vis 3 diver utilization, uninterrupted diver-change-outs, split-saturation depths, capability, and could be configured to suit the deck space availability onboard pipe lay barge, heavy lift barge, Dynamically Positioning Diving Support Vessel (DP DSV) and also for inland dam work.

The system could be disassembled and land transported to any location via low-loaders and trailers since the height of the major components including the road transporters. This 200m 9-man saturation diving system 3-men bell comprises 7 major lift components; Main Module Skid, Winch Skid, Control Van, Machinery Van, Workshop/Store Container; Hyperbaric Rescue Chamber Flyaway Van and Hyperbaric Rescue Chamber Skid.

Generic Specification

The IMCA D023 DESIGN compliant air/mixed gas diving system comprises the following units:

A. **Control Van** - a 20 footer air-conditioned container with lighting and power points, complete with Dive Supervisor's desk, dive control panel, CCTV, video recorders, divers communication, umbilical and deck decompression chamber.

B. **Machinery Van** - a 20 footer container complete with hydraulic power pack, air/gas cylinders, air bank, an low pressure compressor, a high pressure compressor and two exhaust fans.

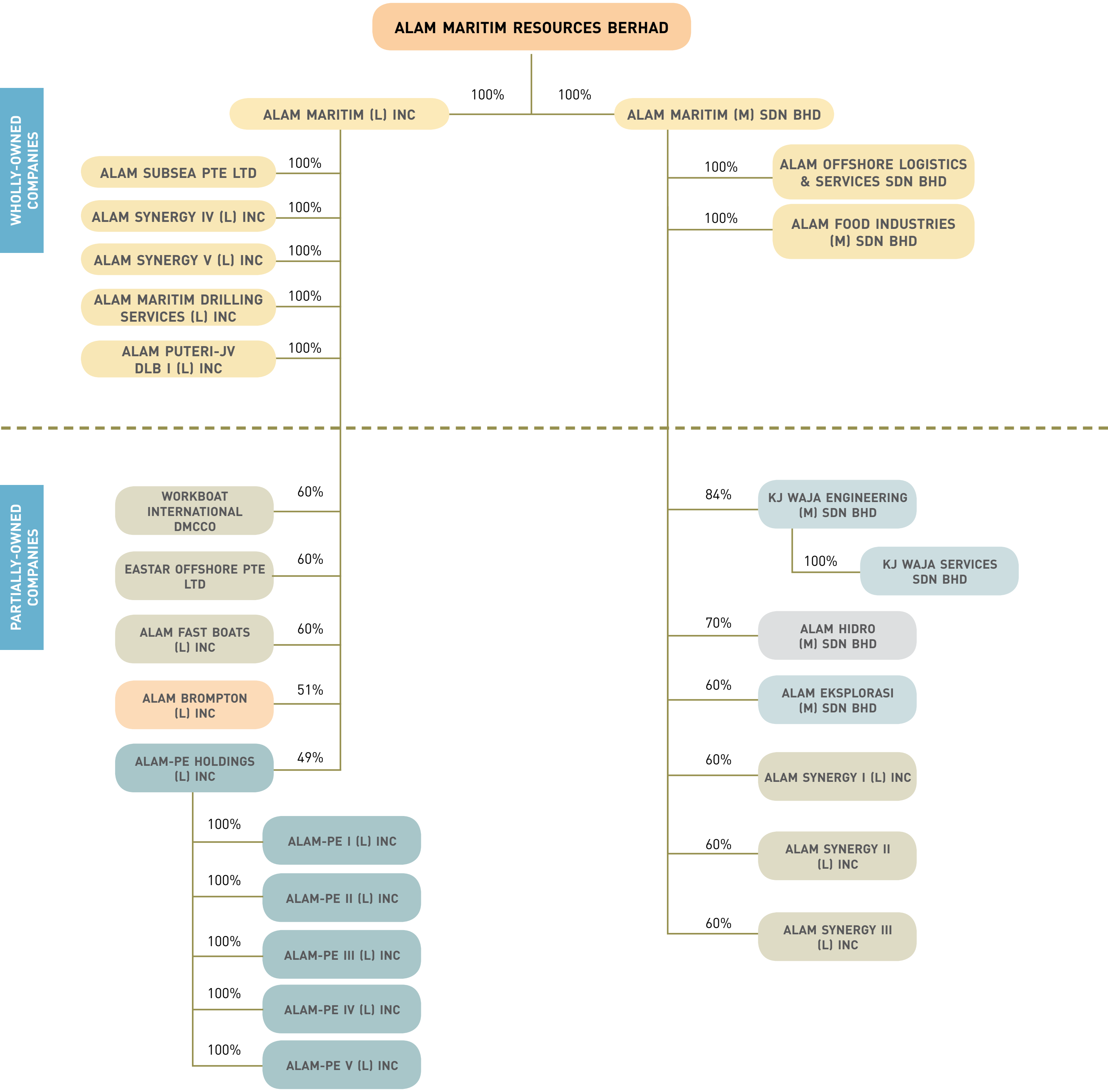
C. **Launching and Recovery System** - a skid mounted complete with a 2 tonne A-Frame, a dive stage, clump weight, hydraulic winch and tool box.

Setia Selam 2: 50m Air/Mixed Gas Diving System c/w

1. Control and Machinery Van

2. Launching and Recovery System

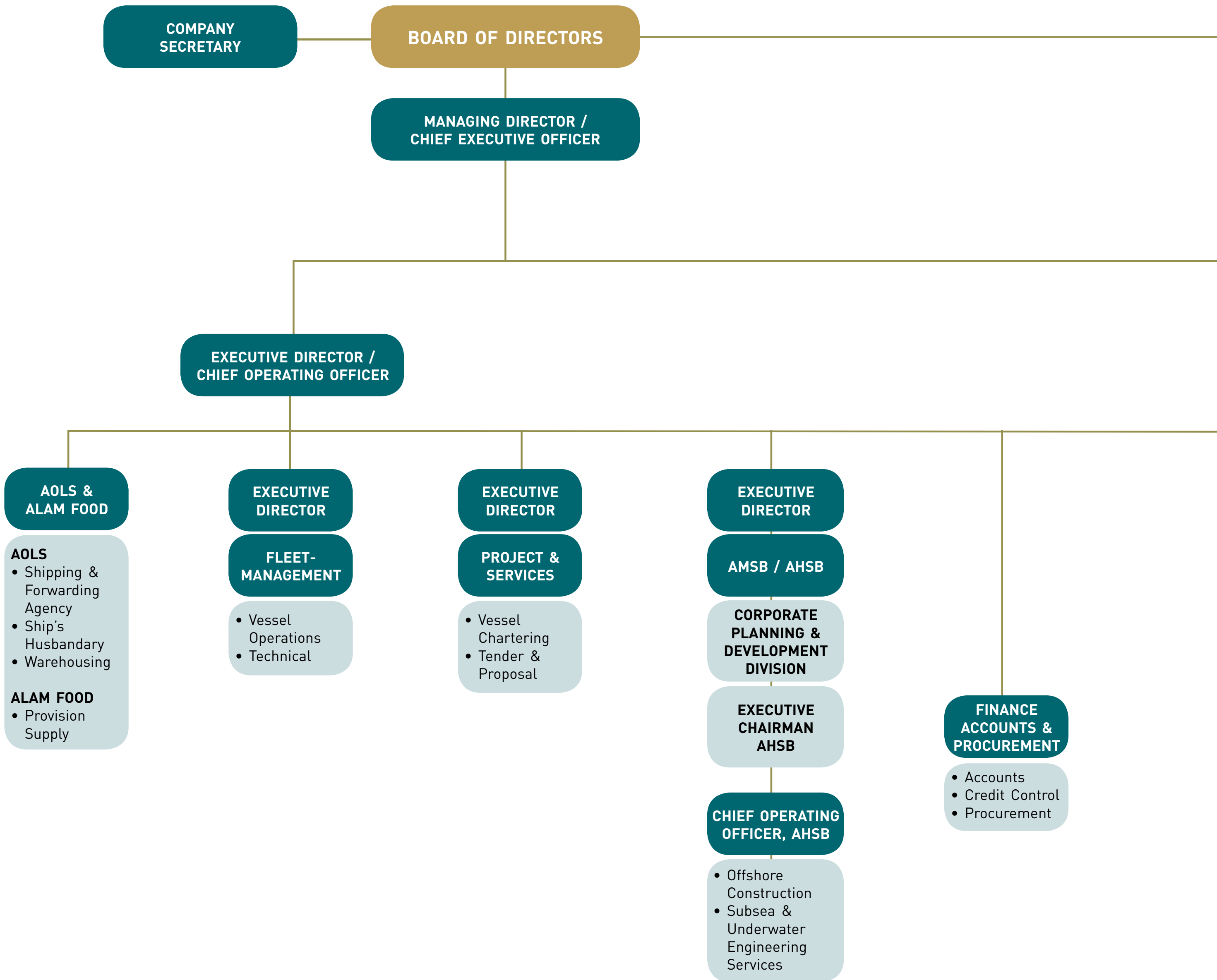
Corporate Structure
(as of 30 April 2009)

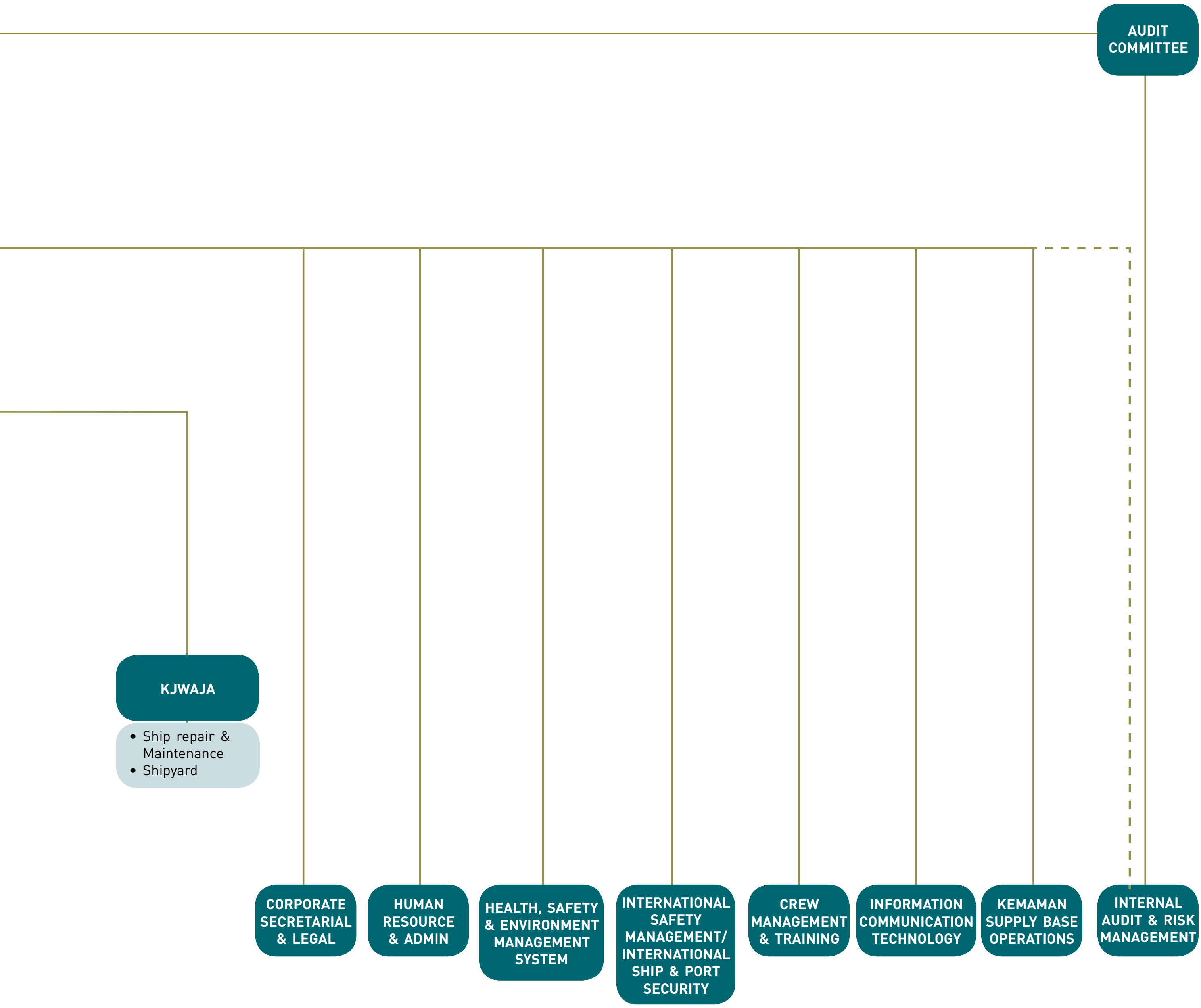


Corporate Structure (as of 30 April 2009) (cont'd)

Company	Date and Place of Incorporation	Issued and Fully Paid Up Share Capital	Effective Equity Interest (%)	Principal Activity
Alam Maritim (M) Sdn Bhd ("AMSB")	15.07.96 Malaysia	RM20,000,000	100.0	Ship owning, ship managing, catering, chartering and other related services.
Alam Maritim (L) Inc ("AMLI")	14.06.04 Federal Territory of Labuan, Malaysia	US$8,940,100	100.0	Investment holding and ship owning.
Alam Offshore Logistics & Services Sdn Bhd ("AOLS")	20.09.00 Malaysia	RM100,000	100.0	Transportation, ship forwarding and agent, ship chandeling and other related services.
Alam Subsea Pte Ltd ("Alam Subsea")	01.01.08 Singapore	SG$2	100.0	Provision of integrated marine services to oil and gas companies.
Alam Food Industries (M) Sdn Bhd ("Alam Food")	14.04.08 Malaysia	RM100,000	100.0	Catering & Messing services
Alam Synergy IV (L) Inc ("AS IV")	24.06.08 Federal Territory of Labuan, Malaysia	US$2	100.0	Dormant
Alam Synergy V (L) Inc ("AS V")	24.06.08 Federal Territory of Labuan, Malaysia	US$2	100.0	Dormant
Alam Maritim Drilling Services (L) Inc ("AMDS")	16.05.08 Federal Territory of Labuan, Malaysia	US$1	100.0	Dormant
Alam Puteri JV-DLB I (L) Inc ("APJDI")	30.09.08 Federal Territory of Labuan, Malaysia	US$100	100.0	Dormant
KJ Waja Engineering (M) Sdn Bhd ("KJ Waja")	16.11.00 Malaysia	RM1,500,000	84.0	Ship repair and maintenance, supply of labour, marine spare parts and related services.
KJ Waja Services Sdn Bhd ("KJ Waja Services")	21.07.05 Malaysia	RM100,000	84.0	Supply of spare and other related services.
Alam Hidro (M) Sdn Bhd ("AHSB")	05.02.99 Malaysia	RM500,000	70.0	Offshore facilities construction, installation and underwater services.
Alam Eksplorasi (M) Sdn Bhd ("AESB")	21.11.00 Malaysia	RM300,000	60.0	Ship owning, ship operating and catering.
Alam Synergy I (L) Inc ("AS I")	18.09.06 Federal Territory of Labuan, Malaysia	US$1,050,000	60.0	Ship owning, ship operating and chartering.
Alam Synergy II (L) Inc ("AS II")	18.09.06 Federal Territory of Labuan, Malaysia	US$1,050,000	60.0	Ship owning, ship operating and chartering.
Alam Synergy III (L) Inc ("AS III")	18.09.06 Federal Territory of Labuan, Malaysia	US$2,795,000	60.0	Ship owning, ship operating and chartering.
Eastar Offshore Pte Ltd ("Eastar")	01.03.06 Singapore	SG$432,502	60.0	Designing, manufacturing and operating of remotely operated vehicles (ROVs).
Workboat International DMCCO ("WBI")	03.05.05 United Arab Emirates	AED1,000,000	60.0	Ship managing, ship operating and marine consultancy.
Alam Fast Boats (L) Inc ("AFBI")	26.08.08 Federal Territory of Labuan, Malaysia	US$100	60.0	Ship owning, ship managing, catering, chartering and other related services.
Alam Brompton (L) Inc ("ABLI")	15.06.07 Federal Territory of Labuan, Malaysia	US$1,350,000	51.0	Ship management and operation, ship owning, ship maintenance and marine consultancy.
Alam PE-Holdings (L) Inc ("Alam PE (H)")	17.10.08 Federal Territory of Labuan, Malaysia	US$14,000,000	49.0	Ship owning, ship operating and chartering.
Alam-PE I (L) Inc ("Alam-PE I")	21.08.08 Federal Territory of Labuan, Malaysia	US$100	49.0	Ship owning, ship operating and chartering.
Alam-PE II (L) Inc ("Alam-PE II")	21.08.08 Federal Territory of Labuan, Malaysia	US$100	49.0	Ship owning, ship operating and chartering.
Alam-PE III (L) Inc ("Alam-PE III")	21.08.08 Federal Territory of Labuan, Malaysia	US$100	49.0	Ship owning, ship operating and chartering.
Alam-PE IV (L) Inc ("Alam-PE IV")	21.08.08 Federal Territory of Labuan, Malaysia	US$100	49.0	Ship owning, ship operating and chartering.
Alam-PE V (L) Inc ("Alam-PE V")	21.08.08 Federal Territory of Labuan, Malaysia	US$100	49.0	Ship owning, ship operating and chartering.

Organisational Structure
(as of 30 April 2009)




AUDIT COMMITTEE
KJWAJA
• Ship repair & Maintenance
• Shipyard
CORPORATE SECRETARIAL & LEGAL
HUMAN RESOURCE & ADMIN
HEALTH, SAFETY & ENVIRONMENT MANAGEMENT SYSTEM
INTERNATIONAL SAFETY MANAGEMENT/ INTERNATIONAL SHIP & PORT SECURITY
CREW MANAGEMENT & TRAINING
INFORMATION COMMUNICATION TECHNOLOGY
KEMAMAN SUPPLY BASE OPERATIONS
INTERNAL AUDIT & RISK MANAGEMENT

Calendar of Events

19 April 2008 - Alam Maritim Group Charity Drive at Rumah Amal Siraman Kasih, Rawang Selangor.

11-13 June 2008 - Alam Maritim Group's participation in Asia Subsea 2008 Exhibition at Kuala Lumpur Convention Centre.

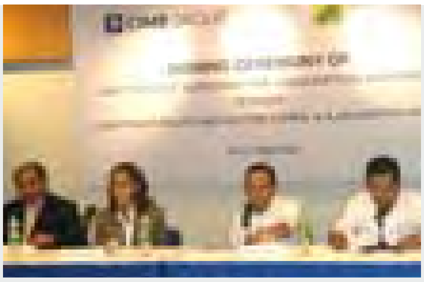
1 July 2008 - Delivery of MV Setia Budi, a newly built 2,400 bhp utility vessel.

23 July 2008 - Delivery Ceremony of MV Setia Sakti, a newly built 5,150 bhp DP2 multipurpose support vessel at West Wharf, Telok Kalong, Kemaman, Terengganu Darul Iman, Malaysia.

18 August 2008 - Delivery of MV Setia Yakin, a newly built 3,200 bhp utility vessel.

26 September 2008 - Delivery of MV Setia Tegap, a newly built 5,000 bhp anchor handling tug and supply vessel.

17 October 2008 - Launching Ceremony of KJ Waja Engineering (M) Sdn Bhd Shipyard by Y.A.B. Datuk Seri Hj Mohd Ali bin Mohd Rustam the Chief Minister of Malacca at Kuala Linggi, Melaka, Malaysia.



30 October 2008 - Signing Ceremony of JV Agreement and Subscription Agreement between CIMB Private Equity and Alam Maritim Group.

2 December 2008 - Delivery of MV Setia Hebat, a newly built DP1 5,000 bhp anchor handling tug and supply vessel.

3-5 December 2008 - Alam Maritim Group's participation in International Petroleum Technology Conference 2008 at Kuala Lumpur Convention Centre.

Awards & Recognition

Date	Event
2009	Recognition by Carigali Hess for MV Setia Wangsa - Completion of 1 year services without any Loss Time Injury ("LTI")
2009	Contractor's Safety Recognition by ExxonMobil - injury free for contractor recording up to 100,000 man - hours
2008	ISO 9001:2000 Certification by Bureau Veritas to Alam Maritim Resources Berhad, Alam Maritim (M) Sdn Bhd, Alam Hidro (M) Sdn Bhd and Alam Offshore Logistics & Services Sdn Bhd.
2008	Achievement of 2.7 million safe work-hours without LTI
2007	HSE Performance Award by Petronas Carigali Sdn Bhd-Recognition of an Excellent HSE Achievement.
2006	Contractor's Safety Recognition "Gold Award" by Exxon Mobil-Recognition of Safety Excellence 2006.
2006	Contractor's HSE Award by Petronas Carigali Sdn Bhd-Recognition of an Excellent HSE Achievement.
2005	"Gold Award" by Petronas Carigali Sdn Bhd-Recognition of Excellent HSE Performance for 2004/2005.
2004	Contractor's Safety Recognition "Gold Award" by Exxon Mobil-Recognition of Safety Excellence.
2003	Contractor's Safety Recognition "Gold Award" by Exxon Mobil-Recognition of Safety Excellence in 2003/2004.
2003	Certificate of Achievement 2.4 Million Man-hours without Loss Time Injury-HSE Performance from TL Offshore Sdn Bhd.
2002	Contractor's Safety Award Program by Exxon Mobile-Recognition of Safety Excellence.
2001	Contractor's Safety Award Program by Exxon Mobil-Excellent Safety Performance.

Board of Directors

1. DATO' CAPTAIN AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID
   Chairman/Independent Non-Executive Director

2. AZMI BIN AHMAD
   Managing Director/Chief Executive Officer

3. HAJI AB WAHAB BIN HAJI IBRAHIM
   Independent Non-Executive Director

4. AHMAD HASSANUDIN BIN AHMAD KAMALUDDIN
   Non-Independent Executive Director

5. SHAHARUDDIN BIN WARNO @ RAHMAD
   Non-Independent Executive Director/ Chief Operating Officer

6. DATO' MOHAMAD IDRIS BIN MANSOR
   Independent Non-Executive Director

7. MOHD ABD RAHMAN BIN MOHD HASHIM
   Non-Independent Executive Director

8. AB RAZAK BIN HASHIM
   Non-Independent Executive Director

Board of Directors' Profile

Dato' Captain Ahmad Sufian @ Qurnain bin Abdul Rashid
Chairman
Independent Non-Executive Director
Aged 60, Malaysian

Dato' Captain Ahmad Sufian @ Qurnain bin Abdul Rashid was appointed to the Board on 2 May 2006 and is also the Chairman of the Nomination and Remuneration Committee and a member of Audit Committee.

He qualified as a Master Mariner with a Master in Foreign-Going Certificate of Competency from the United Kingdom in 1974 and a Diploma in Applied International Management from the Swedish Institute of Management in 1984. He also attended the Advance Management Program ("AMP") at Harvard University in 1993. He is a Fellow of the Nautical Institute, (UK), a Fellow of the Chartered Institute of Logistics & Transport and a Fellow of the Institute Kelautan Malaysia. He has over 36 years of experience in the international maritime industry.

He is also the Independent Non-Executive Chairman of WCT Berhad, GD Express Carrier Berhad and an Independent Director of Malaysian Bulk Carriers Berhad.

He does not have any family relationship with any other director and/or major shareholder of the Company. He has no conflict of interest with the Company and has no conviction for any offences within the past 10 years.

Board of Directors' Profile (cont'd)

Azmi bin Ahmad
Managing Director/Chief Executive Officer
Non-Independent Executive Director
Aged 50, Malaysian

Azmi bin Ahmad was appointed to the Board on 2 May 2006. He is the Chairman of the ESOS Committee, a member of Nomination and Remuneration Committee and alternate member to Shaharuddin bin Warno @ Rahmad in the Risk Management Committee.

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

He began his career in 1978 as a Leftenan Udara in the Royal Malaysian Airforce. In 1985, he joined the Merlin Hotel Group as an Administration and Security Officer and in 1988, he joined Techart Sdn Bhd as the Head of Administration. In 1992, he accepted a position with Bank Bumiputra Malaysia Berhad as the Manager of the Corporate Banking Division. He left in 1994 and joined Nepline Berhad, a shipping company providing tanker services, as the General Manager of the Finance, Administration and Human Resources Division where he served for six years until 1999. He left Nepline Berhad to join AMSB in 2000. He is the co-founder of Alam Maritim (M) Sdn Bhd.

He does not have any family relationship with any other director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted for any offences within the past 10 years.

Shaharuddin bin Warno @ Rahmad
Chief Operating Officer,
Non-Independent Executive Director
Aged 41, Malaysian

Shaharuddin bin Warno @ Rahmad was appointed to the Board on 2 May 2006. He is a member of Risk Management Committee and Nomination and Remuneration Committee. He also sits in the ESOS Committee.

He is a member of the Association of International Accountants, UK and an Accredited Fellow of the Society of International Accounting Technicians, UK.

He began his career in 1988 as a Trainee with Mayban Finance Berhad. In 1990, he joined Faber Group Berhad as an Internal Auditor. In 1991, he joined Petronas as an Accounts and Costing Supervisor, International Marketing Division. In 1995, he was the Finance Manager in Maritime (M) Sdn Bhd, where he gained the know-how and experience to develop the operational and commercial aspects of a company in the offshore support vessel industry. He is the co-founder of Alam Maritim (M) Sdn Bhd. He was one of the top three finalists of The Ernst & Young Entrepreneur of The Year® Malaysia 2007, Master Category Award.

He does not have any family relationship with any other director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted for any offences within the past 10 years.

Board of Directors' Profile (cont'd)

Ahmad Hassanudin bin Ahmad Kamaluddin
Non-Independent Executive Director
Aged 63, Malaysian

Ahmad Hassanudin bin Ahmad Kamaluddin was appointed to the Board on 2 May 2006.

He graduated with a Bachelor of Economics (Analytical) from University of Malaya. He also attended Business and Management courses and programmes with Harvard Business School, Oxford School of Petroleum Studies and Fletcher School of Law and Diplomacy, Tufts University, USA.

He has vast experience in the oil and gas industry having served Petronas for almost 29 years in various capacities in both Downstream and Upstream business sectors. During his tenure he has held various senior management positions including executive secretary to the Fairley Baram Unitisation Scheme project, a member of the working committee which reviewed the Work Programme and Budget of Production Sharing Contract ("PSC") contractors, a member of the committee working on the Petronas Master Plan Study which looked into the development of the oil and gas industry in Malaysia and head of Business Development under Corporate Planning. Other positions held included Head of Property in LNG Sdn Bhd, Deputy General Manager of International Marketing Division in Petronas, Managing Director of Petronas Trading Corporation Sdn Bhd ("PETCO"), a wholly owned subsidiary of Petronas, Senior General Manager of Malaysian Crude Oil Division in Petronas and CEO of Vinyl Chloride (Malaysia) Sdn Bhd. Before his retirement, he was the CEO of ASEAN Bintulu Fertiliser Sdn Bhd, a joint venture company between PETRONAS (representing Malaysia) and Indonesia, Thailand, Philippines and Singapore.

During his tenure, he was also appointed to the Board of various subsidiaries of PETRONAS and held an honorary position as Vice President of International Fertilizer Association of the East Asia in 2003. He joined Alam Maritim (M) Sdn Bhd in June 2004.

He does not have any family relationship with any other director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted for any offences within the past 10 years.

Mohd Abd Rahman Bin Mohd Hashim
Non-Independent Executive Director
Aged 57, Malaysian

Mohd Abd Rahman Bin Mohd Hashim was appointed to the Board on 2 May 2006.

In 1970, he completed his HSC while attending King Edward VII Secondary School. He began his career in 1975 as a Management Trainee with Century Hotel and left in 1978. His last held position prior to leaving was as an Assistant Manager (Rooms Division). After leaving Century Hotel, he joined Holiday Inn, Kuala Lumpur as a Front Office Manager. In 1984, he left Holiday Inn and joined Hilton Hotel, Petaling Jaya as the Sales Marketing Manager and served the company for six years until 1990.

In 1990, he joined Maritime Pte Ltd, Singapore as the Manager of Sales and Marketing, Offshore Division where he acquired the knowledge and skills of the offshore support vessel industry. In 1993, he was seconded to Maritime (M) Sdn Bhd as Manager of Operations and Marketing Department. In 1998, he left Maritime (M) Sdn Bhd to establish Alam Maritim (M) Sdn Bhd.

He does not have any family relationship with any other director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted for any offences within the past 10 years.

Board of Directors' Profile (cont'd)

Ab Razak Bin Hashim
Non-Independent Executive Director
Aged 47, Malaysian

Ab Razak Bin Hashim was appointed to the Board on 2 May 2006.

He graduated in 1984 from MARA Institute of Technology, Malaysia with a Diploma in Civil Engineering and immediately began his career in 1984 as a Technical Assistant at Kobena Sambu Joint Venture and left in 1985 to pursue a Bachelor of Science in Civil Engineering with Glasgow University, UK. He is a member of the Board of Engineers Malaysia.

Upon graduating from Glasgow University in 1987, he joined Nik Jai Associates as a Civil Engineer. In 1989, he joined Petronas Carigali Sdn Bhd, Miri as a Planning/Project Engineer. In 1990, he was the planning engineer for Shapadu Holdings Sdn Bhd and subsequently he joined Comprimo Pte Ltd as a Planning/Project Engineer in 1991. He joined TL Offshore Sdn Bhd in 1992 as a Senior Cost/Planning Engineer. He served the company for eight (8) years and his last held position prior to leaving was as the Head of Marine & Logistic. In 2000, he left TL Offshore Sdn Bhd and joined of Alam Maritim (M) Sdn Bhd.

He has over 20 years of experience in the oil and gas offshore marine industry, inclusive of construction industry, pipe laying, offshore structures installation, directional drilling, offshore trenching as well as hook-up and commissioning, amongst others.

He does not have any family relationship with any other director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no conviction for any offences within the past 10 years.

Haji Ab Wahab bin Haji Ibrahim
Independent Non-Executive Director
Aged 58, Malaysian

Haji Ab Wahab bin Haji Ibrahim was appointed to the Board on 2 May 2006. He is the Chairman of Audit Committee, a member of the Risk Management Committee and Nomination & Remuneration Committee.

He is a Chartered Accountant and a member of the Malaysia Institute of Accountants. He obtained his Diploma in Accountancy and Degree in Accounting from MARA Institute of Technology, Malaysia in 1974 and 1987 respectively. In 2007, he obtained his Masters of Business Administration (Management Studies) from Rock Hampton University of USA. In the same year, he was honoured with the Honorary Doctorate Degree in Public Services by the Irish International University.

He started his career with Petronas in 1978 as a Management Executive and became an Accountant in the Corporate Finance Division four years later. He was later promoted to Senior Accountant before being transferred to Petronas Gas Berhad, a subsidiary of Petronas which is listed on the Main Board of Bursa Securities, where he was a Senior Manager and Joint Company Secretary.

In 1996, he became the Head of the Finance Division, OGP Technical Services Sdn Bhd, another subsidiary of Petronas, where he served until March 2004. He is currently an Independent Non-Executive Director on the Board of Tanjung Offshore Berhad and also serves as the Chairman of its Audit Committee.

Haji Ab Wahab was conferred both the Ahli Mangku Negara ("AMN") and Pingat Jasa Kebaktian ("PJK") in 2001.

He does not have any family relationship with any other director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no conviction for any offences within the past 10 years.

Board of Directors' Profile (cont'd)

Dato' Mohamad Idris bin Mansor
Independent Non-Executive Director
Aged 65, Malaysian

Dato' Mohamad Idris bin Mansor was appointed to the Board on 2 May 2006. He is the Chairman of Risk Management Committee, a member of the Audit Committee as well as the Nomination and Remuneration Committee.

He holds the Associateship of Camborne School of Mines (ACSM) from Camborne School of Mines, UK, Master of Science in Mining Geology and Exploration from the University of Leicester, UK and Master of Science in Petroleum Engineering from the University of Tulsa, Oklahama, United States of America.

He started his career in 1971 as a Research Engineer with the Department of Mines, Government of Malaysia. In February 1976, he joined Petronas as a Petroleum Engineer with the Production Department. In 1977, he served as the Production Manager of Petronas and was seconded to Petronas Carigali Sdn Bhd ("PCSB"), a wholly-owned subsidiary of Petronas in 1980 as the Deputy General Manager, Technical until 1984 and then as the General Manager until 1989. He was then appointed as the Chief Executive Officer of PCSB in 1989 and later as the Senior Vice President and Board Member of Petronas from 1 October 1993 until his retirement on 30 September 2002. He remained as Adviser, Exploration & Production Business of Petronas for another year.

He also sat as a Board Member of the Premier Oil Plc from 1999 to 2003, a company listed in the London Stock Exchange, as the Chairman on the Board of Greater Nile Petroleum Operating Company Ltd, Sudan from 1997 to 2002, as the Chairman of Energy Africa Ltd, South Africa from 1999 to 2004 and on the Board of various Petronas subsidiaries and associate companies in Malaysia and overseas. In 1995, he became the Chairman of the Society of Petroleum and Engineers ("SPE"), Asia Pacific until 2004 and continues to serve as a Board Member of SPE. He also sat on the Energy Advisory Board of Stone Bond Technologies, a technology company based in Houston, Texas, USA and is currently the Independent Non- Executive Director of KNM Group Berhad, another company listed on the Main Board of Bursa Malaysia Securities.

He was conferred the Darjah Kesatria Mangku Negara (KMN) in 1982, the Darjah Paduka Mahkota Terengganu (DPMT) and the Darjah Johan Setia Mahkota (JSM) in 1992 and an Honorary Doctorate of Science by the University of Exeter, UK in 1998.

He does not have any family relationship with any other director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no conviction for any offences within the past 10 years.

Chairman's Statement

My dear shareholders,

It gives me great pleasure to present to you this annual report for the year ended 31 December 2008.

Over the past few years, our company has grown steadily, and Alam Maritim Resources Berhad ("AMRB") performed very well last year, despite the trying economic conditions which commenced at the tail end of last year. The challenging times are persisting, and the oil and gas sector has been hit by tumbling prices of crude oil, which have fallen from highs of US$147 a barrel in July last year to about US$40 a barrel within the same year. It remains to be seen how oil prices will fare in the coming year.

Nevertheless the management of AMRB, will remain prudent, cautious and will keep a close watch for opportunities to ensure that your company will continue to grow steadily.

FINANCIAL RESULTS

I am proud to say that during the year in review, your company has posted a net profit of RM80.3 million on the back of RM322.9 million in revenue. In contrast to a year ago, net profits grew by about 52% while revenue gained 33.4%, thus posting commendable growth.

In financial year 2008, AMRB's earnings per share stood at 16.0 sen strengthening from 11.4 sen a year ago. During the year in review, your company's net asset per share was 77.0 sen, gaining almost 31.0% from 2007. The better financial performance was spurred by a larger fleet, i.e. 22 in financial year 2007 and 28 in financial year 2008 and higher charter rates.

Our balance sheet remains healthy. As at end 2008 your company had strong cash and bank balances amounting to RM121.6 million. Trade and other receivables amounted to RM246.2 million. This should position us well to make acquisitions when the opportunity arises.

AMRB net gearing stood at 1.3 times, which is manageable. Your management has also undertaken off balance sheet financing to acquire vessels, which will not adversely impact our gearing level.

THE YEAR AHEAD

As I mentioned earlier, the price of crude oil has tumbled from its historical highs of US$147 a barrel. However the need for offshore support services is still there, as exploration activities especially in deep water areas are still ongoing.

Last year about 60% of our company's revenue stemmed from PETRONAS contracts. Some of the ongoing exploration and drilling works are in Vietnam, Australia and Kazakhstan and we hope to participate in some of these areas. Our strong track record with PETRONAS have augured well for AMRB, as our contracts with the state controlled oil major are used as collateral for our Islamic debt securities. Nevertheless we continue to explore opportunities beyond PETRONAS umbrella, and have to date secured several jobs with international and established players. We hope to continue such growth patterns.

While many pundits are expecting charter rates to plunge in line with the weak oil prices, this has not been the case. The jobs undertaken by us are still lucrative and the charter rates have not tumbled in line with the price of oil. Although we cannot gauge for certain if oil prices will hit levels it did last year, we believe a correction will be in place which will once again create opportunities for oil majors to explore and for companies such as ours to benefit.

Nevertheless the management of AMRB is prepared for any eventuality and have the requisite experience where oil and gas are concerned. We will also look to balance out AMRB fleet with the more lucrative spot charters and that of the lower yielding long term charters, which offer fixed, albeit lower income streams. The operational aspects of the company will be dealt with by the Managing Director/CEO in his Group's operational review in this annual report on page 26.

STRATEGIES FOR THE CURRENT YEAR

AMRB's diversification into underwater services has started bearing fruit, as witnessed in our financial year 2008 results. With the acquisition of more such underwater equipments, i.e. two units of remotely operated vehicles ("ROV") and one unit of saturation diving system ("Sat Dive"), slated for delivery this year, this segment should play a more prominent role.

Chairman's Statement (cont'd)

In financial year 2008, the underwater segment contributed to 23% of revenue while the bulk of our company's turnover was generated by offshore marine vessels, which brought in the remainder 77% of revenue.

Other than 29 vessels and one flat top barge owned, we have an additional 11 vessels slated for delivery over the next two years of which six vessels in 2009 and five vessels in 2010 which should be a boon to our company.

While the on-going economic turmoil rages on, we will be looking out for opportunities in line with fleet expansion and possibly venturing into other areas of the oil and gas industry. Plans for these initiatives however are still preliminary, and we will update you when more concrete negotiations take place. Safe to say our management will continue to be prudent and will not undertake any unnecessary risk which may jeopardise the company.

The year started off on a good note with AMRB securing funding in the form of RM500.0 million Sukuk Ijarah Medium Term Notes and RM100.0 million Murabahah Commercial Papers/Medium Term Notes, i.e. RM600.0 million worth of Islamic Debt Securities. In the current damp climate it says a lot of the faith the financial institutions and capital markets have in your company, as many other more established companies have faltered with regards to bond issues.

CORPORATE EXERCISES UNDERTAKEN

The year under review saw your company aggressively in the news, with regards to joint venture agreements, the securing of contracts and on a private placement which was concluded during the year.

Late last year, your company and Trinity Offshore (L) Inc ("TOLI"), formed a joint venture company Alam Fast Boats (L) Inc ("AFBI"), with both parties holding 60% and 40% number of shares (respectively). AFBI acquired two units of Triple Screw Mono Hull Utility Vessels from Trinity Offshore, with a plan to deploy the vessels in either South East Asian or Middle Eastern waters.

During the year as well, AMLI completed a joint venture arrangement with Fast Offshore Supply Pte Ltd ("FOSPL"). AMLI and FOSPL will own and operate Fast Multipurpose Supply Vessels, with your company controlling 51% of the JV company.

Your company also had a joint venture agreement with CIMB Private Equity ("CIMB PE"), for the acquisition of five vessels, with AMLI controlling 49% of the joint venture company while CIMB PE takes 51% equity. It is notable that CIMB is among the largest and most respected banking outfits in the region, and the faith it has in AMRB speaks volumes of our ability.

AMSB also concluded its acquisition of a 84% stake in KJ Waja Engineering (M) Sdn Bhd ("KJ Waja") which has its mainstay in ship repair and maintenance. Following this development, a 36 acres of land located at river mouth of Sungai Linggi, Melaka was acquired in October 2008 with aims to develop a complete shipyard in the near future.

CORPORATE GOVERNANCE

My dear shareholders, your Board is made up of a well balanced number of individuals with varying backgrounds and expertise. Some are stalwarts in the oil and gas sector, and some have experience in accounting and management to better address corporate governance issues.

I state on record that this Board is committed to meet shareholders' expectations of transparency and accountability to steer the company to greater heights. The measures implemented have been highlighted in the Statement of Corporate Governance in this annual report on page 39.

APPRECIATION

On behalf of the Board of Directors of AMRB, I would like to convey my heartfelt appreciation to all our shareholders, customers, regulatory authorities, financiers, joint venture partners and suppliers for their loyal and continued support, and hope for stronger ties and relationships as our business progresses in the coming years.

Finally, please accept my sincere appreciation and thanks to the management and employees for their dedication, services and invaluable contributions towards achieving the company's vision.

Also a special note to our sea going personnel who have strived to achieve results in the midst of rough seas and other such challenges. My heartfelt appreciation to all of you and my prayers and thoughts are constantly with you.

DATO' CAPTAIN AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID

Chairman

7 May 2009

Penyataan Pengerusi

Para pemegang saham,
Saya berasa amat sukacita untuk membentangkan kepada anda laporan tahunan ini bagi tahun kewangan berakhir 31 Disember 2008.

Syarikat kita, Alam Maritim Resources Berhad ("AMRB") berjaya mencapai pertumbuhan mantap sejak beberapa tahun kebelakangan ini walaupun berhadapan dengan keadaan ekonomi yang mencabar pada penghujung tahun lepas, namun masih mampu mencatatkan prestasi yang amat memuaskan. Dalam keadaan yang terus mencabar, sektor minyak dan gas telah dilanda masalah kejatuhan harga minyak mentah yang merudum daripada paras tertinggi AS$147 setong pada bulan Julai tahun lepas kepada kira-kira AS$40 setong pada tahun yang sama. Sejauh mana harga minyak akan berubah pada tahun depan masih belum dapat dipastikan lagi.

Walau bagaimanapun, pengurusan AMRB akan terus mengambil pendekatan berhemat, berhati-hati dan teliti dalam memantau pelbagai peluang yang wujud untuk memastikan supaya syarikat anda akan terus menikmati pertumbuhan yang mantap.

KEPUTUSAN KEWANGAN

Saya berasa bangga untuk memaklumkan bahawa pada tahun yang ditinjau, syarikat anda mencatatkan keuntungan bersih sebanyak RM80.3 juta daripada hasil pendapatan yang berjumlah RM322.9 juta. Berbanding pencapaian pada tahun sebelumnya, prestasi pertumbuhan yang dicapai amat memberangsangkan kerana ia memaparkan peningkatan keuntungan bersih sebanyak kira-kira 52.0% dan peningkatan hasil pendapatan sebanyak 33.4%.

Pendapatan sesaham AMRB meningkat lebih teguh daripada 11.4 sen yang dicatatkan setahun sebelumnya kepada 16.0 sen sesaham pada tahun kewangan 2008. Pada tahun yang ditinjau juga, aset bersih sesaham syarikat anda berjumlah 77.0 sen sesaham, meningkat sebanyak hampir 31.0% berbanding pencapaian pada tahun 2007. Prestasi kewangan yang bertambah baik ini telah didorong oleh peningkatan bilangan kapal daripada 22 buah kapal pada tahun kewangan 2007 kepada 28 buah kapal pada tahun kewangan 2008 serta kadar carter yang lebih tinggi.

Kunci kira-kira kita mengekalkan prestasi yang sihat. Pada akhir tahun 2008, syarikat anda memiliki baki tunai dalam tangan dan di bank yang kukuh iaitu sebanyak RM121.6 juta. Penghutang perdagangan dan penghutang lain berjumlah RM246.2 juta. Ini telah meletakkan kita dalam kedudukan yang mantap untuk melaksanakan sebarang pengambilalihan apabila wujud peluang untuk berbuat demikian.

Pada akhir Disember 2008, penggearan bersih AMRB masih berada di paras yang mudah diuruskan iaitu sebanyak 1.3 kali. Pengurusan anda juga telah melaksanakan pembiayaan untuk membeli kapal melalui pendekatan luar kunci kira-kira di mana langkah tersebut tidak akan memberi kesan buruk kepada tahap penggearan kita.

TAHUN AKAN DATANG

Sepertimana yang saya sebutkan tadi, harga minyak mentah merudum daripada paras ketinggian AS$147 setong sebelumnya. Walau bagaimanapun, keperluan perkhidmatan sokongan luar pesisir pantai masih wujud kerana kerja-kerja carigali terutamanya di kawasan laut dalam masih diteruskan.

Kira-kira 60% daripada hasil pendapatan syarikat pada tahun lepas diperoleh daripada kontrak PETRONAS. Sebahagian daripada kerja-kerja eksplorasi dan carigali yang berterusan itu dijalankan di Vietnam, Australia dan Kazakhstan dan kita berharap untuk mengambil bahagian dalam kerja-kerja carigali yang dijalankan di kawasan-kawasan tersebut. Hubungan erat yang dijalin dengan PETRONAS memberi manfaat kepada AMRB kerana kontrak kita dengan syarikat minyak utama milik negara itu telah digunakan sebagai cagaran untuk sekuriti hutang Islam kita. Walau bagaimanapun, kita akan terus berusaha meneroka pelbagai peluang di bawah syarikat naungan PETRONAS dan kini, telah berjaya mendapatkan beberapa kerja dengan syarikat-syarikat antarabangsa dan ternama yang lain. Langkah tersebut diharap akan dapat membantu kita mengekalkan pola pertumbuhan seperti yang telah dicapai sebelum ini.

Sungguhpun ramai spekulator menjangka kadar carter akan jatuh menjunam selaras dengan kelemahan harga minyak, namun hal ini tidak menjadi kenyataan. Kerja-kerja yang kita jalankan masih memberikan pendapatan lumayan dan kadar carter masih kekal. Walaupun kita tidak boleh mengukur dengan pasti sama ada harga minyak boleh mencecah ke paras ketinggian yang sama seperti pada tahun lepas, namun kita percaya bahawa tanda-tanda pembetulan sudah kelihatan. Ia akan sekali lagi mewujudkan banyak peluang untuk diterokai oleh syarikat-syarikat minyak besar dan dapat dimanfaatkan juga oleh syarikat-syarikat penyedia perkhidmatan sokongan seperti kita.

Walau bagaimanapun, pengurusan AMRB sudah bersedia untuk menghadapi sebarang kemungkinan dan mempunyai pengalaman yang diperlukan dalam bidang berkaitan minyak dan gas. Kita juga akan berusaha untuk mengimbangi agihan armada kapal AMRB yang melibatkan pilihan antara kapal cateran spot yang memberikan pendapatan lebih lumayan dengan kapal cateran jangka panjang yang memberikan hasil pendapatan tetap walaupun agak rendah. Aspek operasi Kumpulan akan disentuh oleh Pengarah Urusan/Ketua Pegawai Eksekutif menerusi tinjauan Operasi Kumpulan beliau dalam laporan tahunan ini di mukasurat 26.

STRATEGI TAHUN SEMASA

Langkah AMRB mempelbagaikan aktiviti ke dalam perkhidmatan dasar laut telah mula menunjukkan hasil sepertimana yang boleh dilihat melalui keputusan yang dicapai pada tahun kewangan 2008. Pembelian lebih banyak peralatan dasar laut yang terdiri daripada dua unit peralatan selam jarak jauh ("ROV") dan satu unit sistem penyelaman tepu yang bakal diterima pada tahun ini, segmen perniagaan ini dijangka akan memainkan peranan yang lebih penting lagi pada masa depan.

Penyataan Pengerusi (samb')

Pada tahun kewangan 2008, segmen dasar laut menyumbang sebanyak 23% kepada hasil pendapatan syarikat sementara selebihnya (77%) disumbangkan oleh segmen kapal marin luar pesisir pantai.

Selain memiliki 29 buah kapal dan satu tongkang, kita juga mempunyai 11 buah kapal yang bakal disiapkan sepanjang tempoh dua tahun akan datang iaitu enam pada tahun 2009, manakala lima lagi pada tahun 2010 yang akan membantu pertumbuhan syarikat kita.

Sepanjang tempoh pergolakan ekonomi yang berterusan masakini, kita akan berusaha untuk mencari pelbagai peluang sejajar dengan pengembangan armada kapal kita dan berkemungkinan akan meneroka ke dalam pelbagai bidang lain dalam industri minyak dan gas. Rancangan untuk menjayakan semua inisiatif ini walau bagaimanapun, masih di peringkat awal dan kami akan memaklumkan kepada anda sekalian sebaik sahaja rundingan yang lebih konkrit telah dicapai. Pengurusan mengambil pendekatan yang selamat dengan meneruskan sikap berhemat dan tidak akan mengambil sebarang risiko yang boleh memudaratkan syarikat.

AMRB telah melalui satu tahun permulaan yang baik kerana berjaya memperolehi pembiayaan dalam bentuk Sekuriti Hutang Islam bernilai RM600.0 juta yang meliputi Nota Ijarah Sukuk Jangka Sederhana bernilai RM500.0 juta dan Kertas Perdagangan/Nota Murabahah Jangka Sederhana bernilai RM100.0 juta. Kejayaan memperolehi pembiayaan ini dalam keadaan kelembapan ekonomi semasa membuktikan kepercayan yang diberikan oleh institusi kewangan dan pasaran modal terhadap syarikat anda kerana banyak syarikat lain yang lebih ternama terjejas akibat terbitan bon yang mereka laksanakan.

PERLAKSANAAN KORPORAT

Perjanjian usahasama yang dimeterai, kontrak yang diperolehi dan penempatan persendirian yang berjaya dilaksanakan telah menonjolkan syarikat anda menjadi bahan berita pada tahun yang ditinjau.

Pada penghujung tahun lepas, syarikat anda dan Trinity Offshore (L) Inc ("TOLI") telah menubuhkan sebuah syarikat usahasama yang dikenali sebagai Alam Fast Boats (L) Inc ("AFBI"), di mana AMRB memegang 60% kepentingan dan selebihnya (40%) dipegang oleh TOLI. AFBI membeli dua unit Kapal Utiliti *Mono Hull Triple Screw* daripada TOLI yang akan digunakan di perairan Asia Tenggara atau Timur Tengah.

Pada tahun ini juga, syarikat anda telah menyempurnakan sebuah perjanjian usahasama dengan Fast Offshore Supply Pte Ltd ("FOSPL"). AMLI dan FOSPL akan memiliki dan mengendali Kapal Bekalan *Fast Multipurpose Supply*, di mana syarikat anda memiliki 51% kepentingan dalam syarikat usahasama tersebut.

Syarikat anda juga telah memeterai perjanjian usahasama dengan CIMB PE untuk membeli lima buah kapal, di mana AMLI memiliki 49% kepentingan dalam syarikat usahasama ini, sementara CIMB PE pula memiliki 51% kepentingan selebihnya. CIMB adalah di antara institusi perbankan terbesar dan paling dihormati di rantau ini dan kepercayaan yang diberikan olehnya kepada AMRB membuktikan keupayaan yang kita miliki.

AMSB juga telah menyempurnakan pengambilalihan 84% kepentingan dalam KJ Waja yang terlibat dalam kerja membaikpulih dan penyelenggaraan kapal. Pada masa yang sama, syarikat telah membeli sebidang tanah seluas 36 ekar di muara Sungai Linggi, Melaka pada bulan Oktober untuk dibangunkan sebagai sebuah limbungan kapal yang lengkap dalam tempoh terdekat.

TADBIR URUS KORPORAT

Para pemegang saham, Lembaga Pengarah anda terdiri daripada individu dari pelbagai latar belakang dan kepakaran yang seimbang. Sebahagian daripada mereka merupakan tokoh dalam industri minyak dan gas, manakala yang lain pula mempunyai pengalaman luas dalam bidang perakaunan dan pengurusan untuk menangani pelbagai isu berkaitan tadbir urus dengan lebih baik.

Di sini saya ingin merekodkan komitmen Lembaga Pengarah untuk memenuhi jangkaan pemegang saham tentang ketelusan dan kebertanggungjawaban untuk meneraju syarikat mencapai kejayaan yang lebih tinggi lagi. Langkah-langkah yang dilaksanakan dibentangkan dalam Laporan Tadbir Urus Korporat dalam laporan tahunan ini di mukasurat 39.

PENGHARGAAN

Bagi pihak Lembaga Pengarah AMRB saya ingin menyampaikan setinggi penghargaan kepada para pemegang saham, klien, pihak berkuasa, pembiaya, rakan usahasama dan pembekal atas semangat setia kawan dan sokongan berterusan yang diberikan dan berharap semoga ikatan dan hubungan baik yang sedia terjalin ini akan bertambah erat lagi demi kebaikan perniagaan kita pada masa depan.

Ucapan penghargaan dan terima kasih setulus ikhlas ini juga saya tujukan kepada pihak pengurusan dan kakitangan atas kesungguhan khidmat dan sumbangan mereka yang tidak ternilai ke arah mencapai wawasan syarikat.

Rakaman penghargaan khas ini turut ditujukan kepada anak-anak kapal yang telah bertungkus lumus menyumbang tenaga kepada pencapaian keputusan yang amat memuaskan di tengah-tengah arus gelombang yang bergelora serta pelbagai cabaran lain yang seumpamanya. Akhir sekali, penghargaan setulus ikhlas ini adalah untuk anda sekalian, diiringi dengan doa serta salam ingatan yang berpanjangan.

DATO' CAPTAIN AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID

Pengerusi

7 Mei 2009

Group's Operational Review

INTRODUCTION

Alam Maritim Resources Bhd ("AMRB"), is an integrated offshore support service provider. For the period ended 31 December 2008, we have recorded a stellar performance through a series of impressive developments due to the robust growth of the oil and gas industry. All-time high oil price, at US$147 per barrel recorded in July 2008 has prompted national oil major and many other global oil companies to fast track oil exploration and extraction projects. Besides, oil and gas companies have also been aggressively working to revitalize existing oil and gas fields to increase reservoir reserve recovery rate.

Since the discovery of the country's first deepwater field off Sabah in Kikeh, in 2002, Malaysia currently has about 26 deepwater fields under development. These developments bode well for the growth of our Group's core business, servicing the offshore oil and gas industry.

Our Group's integrated services include the provision of marine transportation, offshore construction, sub-sea engineering and underwater services, remotely operated vehicles services, integrated logistics services as well as ship repair and maintenance. We currently operate in South East Asia and Middle East.

OFFSHORE MARINE SUPPORT SERVICES

Due to robust oil and gas activities in the period under review, our core business has made momentous development to cater the aggressive production and exploration activities by oil majors. This robust demand is further buoyed up by national oil company, Petroliam Nasional Bhd's ("PETRONAS") preference to support local oil and gas support service providers. Also, there are insufficient numbers of local players in this niche industry. This business segment has contributed 77.3% or RM264.7 million to our Group's turnover for the year ended December 2008. Against the previous financial year, this business segment has grown by 14.7% in terms of turnover.

With 21 offshore support vessels ("OSVs") under five years old, we remain one of the premier preference by oil majors due to our young fleet and excellent operational track records. Currently, all of the vessels are 100% occupied. During the period under review, six of our Group's OSV were awarded with a contract valued approximately RM249.0 million.

Another significant new contract secured was for our diving support vessel, MV Setia Sakti for RM46.2 million. MV Setia Wangsa, another AHTS was awarded a one-year contract with extension option for another one year for a total contract sum of approximately RM16.4 million.

During the period under review, AMRB and CIMB Private Equity and Venture Capital ("CIMB PE") have entered into arrangement to acquire five OSVs worth US$70.0 million (RM252.0 million). The first vessel delivered under the arrangement has been contracted to a local oil major for a contract valued at approximately RM38.0 million.

We shall aggressively continue our fleet expansion program to signify our commitment as a key player in Asia market by providing modern and state-of-the-art vessels with enhanced capabilities. We have also entered into separate agreements to acquire four units of newly built anchor handling tug supply ("AHTS") vessel with DP1 capability, and two units of 40m triple screw mono-hull utility vessels.

Collectively, these vessels will be delivered between 2009 and the last quarter of 2010. In total, the Group aims to have a total of 40 OSVs by 2010, making our Group one of the largest owners-operators of OSVs in South East Asia.

OFFSHORE CONSTRUCTION, SUB-SEA ENGINEERING AND UNDERWATER SERVICES

Alam Hidro (M) Sdn Bhd ("Alam Hidro"), our subsidiary, focuses on underwater support services for the oil and gas industry. Riding on the active exploration and production by oil majors moving into deepwater fields and repairing existing ageing offshore oil and gas facilities, contribution by this business segment has significantly increased by twofold from RM18.7 million in 2007 to RM37.3 million in the period under review.

In 2008, Alam Hidro acquired one unit of saturation diving system ("Sat Dive") from the United Arab Emirates which is targeted to be delivered in 2Q2009. With this additional unit, we will soon own two units of Sat Dive System and four units of air/mixed gas diving system in the Group.

The recent execution of the heads of agreement with OCI Energy and Ombak Marine to jointly work on a shore approach pipe laying project for a local installation contractor will mark another milestone in the offshore installation and construction business segment for our Group.

Group's Operational Review (cont'd)

REMOTELY OPERATED VEHICLE (ROV)

This is another business segment that supports AMRB to be an all-rounder player. Our diversification into this value added integrated services has paved the way to more opportunities in the various business activities in the upstream sector of the oil and gas industry from exploration, to development, production and maintenance phases of the industry.

This business segment has contributed 9.8% to the Group's revenue compared to less than 1% in 2007. AMRB has strategically plan to grow this business via its 60%-owned company, Eastar Offshore Pte Ltd ("Eastar Offshore"), that specializes in designing and manufacturing the ROV. For the ROV operation, we had incorporated Alam Subsea Ptd Ltd ("Alam Subsea") in Singapore to solely undertake the specific business purpose.

In the period under review, Eastar Offshore has received an order of three units of ROV from AMRB's wholly owned subsidiary, Alam Subsea for RM32.2 million. Eastar Offshore had also received the third order from an Australian company, for RM6.8 million.

INTEGRATED LOGISTICS AND ANCILLARY SERVICES

As a value-added service, our Group of Companies has an integrated logistics services division, Alam Offshore Logistics & Services Sdn Bhd ("AOLS") that works under the scope of ship agency and forwarding, ship husbandary and warehousing. The subsidiary contributed RM3.6 million in sales in the year under review compared to RM1.8 million in 2007.

It is vital to maintain this value-added service as it has potential to tap on the growth and needs in the oil and gas sector in the South China Sea as it is located in Telaga Simpul, Kemaman, Terengganu. The business segment equipped with its own yard has value add to our Group's core business in managing spare parts inventory and supporting the needs of up keeping offshore support vessels and ROVs.

In 2008, we incorporated a subsidiary named Alam Food Industries (M) Sdn Bhd ("Alam Food") for the purpose of handling and managing the food supply for our own fleet with the objective to ensure efficient food supply management and good quality of food is offered to our own vessels. It is anticipated that Alam Food would be able to offer its services to other vessels in the near future. However, Alam Food has yet to record any profit for its first year in business.

SHIP REPAIR AND MAINTENANCE

Our decision to venture into a ship repair and maintenance business to service our expanded fleet (and still growing) was timely and prospectively added more value to our core activities. KJ Waja Engineering Sdn Bhd ("KJ Waja"), is 84% owned company, not only servicing the Group own vessels but also has the potential of servicing other companies' OSVs. Having own team to service our own vessels ensures prompt vessel maintenance, flexibility, cost efficiency as well as peace of mind.

During the period under review, a total of 36 acres of land area at Kuala Linggi, Melaka was acquired with aims to develop a ship repair yard with the projection of shipbuilding activities and facilities for future expansion. The development of the first phase comprising 5.5 acres has taken place. The headquarter is located in Pengkalan Balak, supported by its branches in Kuantan Port and Kemaman, Terengganu. We intend to evolve the ship repairing and maintenance division from being a value-add division of the Group to one of the main revenue contributors in the years to come.

Banking on the expertise of the Group in operating OSVs, KJ Waja is set to deliver quality products and services. KJ Waja contributed approximately 1% to the Group's revenue in the financial year ended Dec 31, 2008.

CONCLUSION

In a nutshell, 2008 has been a tremendous year for our Group where record-breaking oil price has created a steady stream of demand for OSVs at high charter rates. The first half of 2008 saw the up trend of oil price to its tallest pinnacle ever, before the global economic crisis stunted the euphoria in the oil and gas activities towards the last quarter of the period under review.

Nevertheless, oil and gas industry remains as the healthiest sector amid the challenging economic climate where it is expected to rebound when the economic situation revives. For 2008, due to increased revenue from its marine offshore segment, our Group's net profit soared by 53.6% to RM78.2 million for its financial year ended Dec 31, 2008, from RM50.9 million a year ago. Even under the tough economic environment and weakening oil prices in fourth quarter of 2008, our Group reported a net profit of RM22.7 million, up 36% year-on-year.

Although it would be difficult to predict the outlook of oil price going forward under the challenging economic climate, the industry can be sure of that oil will still be the major energy that moves the world. Malaysia, being a net oil and gas exporting country, will continue to benefit from its investment in deepwater explorations. At this point of writing, the global oil price has recovered and expected to stabilise around US$50/bbl by the 2H2009. Hence, our Group is well positioned to capitalise on industry recovery and daily charter rate improvement.

Our Group, armed with its fleet growth strategy to own about 40 vessels by 2010 and topped with enhanced integrated support services to cater for the oil and gas industry, stand a strong chance to repeat the stellar performance of 2008. Additionally, our Group sees the underwater as well as ship repair and maintenance segments have the potential to be developed into one of the Group's core businesses. Although 2009 will see some slowdown of the oil and gas industry, the management remains cautiously optimistic on the prospects going forward.

AZMI BIN AHMAD
Managing Director/Chief Executive Officer
7 May 2009

Tinjauan Operasi Kumpulan

PENGENALAN

Alam Maritim Resources Bhd ("AMRB") adalah sebuah syarikat pembekal perkhidmatan sokongan luar pesisir pantai bersepadu. Bagi tempoh berakhir 31 Disember 2008, kita telah berjaya mencatatkan prestasi yang amat memberangsangkan hasil pencapaian beberapa kemajuan membanggakan berikutan kerancakan pertumbuhan dalam industri minyak dan gas. Harga minyak yang memuncak setinggi AS$147 setong pada bulan Julai 2008 telah mendorong syarikat minyak utama negara dan banyak syarikat minyak global lain mempercepatkan projek carigali dan pengeluaran minyak. Di samping itu, syarikat-syarikat minyak dan gas turut berusaha secara agresif memulih semula telaga minyak dan gas yang sedia ada untuk menambah kadar perolehan rizab simpanan.

Sejak penemuan telaga minyak laut dalam pertama di luar pesisir pantai Sabah di Kikeh pada tahun 2002, kini Malaysia mempunyai kira-kira 26 lapangan minyak laut sedang dibangunkan. Semua kerja pembangunan yang dijalankan ini memberi manfaat kepada pertumbuhan Kumpulan kita di mana perniagaan terasnya adalah menyediakan perkhidmatan sokongan kepada industri minyak dan gas di luar pesisir pantai.

Perkhidmatan bersepadu Kumpulan adalah meliputi penyediaan perkhidmatan pengangkutan marin, pembinaan luar pesisir pantai, kejuruteraan laut dalam dan dasar laut, perkhidmatan peralatan selam kawalan jauh ("ROV"), perkhidmatan logistik bersepadu dan baikpulih serta penyelenggaraan kapal. Kita beroperasi dirantau Asia Tenggara dan Timur Tengah.

PERKHIDMATAN SOKONGAN MARIN LUAR PESISIR PANTAI

Kerancakan aktiviti minyak dan gas sepanjang tempoh ditinjau membolehkan perniagaan teras kita mencatatkan kemajuan membanggakan untuk memenuhi keperluan aktiviti pengeluaran dan carigali yang dijalankan secara agresif oleh syarikat-syarikat minyak utama. Kerancakan permintaan ini dipertingkatkan lagi dengan langkah yang diambil oleh syarikat minyak negara, Petroliam Nasional Bhd (PETRONAS) untuk memberi keutamaan kepada penyedia perkhidmatan sokongan minyak dan gas tempatan. Bilangan syarikat tempatan yang terlibat dalam industri khusus ini juga masih belum mencukupi. Pada tahun berakhir 31 Disember 2008, segmen perniagaan ini menyumbang sebanyak 77.3% atau RM264.7 juta kepada perolehan Kumpulan. Ia juga mencatatkan peningkatan perolehan sebanyak 14.7% berbanding pencapaian pada tahun kewangan sebelumnya.

Pemilikan 21 buah kapal sokongan luar pesisir pantai (OSV) bawah usia lima tahun telah mengekalkan kedudukan kita sebagai salah sebuah syarikat pilihan di kalangan syarikat-syarikat minyak utama kerana kita mempunyai armada kapal yang baharu serta rekod operasi yang cemerlang. Pada masa ini, kesemua kapal-kapal tersebut sedang beroperasi. Pada tahun yang ditinjau, enam daripada OSV Kumpulan telah diberikan kontrak bernilai kira-kira RM249.0 juta.

Satu lagi kontrak besar yang baharu diperolehi bernilai RM46.2 juta adalah untuk kapal sokongan penyelam, MV Setia Sakti. MV Setia Wangsa telah mendapat kontrak bernilai RM16.4 juta untuk tempoh satu tahun dengan pilihan lanjutan tempoh satu tahun tambahan.

Pada tahun yang ditinjau, AMRB dan CIMB PE telah memeterai perjanjian untuk membeli lima OSV bernilai AS$70.0 juta (RM252.0 juta). Kapal pertama yang diterima di bawah perjanjian tersebut telah dikontrakkan kepada sebuah syarikat minyak utama pada nilai kontrak sebanyak lebih kurang RM38.0 juta.

Kita akan meneruskan program pengembangan armada kapal secara agresif untuk membuktikan komitmen kita sebagai peneraju utama di pasaran Asia dengan menyediakan kapal moden dan canggih berserta keupayaan yang dipertingkatkan. Kami juga telah memeterai perjanjian berasingan untuk membeli empat unit AHTS yang baharu dibina, dilengkapi dengan keupayaan DP1 dan dua unit Kapal Utility *Mono Hull Triple Screw* sepanjang 40 m.

Secara keseluruhannya, semua kapal ini akan diterima antara tahun 2009 hingga suku terakhir 2010. Kumpulan kita bermatlamat untuk memiliki 40 buah OSV menjelang tahun 2010, menjadikan kita sebagai salah sebuah pemilik-pengendali OSV terbesar di Asia Tenggara.

PERKHIDMATAN PEMBINAAN LUAR PESISIR PANTAI, KEJURUTERAAN LAUT DALAM DAN PERKHIDMATAN DASAR LAUT

Syarikat subsidiari kita, Alam Hidro menyediakan perkhidmatan sokongan dasar laut untuk industri minyak dan gas. Bersandarkan kepada kepesatan aktiviti carigali dan pengeluaran syarikat-syarikat minyak utama yang menerokai lapangan minyak laut dalam dan keperluan membaikpulih fasiliti minyak dan gas yang semakin usang, segmen perniagaan ini berpotensi menjana hasil pendapatan yang ketara sebanyak dua kali ganda daripada RM18.7 juta pada tahun 2007 kepada RM37.3 juta pada tahun yang ditinjau.

Pada tahun 2008, Alam Hidro telah membeli satu unit sistem penyelam tepu ("Sat Dive") daripada United Arab Emirates dan dijangka akan diterima menjelang suku kedua tahun 2009. Dengan unit tambahan ini, Kumpulan kita akan memiliki dua unit sistem Sat Dive dan empat unit sistem penyelam udara/gas campuran.

Perlaksanaan perjanjian dasar dengan OCI Energy dan Ombak Marine yang dimeterai baru-baru ini untuk bersama-sama mengusahakan projek pemasangan paip bibir pantai bagi pihak kontraktor utama pemasangan paip tempatan akan menjadi satu mercutanda kepada segmen perniagaan pemasangan dan pembinaan luar pesisir pantai Kumpulan.

PERALATAN SELAM KAWALAN JAUH (ROV)

Ini merupakan satu lagi segmen perniagaan yang mendokong AMRB sebagai peneraju yang serba boleh. Langkah pempelbagaian kami ke dalam perkhidmatan bersepadu tambah nilai ini telah merintis laluan kepada lebih banyak peluang dalam pelbagai aktiviti perniagaan dalam sektor huluan industri minyak dan gas; daripada fasa carigali ke fasa pembangunan, pengeluaran dan penyelenggaraan.

Segmen perniagaan ini telah menyumbang sebanyak 9.8% kepada hasil pendapatan Kumpulan pada tahun pertama pelaburannya berbanding kurang daripada 1% pada tahun

Tinjauan Operasi Kumpulan (samb')

2007. AMRB telah merangka rancangan strategik untuk mengembangkan lagi perniagaan ini melalui Eastar Offshore, sebuah syarikat 60% milik kita yang mengkhusus dalam merekabentuk dan mengeluar ROV. Untuk mengendalikan operasi ROV, kami telah menubuhkan Alam Subsea yang diperbadankan di Singapura bagi menjalankan perniagaan yang khusus ini.

Pada tempoh yang ditinjau, Eastar Offshore telah menerima tempahan bernilai RM32.2 juta untuk tiga unit ROV daripada syarikat subsidiari milik penuh AMRB, Alam Subsea. Eastar Offshore juga telah menerima tempahan unit ketiga daripada sebuah syarikat dari Australia bernilai RM6.8 juta.

LOGISTIK BERSEPADU DAN PERKHIDMATAN RAMPAIAN

Sebagai perkhidmatan tambah nilai, syarikat-syarikat dalam Kumpulan kita ada menawarkan perkhidmatan logistik melalui AOLS yang berfungsi sebagai agensi perkapalan dan penghantaran, pengendalian kapal dan pergudangan. Syarikat subsidiari ini telah menyumbangkan hasil jualan sebanyak RM3.6 juta dalam tahun yang ditinjau berbanding RM1.8 juta 2007.

Kedudukannya di Telaga Simpul, Kemaman Terengganu, membolehkan perkhidmatan tambah nilai ini dikekalkan kerana ia berpotensi untuk mengambil peluang dari pertumbuhan dan keperluan sektor minyak dan gas di Laut China Selatan. Segmen perniagaan yang dilengkapi dengan ruang gudangnya sendiri ini dapat memberikan nilai tambah kepada perniagaan teras Kumpulan dalam mengurus inventori alat ganti dan menyediakan sokongan penjagaan kapal sokongan luar pesisir pantai dan ROV.

Pada tahun 2008, kami telah menubuhkan sebuah syarikat subsidiari yang dikenali sebagai Alam Food bagi mengendali serta mengurus bekalan makanan untuk armada kapal kita sendiri. Ia bertujuan untuk memastikan supaya bekalan makanan yang disaji untuk armada kapal kita sendiri dapat diuruskan dengan cekap dan berkualiti. Pada masa yang sama, Alam Food juga berhasrat untuk menawarkan perkhidmatan ini kepada kapal-kapal lain pada masa hadapan. Operasi ini walau bagaimanapun, masih belum mencatatkan sebarang keuntungan pada tahun pertama perniagaan.

BAIKPULIH DAN PENYELENGGARAAN KAPAL

Keputusan untuk menceburi bidang perniagaan perkhidmatan baikpulih dan penyelenggaraan kapal bagi memenuhi keperluan kapal kita dalam armada yang kian membesar, akan dapat meningkatkan nilai aktiviti teras kita. KJ Waja, adalah sebuah syarikat dengan milikan 84% kepentingan di dalamnya yang bukan sahaja menyediakan perkhidmatan kepada kapal milik Kumpulan, malah berpotensi untuk menawarkan perkhidmatan kepada OSV milik syarikat lain. Dengan tenaga kerja dalaman yang menawarkan perkhidmatan penyelenggaraan kapal-kapal kita sendiri, ia menjamin penyelenggaraan yang pantas, fleksibel, cekap dari segi kos dan ketenangan fikiran.

Pada tempoh yang ditinjau, sebidang tanah seluas 36 ekar di Kuala Linggi, Melaka telah dibeli untuk tujuan pembangunan kawasan baikpulih kapal berserta rancangan untuk menjalankan aktiviti pembinaan kapal yang merupakan sebahagian pertumbuhan di masa depan. Pembangunan fasa pertama yang melibatkan kawasan seluas 5.5 ekar telah dilaksanakan. Ibu pejabatnya yang bertempat di Pengkalan Balak, Melaka disokong oleh cawangannya di Pelabuhan Kuantan, Pahang serta Kemaman, Terengganu. Kita berhasrat untuk mengembangkan segmen baikpulih dan penyelengaraan kapal daripada sebahagian tambah nilai Kumpulan kepada penyumbang hasil pendapatan utama dalam tempoh beberapa tahun akan datang.

Berlandaskan kepada kepakaran Kumpulan mengendalikan OSV, KJ Waja akan mampu menawarkan produk dan perkhidmatan yang berkualiti. KJ Waja telah menyumbang lebih kurang 1% kepada hasil Kumpulan pada tahun kewangan berakhir 31 Disember 2008.

KESIMPULAN

Secara keseluruhan, tahun 2008 merupakan satu tahun yang memberangsangkan bagi Kumpulan kita kerana kenaikan harga minyak ke paras tertinggi telah mewujudkan permintaan yang mantap untuk OSV pada kadar carter yang tinggi. Setengah tahun pertama 2008 menunjukkan arah aliran harga minyak memuncak ke paras paling tinggi pernah dicapai, sebelum krisis ekonomi global merencatkan kerancakan dalam aktiviti minyak dan gas pada suku terakhir tahun yang ditinjau.

Industri minyak dan gas masakini kekal sebagai sektor paling sihat walaupun berhadapan dengan iklim ekonomi yang mencabar di mana ia dijangka akan kembali pesat apabila keadaan ekonomi kembali pulih. Peningkatan hasil pendapatan daripada perkhidmatan luar pesisir pantai marin dan sokongan dasar laut pada tahun 2008 telah membolehkan keuntungan bersih Kumpulan melonjak sebanyak 53.6% kepada RM78.2 juta pada tahun kewangan berakhir 31 Disember 2008, berbanding RM50.9 juta setahun sebelumnya. Walaupun berada dalam persekitaran ekonomi yang sukar dan harga minyak yang semakin lemah pada suku keempat tahun 2008, namun Kumpulan kita mampu mencatatkan keuntungan bersih sebanyak RM22.7 juta yang merupakan peningkatan sebanyak 36% mengikut perbandingan dari tahun ke tahun.

Walaupun memang sukar untuk meramalkan sama ada harga minyak akan meningkat pada masa hadapan dalam iklim ekonomi yang mencabar ini, namun industri ini yakin bahawa minyak akan tetap menjadi sumber tenaga utama yang menggerakkan dunia. Malaysia sebagai negara pengeksport bersih minyak dan gas akan terus mendapat manfaat daripada pelaburannya dalam carigali di laut dalam.

Setakat laporan ini ditulis, harga minyak dunia telah beransur pulih dan oleh yang demikian, harga minyak dijangka akan terus stabil di paras sekitar AS$50 setong menjelang separuh tahun kedua 2009. Oleh itu, Kumpulan kita berada dalam kedudukan yang amat baik untuk mendapat manfaat dari pemulihan dalam industri dan penambahbaikan kadar carter harian.

Strategi pengembangan armada kapal Kumpulan dengan matlamat untuk memiliki kira-kira 40 buah kapal OSV menjelang tahun 2010 dan ditambah dengan perkhidmatan sokongan bersepadu yang dipertingkatkan bagi memenuhi keperluan industri minyak dan gas. Ini memberi peluang yang baik kepada Kumpulan untuk mengulangi prestasi yang memberangsangkan seperti yang dicapai pada tahun 2008. Selain itu, Kumpulan kita telah mengenalpasti segmen dasar laut dan baikpulih serta penyelenggaraan kapal sebagai segmen-segmen yang berpotensi dibangunkan sebagai salah satu perniagaan teras Kumpulan. Walaupun industri minyak dan gas akan mengalami kelembapan pada tahun 2009, namun setelah membuat penelitian secara mendalam, pengurusan masih tetap optimistik terhadap prospek masa depannya.

AZMI BIN AHMAD

Pengarah Urusan/
Ketua Pegawai Eksekutif

7 Mei 2009

Senior Management Team

sitting left to right

AZMI BIN AHMAD
Managing Director/CEO
Alam Maritim Group

SHAHARUDDIN BIN WARNO @ RAHMAD
Executive Director/COO
Alam Maritim Group

AHMAD HASSANUDIN BIN AHMAD KAMALUDDIN
Executive Director
Corporate Planning & Development Division
Alam Maritim Group
Executive Chairman, AHSB

standing left to right

AB RAZAK BIN HASHIM
Executive Director
Project & Services Division
AMRB and AMSB

WU QIONG
Managing Director
Eastar Offshore

AZMAN BIN SHABUDIN
Executive Director, Offshore Installation Construction, AHSB

SAMUEL SASSOON
Executive Director
Eastar Offshore

MOHD ABD RAHMAN BIN MOHD HASHIM
Executive Director
Fleet Management Division
Alam Maritim Group

KAMARULZAMAN BIN JANTAN
Managing Director
KJ Waja

MOHD FOZI BIN ISMAIL
Executive Director,
Underwater Services, AHSB

BADROL R. AZMI BIN MD. YUNAN
COO / Executive Director, AHSB

Management Team

From left to right

YAHYA BIN ASRI
Senior Manager
Group HSE-MS

NIK AZNUDDEEN BIN HUSAIN
Senior Manager
Project & Services

HANIZA BINTI SABARAN
Senior Manager
Group Corporate Secretarial

MOHAMAD IZHAM BIN CHE ARIFF
Assistant General Manager
Fleet Management
Fleet Management Division

MD NASIR BIN NOH
Assistant General Manager
Finance & Accounts
Group Finance Division

NASIR BIN JALAL
General Manager
KJ Waja

CAPTAIN RAMLI BIN BUJANG
Senior Manager
Group ISM-ISPS

CAPTAIN NUHAIRI BIN MOHAMAD
General Manager
AOLS & ALAM FOOD

ANAS BIN SULAIMAN
Senior Manager
Group Internal Audit & Risk Management

Management Team (cont'd)

From left to right

MISLI BIN ISMAIL
Manager
Technical
Fleet Management Division

NUR AZNITA BINTI TAIP
Manager
Group Legal

NURANISMA BINTI AHMAD
Manager
Finance & Accounts
Group Finance Division

WAN ZURHAIRI BIN WAN MAT
Manager
Operations
Fleet Management Division

SHARIZA BINTI MD. SAAD
Manager, Corporate Affairs
Group Corporate Planning & Development Division

SOFFAN AFFENDI BIN AMINUDIN
Manager
Corporate Finance
Group Finance Division

CAPTAIN MOHD NAIM BIN FADZIL
Manager
Group Crew Management & Training

CAPTAIN SHAMSUL BAHRI BIN MUSTAFA
Manager
Operations
Project & Services Division

Audit Committee Report

MEMBERSHIP AND ATTENDANCE

The Audit Committee members and details of attendance of each member at Audit Committee meetings in 2008 are set out below:

Members	Status of directorship	Attendance of meetings
Haji Ab Wahab bin Haji Ibrahim (Chairman of the Committee)	Independent Non-Executive Director and a Chartered Accountant	Attended 5 out of 5 meetings
Dato' Captain Ahmad Suffian @ Qurnain bin Abdul Rashid	Independent Non-Executive Director	Attended 5 out of 5 meetings
Dato' Mohamad Idris bin Mansor	Independent Non-Executive Director	Attended 5 out of 5 meetings

The Audit Committee convened five meetings during the year, which were attended by all the members. Upon invitation by the Audit Committee, the Executive Directors, Head of Finance & Accounts, Head of Internal Audit, other Senior Management members and the External Auditors attended the meetings to brief the Committee on specific issues. Minutes of each meeting shall be kept and distributed to each member of the Committee and of the Board. The Chairman of the Committee shall report on each meeting to the Board. The Group Company Secretary shall be the secretary of the committee.

Audit Committee Report (cont'd)

COMPOSITION AND TERMS OF REFERENCE

(a) Composition

The Audit Committee shall comprise at least three Directors, the majority of whom are independent. The members of the Audit Committee shall be appointed by the Board of Directors and all members of the Audit Committee including the Chairman are Non-Executive Directors.

At least one member of the Audit Committee shall be a member of the Malaysian Institute of Accountant or if not a member of the Malaysian Institute of Accountants, must have at least three years' working experience and have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967 or a member of one of the associations specified in Part II of the said schedule or has a degree/masters/doctorate in accounting or finance and at least three years' post qualification experience in accounting or finance or is a member of a professional accountancy organisation which has been admitted as full members of the International Federation of Accountants and at least three years' post qualification experience in accounting or finance or at least seven years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.

No alternate director shall be appointed as a member of the Audit Committee. The Board shall review the terms of office and performance of the members of the Audit Committee at least once every three years to determine whether the members have carried out their duties in accordance with their terms of reference.

In the event of any vacancy in the Audit Committee resulting in the non-compliance of subparagraph 15.10(1) of the Listing Requirements of the Bursa Malaysia Securities Berhad, the Board shall fill the vacancy within three months from the date of the vacancy.

(b) Chairman

An Independent Non-Executive Director shall be the Chairman of the Audit Committee.

(c) Meetings and Minutes

The Audit Committee shall meet at least four times annually. However, at least twice a year, the Audit Committee shall meet with the External Auditors without the Executive Directors being present. This year, the Audit Committee met twice with the External Auditors without the Executive Directors and management being present.

The Head of Finance & Accounts and Head of Internal Audit will normally be in attendance at the meetings. Representatives of the External Auditors are to be in attendance at meeting where matters relating to the audit of the statutory accounts and/or External Auditors are to be discussed.

Other directors, officers and employees of the Company and/or Group may be invited to attend, except for those portions of the meetings where their presence is considered inappropriate, as determined by the Audit Committee.

The Group Company Secretary shall be the Secretary of the Audit Committee and will record, prepare and circulate the minutes of the meetings of the Audit Committee and ensure that the minutes are properly kept and produced for inspection, if required. The Audit Committee shall report to the Board and its minutes tabled and noted by the Board.

(d) Quorum

A majority of the members in attendance must be Independent Directors in order to form a quorum for the meeting.

(e) Authority

The Audit Committee is authorised by the Board to review any activity within the Audit Committee's terms of reference.

Audit Committee Report (cont'd)

The Audit Committee is authorised to seek any information the Audit Committee requires from any Director or member of management and has full and unrestricted access to any information pertaining to the Group and the management, and all employees of the Group are required to comply with the requests made by the Audit Committee.

The Audit Committee is authorised by the Board to obtain external professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary, the expenses of which will be borne by the Company.

In the event that any member of the Audit Committee shall need to seek external professional advice in furtherance of his duties, he shall first consult with and obtain approval of the Chairman of the Audit Committee.

The Audit Committee shall have direct communication channels and be able to convene meetings with the External Auditors without the presence of Executive Director and management, whenever deemed necessary.

RESPONSIBILITIES AND DUTIES

The responsibilities and duties of the Audit Committee are:

(a) Financial Reporting
- To review the quarterly, and annual financial statements of the Company, focusing particularly on:
  - any significant changes to accounting policies and practices;
  - significant adjustments arising from the audits;
  - compliance with accounting standards and other legal requirements; and
  - the going concern assumption.

(b) Related Party Transactions
- To review any related party transactions and conflict of interest situations that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

(c) Audit Reports
- To prepare the annual Audit Committee report to the Board which includes the composition of the Audit Committee, its terms of reference, number of meetings held, a summary of its activities and the existence of an Internal Audit unit and summary of the activities of that unit for inclusion in the Annual Report; and
- To review the Board's statements on compliance with the Malaysian Code on Corporate Governance for inclusion in the Annual Report.

(d) Internal Control
- To consider annually the Risk Management Framework adopted within the Group and to be satisfied that the methodology employed allows the identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will allow the Group to minimise losses and maximise opportunities;
- To ensure that the system of internal control is soundly conceived and in place, effectively administered and regularly monitored;
- To cause reviews to be made of the extent of compliance with established internal policies, standards, plans and procedures including for example, the Group Policies & Authorities;
- To obtain assurance that proper plans for control have been developed prior to the commencement of major areas of change within the Group; and
- To recommend to the Board steps to improve the system of internal control derived from the findings of the Internal and External Auditors and from the consultations of the Audit Committee itself.

Audit Committee Report (cont'd)

(e) Internal Audit

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

(f) External Audit

- To review the External Auditors' audit plan, nature and scope of the audit plan, audit report, evaluation of internal controls and co-ordination of the External Auditors. The Audit Committee will consider a consolidated opinion on the quality of external auditing at one of its meetings;
- To review with the External Auditors the Statement on Internal Control of the Group for inclusion in the Annual Report;
- To review any matters concerning the appointment and re-appointment, audit fee and any questions of resignation or dismissal of the External Auditors;
- To review and evaluate factors related to the independence of the External Auditors and assist them in preserving their independence;
- To be advised of significant use of the External Auditors in performing non-audit services within the Group, considering both the types of services rendered and the fees, such that their position as auditors are not deemed to be compromised; and
- To review the External Auditors' findings arising from audits, particularly any comments and responses in management letters as well as the assistance given by the employees of the Group in order to be satisfied that appropriate action is being taken.

(g) Other Matters

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

Audit Committee Report (cont'd)

SUMMARY OF ACTIVITIES

During the year, the Audit Committee carried out its duties in accordance with its terms of reference. Other main issues reviewed by the Audit Committee were summarised as follows:

- Review of the Audit Plans and scope for the Company and the Group prepared by the Internal Auditors and the External Auditors respectively;
- Review of the reports for the Company and the Group prepared by Internal Auditors and the External Auditors and consideration of the major findings by the auditors and management's responses thereto;
- Review of the quarterly and Annual Reports of the Company and the Group prior to submission to the Board of Directors for consideration and approval;
- Review the related party transactions entered into by the Company and the Group and the disclosure of such transactions in the Annual Report of the Company;
- Recommendation to the Board on the proposed dividend to be paid by the Company;
- Meeting with the External Auditors without any executives present except the Group Secretary;
- Review the fees of the External Auditors;
- Review of the Report on the Audit Committee, Statement on Internal Control and Statement on Corporate Governance prior to their inclusion in the Company's Annual Report.
- Reviewed and verified the allocation of options during the year under the Alam Maritim Employees Share Option Scheme ("ESOS") to ensure compliance with the allocation criteria determined by the ESOS Committee and in accordance with the Bye-Laws of the ESOS.

GROUP INTERNAL AUDIT

The Group has a well established in-house Internal Audit unit which reports directly to the Audit Committee. The purpose, authority and responsibility of Internal Audit as well as the nature of assurance and consulting activities provided to the Company and the Group is clearly articulated in the Internal Audit Charter that has been approved by the Audit Committee.

The Head of Internal Audit has direct access to the Chairman of the Audit Committee on all matters of control and audit. All proposals by management regarding the appointment, transfer and removal of the Head of Internal Audit of the Group shall require prior approval of the Audit Committee. Any inappropriate restrictions on audit scope are to be reported to the Audit Committee.

The principal responsibility of the Internal Audit Department is to undertake regular and systematic reviews of the systems of controls so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively in the Group. The Audit Committee approves the Internal Audit plan during the fourth Audit Committee meeting each year. Any subsequent changes to the Internal Audit plan are approved by the Audit Committee. The scope of Internal Audit covers the audits of all units and operations, including subsidiaries. The total cost incurred for the Internal Audit function of the Group for 2008 was approximately RM300,000.

The Internal Audit function has adopted a risk-based approach towards the planning and conduct of audits which is consistent with the Group's established framework in designing, implementing and monitoring of its control systems.

Other main activities performed by the Internal Audit are as follows:

- Ascertaining the extent of compliance with established policies, procedures and statutory requirements;
- Recommending improvements to the existing systems of controls;

Audit Committee Report (cont'd)

- Carrying out investigations and special reviews requested by management and /or the Audit Committee;
- Identifying opportunities to improve the operations of and processes in the Company and the Group; and
- Follow-up reviews on the implementation of audit recomendations and status of the implementation reported to the Audit Committee.

The system of internal controls was satisfactory and has not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Company's Annual Report.

RISK MANAGEMENT

The effective management of risks associated with all aspects of the Group's business is critical to maximising the Group's shareholder value.

The business risks for the Group are affected by a number of factors, not all of which are within the Group's control. These externally driven challenges, together with general business risk exposures such as corporate reputation and operational issues are constantly reviewed as part of the Risk Management programme of the Group.

The Group adopts a proactive Risk Management programme with the following objectives:
- protecting its assets and reputation
- preserving the safety and health of its employees
- ensuring that the Group's operations do not impact negatively on the environment
- protecting the interests of all other stakeholders
- ensuring compliance with the Malaysian Code of Corporate Governance, Head Office guidelines and all applicable Malaysian laws
- promoting an effective risk awareness culture where risk management is an integral aspect of the Group's management systems

The Risk Management Team, headed by the Executive Director, Corporate Planning & Development and comprising senior managers from all functions of the Group is entrusted to drive the Risk Management of the Group. The team's responsibilities are to:
- steer the Group's Risk Management programme
- promote a proactive risk awareness culture in the Group
- conduct an annual review of the business risks
- coordinate the development of risk mitigation action plans
- organise training and education for employees on risk management
- ensure good corporate governance

Risk management is firmly embedded in the Group's management system and is every employee's responsibility.

This report is made in accordance with a resolution of the Board of Directors dated 24 April 2009.

Statement of Corporate Governance

The Board of Directors ("the Board") of AMRB remains committed to improve corporate governance practices to ensure high standard of corporate culture are practiced throughout the Group and in the interest of shareholders.

The Board is pleased to report to the shareholders here in, the manner AMRB has applied the principles of the corporate governance of Part 1 of the Malaysian Code on Corporate Governance (the "Code") and adopted the best practices as laid down in the Part 2 of the Code.

Part 1 Principles of Corporate Governance

A THE BOARD OF DIRECTORS

The Board of AMRB is determined and committed with its responsibilities in governing, leading and monitoring the direction of the Company towards achieving its mission and vision.

Composition of the Board

AMRB Board consists of eight members comprising five Non-Independent Executive Directors and three Independent Non-Executive Directors. The strong background of members of the Board in accounting, engineering and management particularly in shipping and oil and gas industries provides in depth knowledge and expertise to the Board. A brief profile of each Director is set out on page 17 to 21 of this Annual Report.

The Board considers that the current mix of skills and experience of its members is sufficient to discharge its duties and responsibilities effectively.

Appointments to the Board

Any new appointment to the Board must go through the scrutiny of the Nomination Committee which ensures that the nominee has the required set of skills, professionalism, integrity, and expertise as well as industry knowledge to contribute and complement the Board's existing strengths.

The Nomination Committee plans to implement the process to asses the effectiveness of the Board as a whole by assessing the contribution of each individual Director, including Independent Non-Executive Directors, as well as the Managing Director/Chief Executive Officer (MD/CEO) and the Chief Operating Officer (COO).

Statement of Corporate Governance (cont'd)

Board Responsibilities

The Board as a whole is responsible in the achievement of the Company's long term strategic plans. In view of aligning these corporate plans with current economic conditions the Board consistently reviews the short term and medium term performance on regular basis.

The Board is accountable to the shareholders and it is committed to ensure that the management serves and acts in the best interest of the shareholders.

At the head of AMRB, clear division of responsibilities of the Chairman and the MD/CEO ensures the balance of power and authority, such that no one individual has unfettered powers of decision.

There is also clear division of the Board and the management. The MD/CEO has various committees and/or teams established namely, HSE Steering and Working Committees, Management Committee, Risk Management Committee, Credit Control Committee, Human Resources Planning Committee and Tender Committee to support him in implementing policies and procedures and managing day to day operations of the Group of Companies.

Board Meetings

The Board has met five times during the financial year ended 31 December 2008 to deliberate and consider various strategic matters including review on un-audited quarterly performance results, annual audited accounts, corporate plans, annual budget, risk assessments, debtors' analysis and controls, new investments proposals and other corporate matters.

Board meetings are planned in advance and prior to the meetings, MD/CEO will have the assistance of the Company Secretary to organize necessary information for the Board to deal with. The approved agenda as well as the appropriate information pertaining to the matters to be discussed are provided on a timely basis.

The proceedings are recorded by the Company Secretary and shall be properly minuted for the purpose of providing historical record and insight into those decisions duly made. The minutes are kept in the statutory register at the registered office.

The Board has unlimited access to the Company's information and are entitled to the advice and services of the Company Secretary and the Senior Management. The Board also has the privilege to appropriately engage the services of professionals on specialised issues and in furtherance of their duties.

The attendance of the Board members to the board meetings held during the period under review is as follows:

Name	Position	No of Meetings Attended
Dato' Captain Ahmad Sufian @ Qurnain bin Abdul Rashid	Independent Non-Executive Chairman	5/5
Azmi bin Ahmad	Managing Director/CEO	5/5
Shaharuddin bin Warno @ Rahmad	Executive Director/COO	5/5
Dato' Mohamad Idris bin Mansor	Independent Non-Executive Director	5/5
Haji Ab Wahab bin Haji Ibrahim	Independent Non-Executive Director	5/5
Encik Ab Razak bin Hashim	Executive Director	4/5
Encik Mohd Abd Rahman bin Mohd Hashim	Executive Director	5/5
Encik Ahmad Hassanudin bin Ahmad Kamaluddin	Executive Director	5/5

Statement of Corporate Governance (cont'd)

Board Committees

The Board has established three board committees to assist the Board in discharging their duties. The Board Committees have been given clear terms of references to operate and conduct broad and in depth deliberation on issues before putting up recommendation to the Board.

The terms of reference of the Committees are as follows:

i. Audit Committee ("AC")

The terms of reference of the AC are spelt out in detail under the Audit Committee Report.

ii. Nomination & Remuneration Committee ("NRC")

- To identify and recommend new nominees of the Board and recommending the compensation packages for these appointments;
- To assist the Board in reviewing the required mix of skills, experience and other qualities, including the competencies which the non-executive directors should bring to the Board;
- To review, assess, determine and recommend the level and make up of the overall remuneration packages of the Executive Directors and the Senior Management with the assistance of the Group Human Resource Department and/or independent professional advice;
- To assess the effectiveness of the Board of Directors as a whole and each individual Directors/Committees of the Board; and
- To meet as and when required.

One meeting was held during the financial period under review to consider a new remuneration package for the Independent Non-Executive Directors and to consider payment of bonus and increment to the salary of Non-Independent Executive Directors and to approve the extension of Service Contracts for Senior Management of the Group.

The members of the NRC are as follows:

Name	Position Attended	No of Meetings
Dato' Captain Ahmad Sufian @ Qurnain bin Abdul Rashid	Chairman	1/1
Dato' Mohamad Idris bin Mansor	Member	1/1
Haji Ab Wahab bin Haji Ibrahim	Member (appointed on 20 May 2008)	1/1
Azmi bin Ahmad	Member	1/1
Shaharuddin bin Warno @ Rahmad	Member	1/1

Statement of Corporate Governance (cont'd)

iii. Risk Management Committee ("RMC")

- To ensure regular assessment, identification, measurement, and monitoring of all principal risks of the Group;
- To coordinate and prioritise the Risk Management activities of the Group to ensure all principal risks are adequately managed;
- To ensure comprehensiveness Enterprise-wide Risk Management policies and that a framework is in place to provide a strong control environment;
- To ensure the Group's Risk Management strategies are continuously aligned with its business strategies and risk tolerance, whereby risks are considered in the Group's long term plans and investment or capital allocations;
- To ensure adequate resources, expertise, and information to manage risks are available throughout the Group; and
- To propagate a risk awareness culture among the Group's stakeholders, in particular all levels of staff within the Group, by way of continuous risk training and education.

The members of the RMC are as follows:

Name	Position
Dato' Mohamad Idris bin Mansor	Chairman
Haji Ab Wahab bin Haji Ibrahim	Member
Shaharuddin bin Warno @ Rahmad	Member
Azmi bin Ahmad	Alternate Member to Shaharuddin bin Warno @ Rahmad

iv. Employees' Share Options Scheme (ESOS) Committee ("EC")

- To administer the ESOS and to grant Options in accordance with the Bye-laws;
- To recommend to the Board to establish, amend, and revoke Bye-laws, rules and regulations to facilitate the implementation of the ESOS;
- To construe and interpret the provisions thereof in the best interest of the Company; and
- To exercise such powers and perform such acts as are deemed necessary or expedient to promote the best interest of the Company.

The members of EC:

Name	Position
Azmi bin Ahmad	Chairman
Shaharuddin bin Warno @ Rahmad	Member
Md Nasir bin Noh	Member
Haniza binti Sabaran	Secretary

Supply of Information

Every quarter, the Board is being supplied with an overview on the Group's financial, operational performance and corporate affairs. The Board is entitled to a full and unrestricted access to the advice and services of the Company Secretary, Senior Management and independent professional advisers including the External Auditors.

Prior to the Board meetings, all Board members are provided with the agenda and board papers containing information relevant to the business of the meeting to enable them to obtain further explanations, where necessary .

The Board is also notified of any announcement and disclosures made to Bursa Malaysia Securities Berhad.

Re-election

Articles 94 of AMRB's Articles of Association provide that 1/3 of its directors shall retire from office at the annual general meeting and be deemed eligible for re-election. The Article provides that each of them has to retire at least once in every three years rotation. At this coming AGM, Shaharuddin bin Warno @ Rahmad, Ahmad Hassanudin bin Ahmad Kamaluddin and Haji Ab Wahab

Statement of Corporate Governance (cont'd)

bin Haji Ibrahim shall retire and stand for re-election. Their profiles can be referred to on page 18, 19 and 20 respectively of this Annual Report.

Directors' Training

All the Board members have successfully attended the Mandatory Accreditation Programme in compliance with the Listing Requirement.

The Board is mindful that it should receive appropriate continuous training to keep abreast with developments in the industry place and corporate regulatory.

During the financial year ended 31 December 2008, AMRB organised the following in-house trainings;

No	Title	Date	Attendance
1	Duties & Liabilities of Company Directors Impact of Companies (Amendment) Act 2007 & Malaysian Code on Corporate Governance (Revised 2007)	8 January 2008	The Board of Directors and Senior Managers
2	Key Performance Indicator Workshop	23-25 October 2008	All Executive Directors and Senior Managers

Details of other trainings/courses/seminars/conferences attended by individual Director during the financial year ended 31 December 2008 are set out as follows:

No	Director	Training/Conference
1	Dato' Captain Ahmad Sufian @ Qurnain bin Abdul Rashid	- Blue Ocean Strategy on 25 June 2008. - Improving Board of Directors' Performance, Leadership & Governance on 21 August 2008. - Global Factors Impacting Malaysian Export Competitiveness on 22 October 2008.
2	Azmi bin Ahmad	5th Asia Maritime & Logistics Conference and Exhibition 2008 on 24-25 June 2008.
3	Ahmad Hassanudin bin Ahmad Kamaluddin	5th Asia Maritime & Logistics Conference and Exhibition 2008 on 24-25 June 2008.

B DIRECTORS' REMUNERATION

The Level and Make-up of Remuneration

The determination of remuneration packages of the Directors are matters for the Board as a whole. The remuneration of the Directors is structured to attract, retain and motivate them in order to run the Group successfully. At AMRB, the rewards for Executive Directors, including CEO and COO are linked to corporate performance and individual contribution to the success of the Company. On the other hand the level of remuneration for the Non-Executive Directors reflects the level of responsibilities undertaken and the contribution to the Group of companies.

Procedure

AMRB has remuneration packages for each director deliberated and approved by its Nomination & Remuneration Committee prior to recommendation to the Board. The remuneration packages are decided based on general suitable guidelines applied by the Company both in determining the executive and Non-Executive Directors' remuneration packages.

Statement of Corporate Governance (cont'd)

Disclosure

The Board reviews the remuneration of the Executive Directors annually whereby the respective Executive Directors have abstained from discussions and decisions on their own remuneration.

The aggregate remuneration of the Directors for the financial year ended 31 December 2008 is as follows:-

Remuneration Band (RM)	Executive Directors	Non-Executive Directors	Total
Basic Salary & other emoluments	1,567,200	-	1,567,200
Contribution to EPF	183,988	-	183,988
Bonus	528,600	-	528,600
Fees	-	102,000	102,000
Allowances	-	61,000	61,000
Benefits in Kind	118,500	15,000	133,500
Total	**2,398,288**	**178,000**	**2,576,288**

Remuneration Band (RM)	Executive	Non-Executive
Up to RM50,000	-	1
RM50,001 and RM500,000	1	2
RM500,001 and RM600,000	2	-
RM600,001 and RM700,000	2	-

C SHAREHOLDERS

Dialogue Between Company and Investors

The Group recognises the importance of effective communication with its shareholders and investors to keep them informed of the major developments of the group. Such information is disseminated through the following channels:

- Quarterly and Full year results announcement;
- Annual Report;
- Analyst Briefings/Conference calls;
- Circulars to shareholders;
- Site visits;
- Domestic Exhibitions and/or Road-shows;
- Company's website at www.alam-maritim.com.my

Companies and Institutional shareholders often, represented by their respective fund managers have dialogues with regards to the mutual understanding of the corporate and business objectives.

The Annual General Meeting ("AGM")

The Company uses the AGM to communicate with private investors and encourage them to raise questions pertaining to the operation and financials of the Group.

D ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is responsible to present a balanced, clear and comprehensive assessment of the Group's financial performance and prospect through the quarterly and annual financial statements to shareholders. The Board and the Audit Committee have to ensure that the financial statements are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia. In presenting the financial statements, the Board has reviewed and ensured that appropriate accounting policies have been used, consistently applied and supported by reasonable judgments and estimates.

Relationship with Auditors

The Board, via the Audit Committee, has established a formal and transparent arrangement for maintaining an appropriate relationship with its auditors, both external and internal.

Internal Control

The Board acknowledges its responsibility to maintain a sound and effective system of internal control of the Group, covering not only financial controls but also controls relating to operations, compliance and risk management to safeguard shareholders investment and the Group's assets.

Detail information on the Groups' Internal Control pursuant to paragraph 15.27 (b) of Bursa Malaysia Listing Requirements is set forth on pages 50 to 51 of this Annual Report.

Statement of Directors' Responsibility

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Group and the Company and of the results and cash flow of the Group and the Company for the financial year then ended.

In preparing the financial statements for the year ended 31 December 2008, the Directors have:-

Statement of Corporate Governance (cont'd)

- Adopted the appropriate accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent;
- Ensure applicable approved accounting standards have been followed, and any material departures have been disclosed and explained in the financial statements; and
- Ensure the financial statement have been prepared on a going concern basis.

The Directors are responsible for keeping proper accounting records of the Group and Company, which disclose with reasonable accuracy the financial position of the Group and the Company, and which will enable them to ensure the financial statements have complied with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia.

The Directors have the general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Other Disclosure Requirements

Besides the overview of the state of corporate governance in the Company, the Board is pleased to disclose the following information:

Share Buybacks

During the financial year, there were no share buybacks by the Company.

Options, Warrants or Convertible Securities

A total of 7,556,974 units ESOS Options were exercised for the financial year ended 31 December 2008.

American Depository Receipt ("ADR") or Global Depository Receipt ("GDR") Programme

During the financial year, the Company did not sponsor any ADR or GDR Programme.

Imposition of Sanctions/Penalties

There were no public sanctions and/or penalties imposed on the Company or its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

Non-Audit Fees

There was no non-audit fees paid to the External Auditors during the financial year.

Variation in Results

The audited results of the financial year ended 2008 did not defer by 10% or more than the profit forecast an un-audited result previously announced.

Material Contracts

There were no material contracts entered into by the Company and/or its subsidiaries involving directors and major shareholders' interest either subsisting as at 31 December 2008 or entered into during the financial period under review.

Corporate Responsibility

HEALTH, SAFETY AND ENVIRONMENT REPORT

2008 had been a very challenging year for AMRB with the expectation of excellent HSE Performance continued to be very high. The ultimate Zero Total Recordable Case Frequency ("TRCF") target had tasked AMRB to strive to work extremely hard to keep the relentless commitment by all personnel at every level of the organisation high all the times.

Beginning of the year saw the launch of the HSE Campaign with the chosen theme of " Let's Make HSE Our Culture". The rationale behind the theme was to inculcate in every personnel that health, safety and care for the environment should be an intrinsic part of our daily lives activities. The theme was officially graced during the HSE Away Day 2008 held at Selesa Hill Resort in May 2008, held also in conjunction with the achievement of 2.0million safe man-hours and AMRB's 10th Years Anniversary.

With the additional vessels added to AMRB's fleet, the focus somewhat shifted to the HSE Awareness and compliance on board the vessels. The HSE Program earmarked for the year was intended to bridge the gap between the shore staff and the crews on board. The Company also identified the need to intensify the frequency of visits to vessels by introducing the following program:

- Mentor-Mentee Program – Each vessel is being "adopted" by a team of shore staffs to be their mentee. The shore staffs will perform visits to the vessel with the intention of promoting HSE program and activities on board the vessel. HSE Talks, Quizzes, Hazard Hunts and sharing incident lessons learnt are amongst the activities done on board;

- Vessels Sail-Away Program- Selected personnel from shore are sent to sail with the vessel to offshore location. The Program is intended to understand the work operations better, gauge the HSE compliance during work operations as well as to coach the crew members on the right manner of safe work operations;

- HSE Awareness Through Competition- To increase the interest of staffs and crew members towards working safely and enhanced awareness to safety rules. Employees were rewarded for their efforts in HSE through continuous competition organised by the Corporate HSEMS Department. Employees were rewarded for their submission of UNSAFE ACTS/UNSAFE CONDITIONS Observation Reports, entries to CROSSWORD PUZZLES competition as well as other HSE competition enacted therein;

AMRB had also played host for Charterer's HSE Program namely PCSB Construction Contractors HSE Forum (PCSB ConCons HSE Workshop) and PCSB PMO Contractors HSE Operations Committee (PMO CHSEOC) Meeting. To keep abreast with the development of HSE in the industry, AMRB had never failed to attend HSE Meetings organized by our Clients i.e Petronas Carigali ("PCSB"), ExxonMobil ("EMEPMI"), Talisman Malaysia Limited ("TML") and all other Clients thereof. The attendance thereof, which includes that from Senior Management, signified the commitment from the management towards HSE.

Corporate Responsibility (cont'd)

In terms of its HSE Performance, the Group registered over 1.6 million man-hours in 2008, both from shore and vessels operation. The target of Zero TRCF was, however, not achieved, as the vessels suffered two Lost Time Injuries (LTI) and three Recordable Incidents. Despite the above, AMRB is committed to excel in the year 2009 with its enhanced HSE Program laid out and fully supported by the Senior Management of the Group coupled with the lessons learnt from the previous incidents recorded.

All in all, the Group shall continue to strive towards continual improvement in its HSE Performance in order to elevate the Group status in the industry that places high value on the health, safety and protection of the environment.

HUMAN CAPITAL

The Group's human capital strength stood at 123 employees, comprising of 97 executives and 26 non-executives as at 31 December 2008, with gender balance of 60% male staff and 40% female staff. The annual turnover for staff based on 2007 and 2008 rates was at 5.3%.

We believes human capital is our attributes of employees that are productive in some economic context. Often refers to formal educational attainment, with the implication that education is investment of our returns in the form of wage, salary, or other compensation. These are normally measured and conceived of as returns to us.

Employee Relations

Employee Relations involves everybody in AMRB Group concerned with maintaining employer-employee relationships that contribute to satisfactory productivity, motivation, and morale. Essentially, our Employee Relations is concerned in preventing and resolving problems involving individuals which arise out of or affect work situations.

The Group focuses on the importance of understanding and merging corporate, management and employee needs to achieve optimum performance.

Corporate Responsibility (cont'd)

• HUMAN CAPITAL

Advice is provided to all level of employees on how to correct poor performance and employee misconduct. In such instances, progressive discipline and regulatory and other requirements must be considered in effecting disciplinary actions and in resolving employee grievances and appeals. Information is provided to employees to promote a better understanding of management's goals and policies. Information is also provided in the Employee Handbook which was launched on 1 January 2008 to employees to assist them at correcting poor performance, on or off duty misconduct, and/or to address personal issues that affect them at the workplace. Employees are advised about applicable regulations, legislation, and bargaining agreements. Employees are also advised about their grievance and appeal rights and discrimination and whistleblower protections.

Talent Management

AMRB Group believes that a conscious, deliberate approach undertaken to attract, develop and retain people with the aptitude and abilities to meet current and future organisational needs.

Talent management involves an employee and the organisational development in response to a changing and complex operating environment. It includes the creation and maintenance of a supportive, people oriented organisation culture in our Group.

Importance of talent management in AMRB Group

Talent management is gaining increased attention. AMRB talent management brings together a number of important Human Resources Department and the Management initiatives.

We formally decide to manage our talent by undertaking a strategic analysis of our current HR processes. This is to ensure that a co-ordinated, performance oriented approach is adopted.

AMRB adopting a Talent Management approach which focus on co-ordinating and integrating:

- Recruitment - ensuring the right people are attracted to the Group.

- Retention - developing and implementing practices that reward and support employees such as yearly increment, bonus, merit increment, merit bonus and some other benefits.

- Employee development - ensuring continuous informal and formal learning and development.

- Leadership and high potential employee development - specific development programs for existing and future leaders.

- Performance management - specific processes that nurture and support performance, including feedback/ measurement which includes Key Performance Indicators (KPI).

- Workforce planning - planning for business and general changes, including the older workforce and current and future skills shortages.

- Culture - development of a positive, progressive and high performance way of operating.

In summary, we are implementing talent management principles and approaches.

Employee Engagement

We strongly believe that engaged employees will deliver improved business performance and demonstrated the links between the way people are managed, employee attitudes and business performance.

When the Group delivers on its commitments (by actions they fulfil employees' expectations), this reinforces employees' sense of fairness and trust in AMRB Group and generates a positive psychological contract between the management and employee.

We increasingly recognise the importance of our 'brand'. Engaged employees will help promote the brand and protect us from the risks associated with poor service levels or quality. Similarly, a strong brand will help in attracting and retaining employees.

Our Approach

The first step is to measure our employee attitudes. We have established a Human Resource Planning Committee ("HRPC") to conduct regular employee attitude surveys. The result typically is expected to show what employees feel about their work on a range of dimensions including, for example, pay and benefits, communications, learning and development, line management and work-life balance. All informations surveyed

Corporate Responsibility (cont'd)

• HUMAN CAPITAL

and forwarded to HRPC can be used to identify areas in need of improvement and combined with other data to support performance management.

The drive for an engaged workforce needs to build on good people management and development policies, and the active support of line managers. People management strategies and policies need to be aligned with those of the wider business. Our employees understand how their work contributes to organisational outcomes.

We don't practise a short-cut to building and maintaining employee engagement, but the time, effort and resource required will be amply repaid by the performance benefits.

The main driver of our employee engagement is a sense of feeling valued and involved. The main components of this are said to be:

- involvement in decision-making
- freedom to voice ideas, to which managers listen
- feeling enabled to perform well
- having opportunities to develop the job
- feeling the Management is concerned for employees' health and well-being.

The way in which both senior management and line managers behave towards, and communicate with, employees, plus the way in which work is organised and jobs defined, contribute significantly towards making work meaningful and engaging.

Performance Management

Performance management is a relatively our Management concept and literature typically starts out with various examinations of the term "performance".

Line Managers have conducted performance appraisals for years. Employees have attended training sessions for years. Processes, such as planning, budgeting, promoting and billings have been carried out for years in AMRB Goup.

Performance management reminds us that being busy is not the same as producing results. It reminds us that training, strong commitment and lots of hard work alone are not results. The major contribution of performance management is our focus on achieving results, useful services for customers inside and outside the organization. Performance management redirects our efforts away from busyness toward effectiveness.

Recently, our organizations have been faced with challenges like never before. Increasing competition from businesses has meant that all businesses must be much more careful about the choice of strategies to remain competitive. Everyone (and everything) in the Group must be doing what they're supposed to be doing to ensure strategies are implemented effectively.

This situation has put more focus on effectiveness, that systems and processes in AMRB Group be applied in the right way to the right things: to achieve results. All of the results across the Group must continue to be aligned to achieve the overall results desired by AMRB group for it to survive and thrive.

Typically, we think of performance in the Group, we think on the performance of employees. We are also focused on the Group, departments, processes, programs by implementing new policies and procedures to ensure a safe workplace, products or services to internal or external customers, projects, teams or groups organized to accomplish a result for internal or external customers which we have implemented Key Performance Indicators (KPI) for all aspects for the year of 2008.

After achieving the result every staff who are achieving results by KPI will be rewarded with bonuses and increments i.e. yearly bonus and increment, merit bonus and increment to ensure the continuous of quality service to our internal and external customers.

Statement of Internal Control

RESPONSIBILITY

The Board of Directors recognizes the importance of sound internal controls and risk management practices to good corporate governance. The Board affirms its overall responsibility for the Group's system of internal control which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. As there are limitations that are inherent in any system of internal control, this system is designed to manage rather than eliminate risks that may impede the achievement of the Group's business objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss.

The Group has in place an on-going process for identifying, evaluating, monitoring and managing significant risks faced by the Group and this process includes reviewing and updating the system of internal controls to take into consideration changes in the regulatory and business environment. This process is regularly reviewed by the Board via the Audit Committee and accords with the Statement on Internal Control: Guidance for Directors of Public Listed Companies.

The Board ensures that management undertakes such actions as may be necessary in the implementation of the policies and procedures on risk and control approved by the Board whereby management identifies and assesses the risk faced and then designs, implements and monitors appropriate internal controls to mitigate and control those risks.

For the financial year under review, the Board is satisfied that the system of internal control was generally satisfactory. Where exceptions were noted, they were not material in the context of this report and corrective actions have been taken.

RISK MANAGEMENT

Risk management is regarded by the Board of Directors to be an integral part of the business operations. Management is responsible for creating a risk-aware culture and for building the necessary knowledge for risk management. They also have the responsibility for managing risks and internal control associated with the operations and ensuring compliance with applicable laws and regulations.

The main underlying principles of the Group's policy are:

- Informed risk management is an essential element of the Group's business strategy
- Effective risk management provides greater assurance that the Group's vision and strategy will be achieved without surprises
- All material risks are to be identified, analyzed, treated, monitored and reported.

The implementation of the policy and risk management is the responsibility of the Group Managing Director and members of the Group Management Committee.

OTHER KEY ELEMENTS OF THE SYSTEM OF INTERNAL CONTROL

Apart from the above, the other key elements of the Group's internal control system which have been reviewed and approved by the Board are described below:

(a) Operating structure with clearly defined lines of responsibility and delegated authority
   - The operating structure includes defined delegation of responsibilities to the committees of the Board, the management team.

(b) Independence of the Audit Committee
   - The Audit Committee comprises non-executive members of the Board, where all members being independent. The Committee has full access to both Internal and External Auditors and it meets with the External Auditors without any executive present, except for the Group Secretary, at least twice a year.

(c) Policies, Procedures and Limits of Authority
   - Clearly defined delegation of responsibilities to committees of the Board and to management including organization structures and appropriate authority levels; and
   - Clearly documented internal policies, standards and procedures are in place and regularly updated to reflect changing risks or resolve operational deficiencies. All policies and standards are approved by the Board and cases of non-compliance are reported to the Board by exception.

Statement of Internal Control (cont'd)

(d) Strategic Business Planning, Budgeting and Reporting

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

(e) Insurance and Physical Safeguard

- Adequate insurance and physical safeguard on major assets in place to ensure that the assets of the Group are sufficiently covered against any mishap that will result in material losses to the Group.

(f) Senior Management Team (Performance Review Committee) Meetings

- Senior Management Team meetings are held on a regular basis to review, identify, discuss and resolve strategic, operational, financial and key management issues.

(g) Other Matters

- Regular meetings are held between the Managing Director/CEO and analysts with a formal presentation conducted on the day the financial results are released after Board's approval to ensure a transparent relationship and open dialogue with investors and shareholders; and
- Written declaration from all management personnel confirming their compliance with the Group's Policies and Authorities and where conflicts of interest situations are disclosed.

Monitoring and review of the effectiveness of the system of internal control

Periodic examination of business process and the state of internal control by the Internal Audit function to monitor and review the effectiveness of the system of internal control. Reports on the reviews carried out by the Internal Auditor are submitted on a regular basis to the management and the Audit Committee.

The monitoring, review and reporting arrangements in place give reasonable assurance that the structure of controls and its operations are appropriate to the Group's operations and that risks are at an acceptable level throughout the Group's business. Such arrangements, however, do not eliminate the possibility of human error or deliberate circumvention of control procedures by employees and others.

This statement is made in accordance with a resolution of the Board of Directors dated 24 April 2009.

Alam Maritim in the News

Still going strong

Alam Maritim to focus on existing operations

StarMaritime

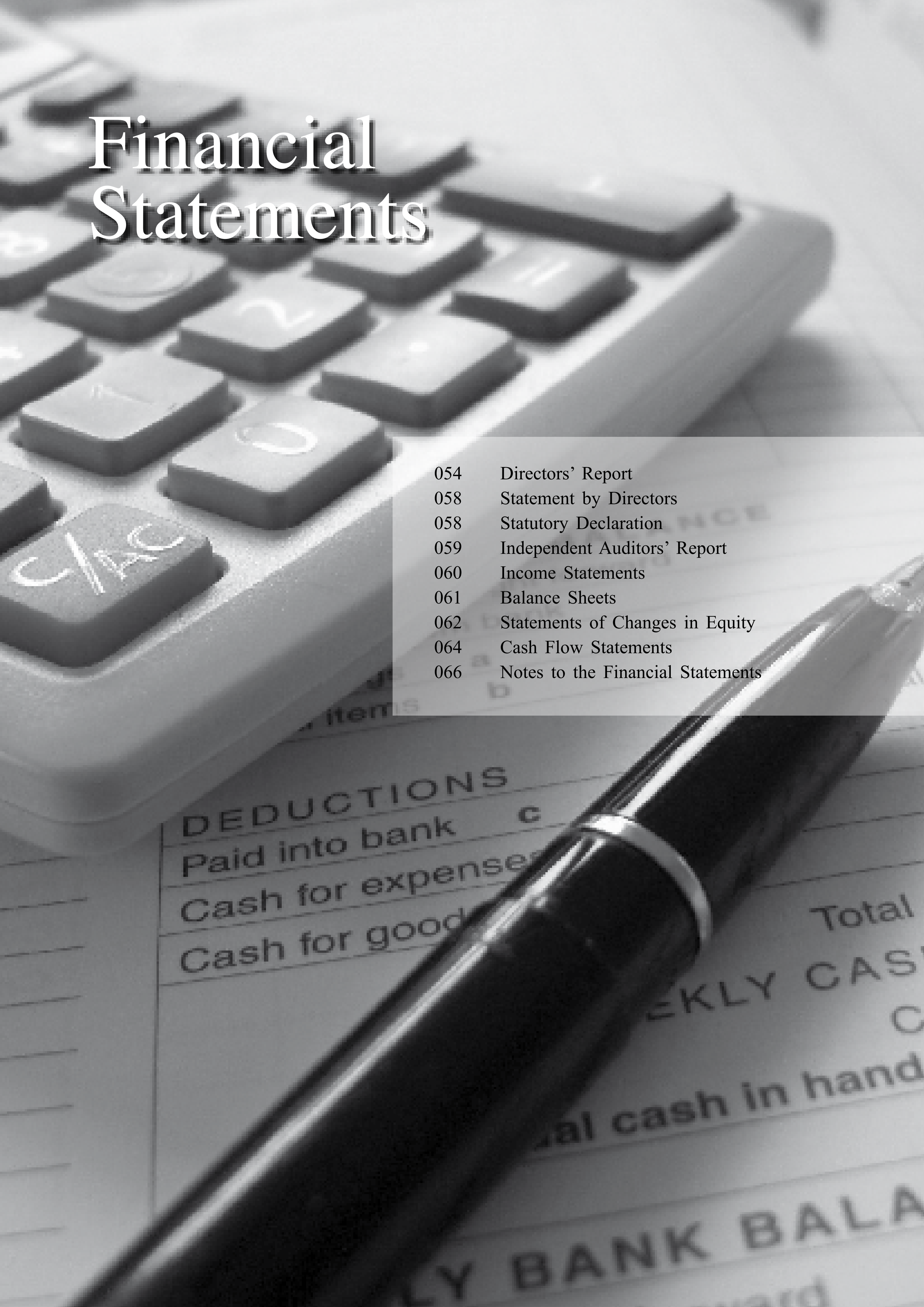
Charter rates going strong

Maritime

Port operators and shippers' wish list

Alam Maritim sees continued growth

Financial Statements



Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2008.

Principal Activities

The principal activities of the Company are investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Group and of the Company during the financial year.

Result

	Group RM	Company RM
Profit for the year	80,307,714	5,370,109
Attributable to:		
Equity holders of the Company	78,237,395	5,370,109
Minority interests	2,070,319	-
	80,307,714	5,370,109

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

In the opnion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than as disclosed in the financial statements.

Dividend

The amount of dividend paid by the Company since 31 december 2007 were as follows:

	RM
In respect of the financial year ended 31 December 2007, as reported in the directors' report of that year:	
First and final dividend of 0.50 sen per share less 26% taxation on 492,427,626 shares, paid on 28 August 2008	1,821,982

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2008, of 2% less 25% taxation (0.38 sen net per ordinary share) on 492,845,986 ordinary shares, amounting to a dividend payable of RM1,848,172 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2009.

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Captain Ahmad Sufian @ Qurnain bin Abdul Rashid
Dato' Mohamad Idris bin Mansor
Haji Ab Wahab bin Haji Ibrahim
Azmi bin Ahmad
Shaharuddin bin Warno @ Rahmad
Mohd Abd Rahman bin Mohd Hashim
Ab Razak bin Hashim
Ahmad Hassanudin bin Ahmad Kamaluddin

Directors' Report (cont'd)

Directors' Benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate other than those arising from the share options granted under the Company's Employee Share Option Scheme.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company, as shown in Note 5 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Directors' Interest

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares and options over shares in the Company and its related corporations during the financial year were as follows:

	Number of Ordinary Shares of RM0.25 Each			
	At 1.1.2008	Acquired	Sold	At 31.12.2008
The Company				
Direct interest:				
Dato' Captain Ahmad Sufian @ Qurnain bin Abdul Rashid	618,750	-	(118,750)	500,000
Dato' Mohamad Idris bin Mansor	275,000	-	-	275,000
Haji Ab Wahab bin Haji Ibrahim	396,000	-	-	396,000
Azmi bin Ahmad	2,179,474	-	(1,000,000)	1,179,474
Shaharuddin bin Warno @ Rahmad	3,524,674	-	(1,000,000)	2,524,674
Mohd Abd Rahman bin Mohd Hashim	44,550	1,260,874	-	1,305,424
Ab Razak bin Hashim	770,000	1,259,600	(470,000)	1,559,600
Ahmad Hassanudin bin Ahmad Kamaluddin	812,500	660,000	(1,471,250)	1,250

	Number of Ordinary Shares of RM0.25 Each			
	At 1.1.2008	Acquired	Sold	At 31.12.2008
The Company				
Indirect interest:				
Azmi bin Ahmad	259,778,090	2,000,000	-	261,778,090
Shaharuddin bin Warno @ Rahmad	259,778,090	2,000,000	-	261,778,090
Mohd Abd Rahman bin Mohd Hashim	259,778,090	2,000,000	-	261,778,090
Ab Razak bin Hashim	259,778,090	2,000,000	-	261,778,090

	Number of Options Over Ordinary Share of RM0.25 Each			
	At 1.1.2008	Acquired	Sold	At 31.12.2008
The Company				
Dato' Captain Ahmad Sufian @ Qurnain bin Abdul Rashid	1,618,750	-	-	1,618,750
Dato' Mohamad Idris bin Mansor	935,000	-	-	935,000
Haji Ab Wahab bin Haji Ibrahim	935,000	-	-	935,000
Azmi bin Ahmad	5,358,925	-	-	5,358,925
Shaharuddin bin Warno @ Rahmad	5,358,925	-	-	5,358,925
Mohd Abd Rahman bin Mohd Hashim	5,358,925	-	(1,260,874)	4,098,051
Ab Razak bin Hashim	5,358,925	-	(1,000,000)	4,358,925
Ahmad Hassanudin bin Ahmad Kamaluddin	2,805,000	-	(660,000)	2,145,000

Directors' Report (cont'd)

Issue of Shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM121,322,253 to RM123,211,497 by way of the issuance of 7,556,974 ordinary shares of RM0.25 each for cash pursuant to the Company's Employee Share Options Scheme at the exercise price ranging from RM0.60 to RM1.53 per ordinary share.

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

Employee Share Options Scheme

The Alam Maritim Employee Share Options Scheme ("ESOS") is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 5 June 2006. The ESOS was implemented on 20 July 2006 and is to be in force for a period of 5 years from date of implementation.

The salient features and other terms of the ESOS are disclosed in Note 21 to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of the option holders, who have been granted options to subscribe for less than 5,000,000 ordinary shares of RM0.25 each. Other than the interests of the directors as disclosed above, there are no other holder of 5,000,000 or more options as at 31 December 2008.

Other Statutory Information

(a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and

  (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

  (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

  (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

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

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

(e) As at the date of this report, there does not exist:

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

  (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

Directors' Report (cont'd)

Other Statutory Information (cont'd)

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Significant Events
The significant events during the financial year are disclosed in Note 13 and Note 14 to the financial statements.

Subsequent Events
There were no material events subsequent to the end of the current financial year.

Auditors
The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 27 March 2009.

Dato' Captain Ahmad Sufian @ Qurnain bin Abdul Rashid

Azmi bin Ahmad

Statement by Directors

Pursuant to Section 169(15) of the Companies Act, 1965

We, Dato' Captain Ahmad Sufian @ Qurnain bin Abdul Rashid and Azmi bin Ahmad, being two of the directors of Alam Maritim Resources Berhad, do hereby state that, in our opinion, the accompanying financial statements set out on pages 60 to 115 are drawn up in accordance with the applicable Financial Reporting Standards and provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2008 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 27 March 2009.

Dato' Captain Ahmad Sufian @ Qurnain bin Abdul Rashid

Azmi bin Ahmad

Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, Md Nasir bin Noh, being the officer primarily responsible for the financial management of Alam Maritim Resources Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 60 to 115 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed, Md Nasir bin Noh
at Kuala Lumpur in the Federal
Territory on 27 March 2009

Md Nasir bin Noh

Before me,

Independent Auditors' Report
to the members of Alam Maritim Resources Berhad

Report on the financial statements

We have audited the financial statements of Alam Maritim Resources Berhad, which comprise the balance sheets as at 31 December 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 60 to 115.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2008 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

Report on other legal and regulatory regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the accounts and the auditors' report of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 13 to the financial statements, being financial statements.

(c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the accounts of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Ahmad Zahirudin bin Abdul Rahim
No. 2607/12/10(J)
Chartered Accountant

Kuala Lumpur, Malaysia
27 March 2009

Income Statements

for the year ended 31 December 2008

	Note	Group 2008 RM	Group 2007 RM (Restated)	Company 2008 RM	Company 2007 RM
Revenue	3	322,854,213	242,446,044	9,007,750	8,850,937
Cost of sales		(176,021,239)	(145,381,830)	-	-
Gross profit		146,832,974	97,064,214	9,007,750	8,850,937
Other income		15,535,125	23,273,047	2,718,481	491,557
Employee benefits expense	4	(22,637,194)	(14,594,865)	(4,712,702)	(4,627,194)
Other expenses		(20,009,797)	(27,646,135)	(725,861)	(122,178)
Operating profit		119,721,108	78,096,261	6,287,668	4,593,122
Finance costs	6	(23,498,557)	(19,270,474)	(10,991)	(21,192)
Share of profit of jointly controlled entities		4,911,778	5,114,475	-	-
Share of loss of associates		(422,837)	-	-	-
Profit before tax	7	100,711,492	63,940,262	6,276,677	4,571,930
Income tax expense	8	(20,403,778)	(11,232,719)	(906,568)	(1,189,614)
Profit for the year		80,307,714	52,707,543	5,370,107	3,382,316
Attributable to:					
Equity holders of the Company		78,237,395	50,925,775	5,370,109	3,382,316
Minority interests		2,070,319	1,781,768	-	-
		80,307,714	52,707,543	5,370,107	3,382,316
Earnings per share attributable to equity holders of the Company:					
Basic (Sen)	9	16.0	11.4		
Diluted (Sen)	9	15.1	10.6		

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

Balance Sheets
as at 31 December 2008

	Note	Group 2008 RM	Group 2007 RM (Restated)	Company 2008 RM	Company 2007 RM
Assets					
Non-current assets					
Property, vessels and equipment	11	817,699,175	612,640,325	148,228	203,813
Intangible assets	12	1,949,538	1,166,620	-	-
Investments in subsidiaries	13	-	-	100,302,070	100,302,070
Investment in an associate	14	21,667,949	-	-	-
Investment in jointly controlled entities	15	25,547,737	17,225,239	-	-
		866,864,399	631,032,184	100,450,298	100,505,883
Current assets					
Amount due from subsidiaries	16	-	-	653,647,552	421,660,041
Inventories	17	19,985,209	832,049	-	-
Trade receivables	18	199,584,982	108,891,333	-	-
Other receivables	20	46,568,165	26,093,726	-	12,852
Tax recoverable		2,688,782	772,098	1,166,447	4,697
Cash and bank balances	21	121,588,656	112,632,020	56,364,909	81,119,618
		390,415,794	249,221,226	711,178,908	502,797,208
Total assets		1,257,280,193	880,253,410	811,629,206	603,303,091
Equity and liabilities					
Equity attributable to equity holders of the company					
Share capital	23	123,211,497	121,322,253	123,211,497	121,322,253
Share premium	23	68,689,027	63,032,747	68,689,027	63,032,747
Other reserves	24	7,968,503	6,179,640	7,897,646	6,181,144
Retained profits	25	174,996,808	98,581,395	8,531,335	4,983,210
		374,865,835	289,116,035	208,329,505	195,519,354
Minority interests		5,329,854	3,062,516	-	-
Total equity		380,195,689	292,178,551	208,329,505	195,519,354
Non-current liabilities					
Borrowings	26	487,982,161	304,388,485	475,171,804	300,197,042
Deferred tax liabilities	28	66,396,703	47,998,292	-	4,333
		554,378,864	352,386,777	475,171,804	300,201,375
Current liabilities					
Borrowings	26	147,091,902	175,124,335	116,495,457	99,678,416
Trade payables	28	39,045,143	43,876,169	-	-
Other payables	29	134,880,729	14,675,397	11,632,440	7,737,216
Tax payable		1,687,866	2,012,181	-	166,730
		322,705,640	235,688,082	128,127,897	107,582,362
Total liabilities		877,084,504	588,074,859	603,299,701	407,783,737
Total equity and liabilities		1,257,280,193	880,253,410	811,629,206	603,303,091

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

Statement of Changes in Equity

for the year ended 31 December 2008

	Attributable to equity holders of the company: Non-distributable			Distributable		Minority interests	Total equity
	Share capital (Note 23) RM	Share premium (Note 23) RM	Other reserves (Note 24) RM	Retained profits RM	Total RM	RM	RM
Group							
At 1 January 2007	81,269,241	30,748,238	3,504,883	49,466,612	164,988,974	9,183,720	174,172,694
Prior year adjustments (Note 37)	-	-	-	-	-	(8,301,328)	(8,301,328)
At 1 January 2007 (Restated)	81,269,241	30,748,238	3,504,883	49,466,612	164,988,974	882,392	165,871,366
Profit for the year	-	-	-	50,925,775	50,925,775	1,781,768	52,707,543
Issue of ordinary shares:							
Issued for cash	7,493,750	58,151,500	-	-	65,645,250	-	65,645,250
Pursuant to ESOS	1,536,650	3,692,818	-	-	5,229,468	-	5,229,468
Pursuant to bonus issue	31,022,612	(31,022,612)	-	-	-	-	-
Acquisition of a subsidiary (Note 13(b))	-	-	-	-	-	399,359	399,359
Share issue costs	-	(984,679)	-	-	(984,679)	-	(984,679)
Share options granted under ESOS:							
- recognised in income statement (Note 4)	-	-	5,123,743	-	5,123,743	-	5,123,743
- exercised during the year	-	2,447,482	(2,447,482)	-	-	-	-
Foreign currency translation	-	-	(1,504)	-	(1,504)	(1,003)	(2,507)
Dividends (Note 10)	-	-	-	(1,810,992)	(1,810,992)	-	(1,810,992)
At 31 December 2007 (Restated)	121,322,253	63,032,747	6,179,640	98,581,395	289,116,035	3,062,516	292,178,551
At 1 January 2008	121,322,253	63,032,747	6,179,640	98,581,395	289,116,035	13,640,819	302,756,854
Prior year adjustments (Note 37)	-	-	-	-	-	(10,578,303)	(10,578,303)
At 1 January 2008 (Restated)	121,322,253	63,032,747	6,179,640	98,581,395	289,116,035	3,062,516	292,178,551
Profit for the year	-	-	-	78,237,395	78,237,395	2,070,319	80,307,714
Issue of ordinary shares:							
Pursuant to ESOS	1,889,244	3,563,617	-	-	5,452,861	-	5,452,861
Acquisition of a subsidiary (Note 13(a))	-	-	-	-	-	190,832	190,832
Acquisition of share in a subsidiary	-	-	-	-	-	98,000	98,000
Share options granted under ESOS:							
- recognised in income statement (Note 4)	-	-	3,809,165	-	3,809,165	-	3,809,165
- exercised during the year	-	2,092,663	(2,092,663)	-	-	-	-
Foreign currency translation	-	-	61,178	-	72,361	48,240	120,601
Dividends (Note 10)	-	-	-	(1,821,982)	(1,821,982)	(140,053)	(1,962,037)
At 31 December 2008	123,211,497	68,689,027	7,934,955	174,996,808	374,865,835	5,329,854	380,195,689

Statement of Changes in Equity

for the year ended 31 December 2008 (cont'd)

	Non-Distributable			Distributable	
	Share Capital (Note 23) RM	Share Premium (Note 23) RM	Other Reserves (Note 24) RM	Retained Profits RM	Total Equity RM
Company					
At 1 January 2007	81,269,241	30,748,238	3,504,883	3,411,886	118,934,248
Profit for the year	-	-	-	3,382,316	3,382,316
Issue of ordinary shares:					
Issued for cash	7,493,750	58,151,500	-	-	65,645,250
Pursuant to ESOS	1,536,650	3,692,818	-	-	5,229,468
Pursuant to bonus issue	31,022,612	(31,022,612)	-	-	-
Share options granted under ESOS:					
- recognised in income statement (Note 4)	-	-	5,123,743	-	5,123,743
- exercised during the year	-	2,447,482	(2,447,482)	-	-
Share issue costs	-	(984,679)	-	-	(984,679)
Dividends (Note 10)	-	-	-	(1,810,992)	(1,810,992)
At 31 December 2007	121,322,253	63,032,747	6,181,144	4,983,210	195,519,354
Company					
At 1 January 2008	121,322,253	63,032,747	6,181,144	4,983,210	195,519,354
Profit for the year	-	-	-	5,370,109	5,370,109
Issue of ordinary shares:					
Pursuant to ESOS	1,889,244	3,563,617	-	-	5,452,861
Share options granted under ESOS:					
- recognised in income statement (Note 4)	-	-	3,809,165	-	3,809,165
- exercised during the year	-	2,092,663	(2,092,663)	-	-
Dividends (Note 10)	-	-	-	1,821,982	1,821,982
At 31 December 2008	123,211,497	68,689,027	7,897,646	8,531,335	208,329,505

The accompanying notes form an integral part of the financial statements

Cash Flow Statements

for the year ended 31 December 2008

	Group		Company	
	2008 RM	2007 RM (Restated)	2008 RM	2007 RM
Cash flows from operating activities				
Profit before tax	100,711,492	63,940,262	6,276,677	4,571,930
Adjustments for:				
Interest income	(3,193,404)	(848,347)	(2,718,481)	(491,557)
Dividend income	-	-	(9,007,750)	(4,000,000)
Depreciation of property, vessels and equipment (Note 11)	27,206,012	21,776,836	55,585	55,585
Interest expense	23,498,557	19,270,474	10,991	21,192
Share options granted under ESOS (Note 4)	3,809,165	5,123,743	1,897,448	3,368,100
Provision for doubtful debts	426,159	8,294,771	-	-
Reversal of provision for doubtful debts	(7,790,021)	(8,384)	-	-
Net foreign exchange losses/(gain)	4,324,701	(6,224,532)	-	-
Vessel and equipment written off	-	13,278,110	-	-
Gain on disposal of property, plant and equipment	(3,264,731)	(23,881)	-	-
Amortisation of intangible assets	60,348	-	-	-
Unrealised profit on vessel disposed to an associate	2,804,147	-	-	-
Share of loss of associates	422,837	-	-	-
Share of profits of jointly controlled entities	(4,911,778)	(5,114,475)	-	-
Operating profits/(loss) before working capital changes	144,103,484	119,464,577	(3,485,532)	3,525,250
Changes in working capital:				
Increase in inventories	(19,153,160)	(791,807)	-	-
(Increase)/decrease in receivables	(103,156,535)	(33,707,517)	12,852	(12,852)
Increase in balances with a related company	-	-	22,095	(22,095)
Increase in payables	110,732,178	5,563,314	3,895,224	219,983
Cash generated from operations	132,525,967	90,528,567	444,639	3,710,286
Taxes paid	(4,283,220)	(1,120,951)	(2,239,381)	(1,080,000)
Interest paid	(23,498,557)	(19,270,474)	(21,309,503)	(1,891,028)
Net cash generated from/(used in) operating activities	104,744,190	70,137,142	(23,104,245)	739,258
Cash flows from investing activities				
Purchase of property, vessels and equipment (Note 11)	(288,775,449)	(258,979,313)	-	-
Proceeds from disposal of property, vessels and equipment	-	61,588	-	-
Acquisition of subsidiaries (Note 13(a) and Note 13(b))	(356,425)	(878,412)	-	-
Additional investment in a jointly controlled entity (Note 14)	(3,410,720)	(542,939)	-	-
Investment in an associate	(24,894,933)	-	-	-
Increase in amount due from subsidiaries	-	-	(210,700,103)	(393,940,131)
Internal development costs on diving equipment	(603,475)	-	-	-
Interest received	3,193,404	848,347	2,718,481	491,557
Dividends received	-	1,532,669	9,007,750	4,000,000
Net cash used in investing activities	(254,847,598)	(257,958,060)	(198,973,872)	(389,448,574)

Cash Flow Statements

for the year ended 31 December 2008 (cont'd)

	Group 2008 RM	Group 2007 RM (Restated)	Company 2008 RM	Company 2007 RM
Cash flows from financing activities (cont'd.)				
Proceeds from issuance of ordinary shares (Note 23)	5,452,861	69,890,039	7,364,578	69,890,039
Proceeds from MCP/MTNN	146,815,516	98,130,164	146,815,516	98,130,164
Repayment of MCP/MTN	(150,000,000)	-	(150,000,000)	-
Proceeds from Sukuk Ijarah MTN	200,000,000	300,000,000	200,000,000	300,000,000
Redemption of Sukuk Ijarah MTN	(5,000,000)	-	(5,000,000)	-
Proceeds from drawdown of term loans	10,285,457	-	-	-
Repayment of term loans	(968,364)	(236,929,689)	-	-
Proceeds from drawdown of revolving credits	52,352,650	112,539,860	-	-
Repayment of revolving credits	(94,885,750)	(65,470,951)	-	-
Repayment of hire purchase and lease financing (Note 27)	(741,959)	(349,627)	(34,704)	(22,188)
Share issued to minority interest	98,000	-	-	-
Net cash released from/ (set aside) for collateral and sinking fund	(3,833,658)	3,488,719	-	-
Dividends paid	(1,962,035)	(1,810,992)	(1,821,982)	(1,810,992)
Net cash generated from financing activities	157,612,718	279,487,523	197,323,408	466,187,023
Net increase in cash and cash equivalents	(7,509,310)	91,666,605	(24,754,709)	77,477,707
Cash and cash equivalents at beginning of year	98,315,547	6,648,942	81,119,618	3,641,911
Cash and cash equivalents at end of year (Note 21)	105,824,857	98,315,547	56,364,909	81,119,618

The accompanying notes form an integral part of the financial statements

Notes to the Financial Statements

31 December 2008

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office is located at 38E and 38F, Level 2, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur.

The immediate and ultimate holding company of the Company is SAR Venture Holdings (M) Sdn. Bhd., a private limited liability company, incorporated and domiciled in Malaysia.

The principal activities of the Company are investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Company and of its subsidiaries during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 March 2009.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements comply with the applicable Financial Reporting Standards in Malaysia ("FRSs") and the provisions of the Companies Act, 1965. At the beginning of the current financial year, the Group and the Company had adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 January 2008 as described fully in Note 2.3.

The financial statements of the Group and of the Company have also been prepared on a historical basis and are presented in Ringgit Malaysia (RM).

2.2 Summary of significant accounting policies

(a) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Notes to the Financial Statements

31 December 2008 (cont'd)

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(a) Subsidiaries and Basis of Consolidation (cont'd)

(ii) Basis of consolidation (cont'd)

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

(b) Jointly controlled entities

The Group has interests in joint ventures which are jointly controlled entities. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

Investments in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting as described in Note 2.2(c).

In the Company's financial statements, investments in jointly controlled entities are stated at cost less any impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in income statement.

(c) Associates

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investment in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes. In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The most recent available audited financial statements of the associate is used by the Group in applying the equity method. The financial statements of the associate is coterminous with those of the Group. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, the investment in an associate is stated at cost less impairment losses.

On disposal of such investment, the difference between net disposal proceeds and the carrying amount is included in profit or loss.

Notes to the Financial Statements

31 December 2008 (cont'd)

2. Significant accounting policies (cont'd.)

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

(d) Intangible assets

(i) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Other intangible assets

Costs directly attributable to the development of design for deep sea remotely operated subsea vehicles and peripherals are capitalised as intangible assets only when technical feasibility of the project is demonstrated, the Group's intention to complete, its ability to use or sell the asset, how the asset will generate future economic benefits, and the costs can be measured reliably. Such costs include payroll-related costs of employees directly involved in the project and other costs directly related to the project. Research costs are expensed as incurred.

Deferred development costs are subsequently carried at cost less accumulated amortisation and any accumulated impairment losses. These costs are amortised to the profit and loss account using the straight-line method over their estimated useful lives of five years.

(e) Property, vessels and equipment, and depreciation

All items of property, vessels and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, vessels and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Vessels are depreciated in equal annual instalments calculated to reduce to residual value the cost of vessels over their estimated useful lives of 25 years.

Drydocking costs are capitalised and amortised over the period of the vessel's next drydocking cycle which is approximately over 2.5 years.

Assets under construction are not depreciated as the assets are not available for use.

Depreciation of property and other equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Leasehold buildings	2 - 3%
Diving equipment	10%
Equipment on vessel	10%
Computers	33.3%
Office equipment	10%
Furniture and fittings	10%
Renovations	10%
Motor vehicles	20%

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, vessels and equipment.

Notes to the Financial Statements

31 December 2008 (cont'd)

2. Significant accounting policies (cont'd.)

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

(e) Property, vessels and equipment, and depreciation (cont'd)

An item of property, vessels and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

(f) Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total of costs incurred on construction contracts plus, recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

(g) Impairment of non-financial assets

The carrying amounts of assets, other than construction contract assets and inventories are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of the asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

Notes to the Financial Statements

31 December 2008 (cont'd)

2. Significant accounting policies (cont'd.)

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

(g) Impairment of non-financial assets (cont'd)

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(h) Financial instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Cash and cash equivalents

For the purpose of the cash flow statements, cash and cash equivalents include cash on hand and at bank, deposit at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(ii) Trade and other receivables

Trade and other receivables are carried at anticipated realisable values. Bad debts are witten off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iii) Trade and other payables

Trade and other payables are stated at the fair value of the consideration to be paid in the future for goods and services received.

(iv) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(v) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(i) Inventories

Inventories are stated at lower of cost and net realisable value.

Cost is determined using the first in, first out method. The cost of inventories includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Notes to the Financial Statements

31 December 2008 (cont'd)

2. Significant accounting policies (cont'd.)

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

(i) Inventory (cont'd)

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

(j) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substaintially to the Group all the risks and rewards incidental to ownership. All other leases that do not transfer substantially all the risks and rewards are classified as operating leases.

(ii) Finance leases - the Group as lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is consistent with that for depreciable property, vessel and equipment as described in Note 2.2(e).

(iii) Operating leases - the Group lessee

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

(iv) Operating leases - the Group lessor

Assets leased out under operating leases are presented on the balance sheet according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease as describe in Note 2.2 (p)(i). Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(l) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Notes to the Financial Statements
31 December 2008 (cont'd)

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(l) Income tax (cont'd)

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest is the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(m) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(n) Employee benefits

(i) Short term benefits

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

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

(iii) Employee Share Options Scheme ("ESOS")

The Company's Employee Share Options Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Group's employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest.

Notes to the Financial Statements

31 December 2008 (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(n) Employee benefits (cont'f)

(iii) Employee Share Options Scheme ("ESOS") (cont'd)

The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained earnings. The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

(o) Foreign currencies

(i) Functional and presentation currency

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

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's separate financial statements or the individual financial statements of the foreign operation, as appropriate.

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

(iii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

Notes to the Financial Statements

31 December 2008 (cont'd)

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(p) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Charter hire of vessels

Charter hire of vessels are recognised when the services are rendered and is computed at the contracted daily rate. In the event invoices are yet to be issued at year end, the revenue is accrued to the extent of the services rendered at the balance sheet date.

(ii) Revenue from offshore installation and construction

Revenue relating to offshore installation and construction are recognised by reference to stage of completion at the balance sheet date. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs. Where the outcome of a construction diving contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable.

(iii) Diving, underwater services and other shipping related income

The above revenue are recognised on an accrual basis when the services are rendered.

(iv) Sales of diving equipment

Revenue from the sales of diving equipment is recognised upon passage of title to the customer which generally coincides with their delivery and acceptance.

(v) Management fees

Management fees are recognised on an accrual basis based on a predetermined rate.

(vi) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(vii) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

2.3 Changes in accounting policies arising from adoption of new and revised financial reporting standards ("FRSs")

On 1 January 2008, the Company adopted the following revised FRSs and amendment to FRSs and Interpretations:

FRS 107	:	Cash Flow Statements
FRS 111	:	Construction Contracts
FRS 112	:	Income Taxes
FRS 118	:	Revenue
FRS 120	:	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	:	Interim Financial Reporting
FRS 137	:	Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121	:	The effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
IC Interpretation 1	:	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	:	Members' Shares in Co-operative Entities and Similar Instrument
IC Interpretation 5	:	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	:	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	:	Applying the Restatement Approach under FRS 129 - Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	:	Scope of FRS 2

Notes to the Financial Statements

31 December 2008 (cont'd)

2. Significant accounting policies (cont'd)

2.3 Changes in accounting policies arising from adoption of new and revised financial reporting standards ("FRSs") (cont'd)

The revised FRSs, amendments to FRSs and Interpretations above do not have any signficant impact on the financial statements of the Company upon their initial application.

At the date of the authorisation of these financial statements, the following new FRSs and Interpretations were issued but not yet effective and have not been applied by the Company:

FRSs, amendments to FRSs and interpretations			**Effective for financial periods beginning on or after**
FRS 4	:	Insurance Contracts	1 January 2010
FRS 7	:	Financial Instrument: Disclosures	1 January 2010
FRS 8	:	Operating Segments	1 July 2009
FRS 139	:	Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9	:	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	:	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 8	:	Scope of FRS 2	1 July 2008
IC Interpretation 2	:	Members' Shares in Co-operative Entities and Similar Instruments	1 July 2008

The Company is exempted from disclosing the posibble impact, if any, to the financial statements upon the initial application of FRS 139.

The other new FRSs and Interpretations above are expected to have no significant impact on the financial statements of the Company upon their initial application.

2.4 Significant accounting estimates and judgements

(a) Critical judgement made in applying accounting policies

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Development costs

Development costs are capitalised in accordance with the accounting policy in note 2.2(d)(ii). Initial capitalisation of costs is based on management's judgement that technological and economical feasibility is confirmed. The carrying amount of development costs capitalised at the balance sheet date is RM543,127.

(b) Key sources of estimation uncertainty

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

Depreciation of vessels and equipment on vessel

The cost of vessels and equipment on vessel are depreciated on a straight-line basis over the assets' useful life. Management estimates the useful lives of the Group's vessels to be between 8 to 25 years and equipment on vessel to be 10 years. These are common life expectancies applied in the shipping industry. Changes in the expected level of usage could impact the economic useful lives and residual values of these assets, therefore future depreciation charges could be revised.

Notes to the Financial Statements

31 December 2008 (cont'd)

3. Revenue

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Charter hire	244,926,927	206,729,696	-	-
Offshore installation and construction	26,027,449	7,331,803	-	-
Ship catering	4,961,856	9,692,579	-	-
Rental of equipment	13,797,667	10,625,480	-	-
Diving and underwater services	359,445	867,439		-
Other shipping related income	8,550,911	5,045,052	-	-
Sales of diving equipment	22,263,173	1,537,459	-	-
Dividend income from subsidiaries	-	-	9,007,750	4,000,000
Vessel's management fees	1,966,785	616,536	-	-
Management fees from subsidiaries	-	-	-	4,850,937
	322,854,213	242,446,044	9,007,750	8,850,937

4. Employee benefits expense

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Salaries, bonuses and allowances	14,011,747	6,225,348	2,596,727	1,165,933
Contributions to defined contribution plan - EPF	1,442,526	648,088	217,206	90,720
Social security contributions	61,873	28,630	1,240	1,085
Share options granted under ESOS (Note 23)	3,809,165	5,123,743	1,897,448	3,368,100
Other staff related expenses	3,311,883	2,569,056	81	1,356
	22,637,194	14,594,865	4,712,702	4,627,194

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM4,096,366 (2007: RM4,473,541) and RM4,096,366 (2007: RM3,591,459) as further disclosed in Note 5.

Notes to the Financial Statements

31 December 2008 (cont'd)

5. Directors' remuneration

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Executive directors' remuneration (Note 4):				
Fees	-	-	-	-
Other emoluments	3,977,866	4,286,541	3,977,866	3,404,459
	3,977,866	4,286,541	3,977,866	3,404,459
Non-executive directors remuneration (Note 7):				
Fees	119,380	102,000	102,000	72,000
Other emoluments	272,370	325,531	272,370	325,531
	391,750	427,531	374,370	397,531
Total directors remuneration	4,369,616	4,714,072	4,352,236	3,801,990
Estimated money value of benefits-in-kind	133,500	232,000	133,500	232,000
Total directors remuneration including benefits-in-kind	4,503,116	4,946,072	4,485,736	4,033,990

The details of remuneration receivable by directors of the Company during the year are as follows:

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Executive:				
Salaries and other emoluments	1,567,200	1,531,000	1,567,200	931,000
Bonus:				
- current year's provisions	528,600	320,714	528,600	133,000
Defined contribution plan				
- EPF	183,988	185,088	183,988	90,720
Share option granted under ESOS	1,686,078	2,249,739	1,686,078	2,249,739
Estimated money value of benefits-in-kind	118,500	187,000	118,500	187,000
Total executive directors' remuneration	4,084,366	4,473,541	4,084,366	3,591,459
Non-executive:				
Fees and other emoluments	180,380	145,500	163,000	115,500
Share option granted under ESOS	211,370	282,031	211,370	282,031
Estimated money value of benefits-in-kind	15,000	15,000	15,000	15,000
Total non-executive director's remuneration	406,750	472,531	389,370	442,531
Total directors' remuneration	4,491,116	4,946,072	4,473,736	4,033,990

Notes to the Financial Statements
31 December 2008 (cont'd)

5. Directors' remuneration (cont'd)

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of Directors 2008	2007
Executive directors:		
<RM300,000	1	-
RM300,000 - RM400,000	-	1
RM400,001 - RM500,000	-	3
RM500,001 - RM600,000	2	1
>RM600,000	2	0
Non-executive directors:		
RM20,000 - RM30,000	-	1
RM30,001 - RM40,000	-	1
RM40,001 - RM50,000	1	-
RM50,001 - RM60,000	1	-
RM60,001 - RM70,000	1	-
RM100,000 - RM200,000	-	1

6. Finance costs

	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Interest expense on:				
Term loans	5,031,208	13,014,935	-	-
Hire purchase and finance lease liabilities	114,106	86,696	10,991	21,192
MCP/MMTN	2,539,790	1,524,539	-	-
Sukuk Ijarah MTN	22,130,996	7,443,500	-	-
Other borrowings	4,343,408	2,566,961	-	-
	34,159,508	24,636,631	10,991	21,192
Less: Interest expense capitalised in qualifying assets-vessels under construction (Note 11)	(10,660,951)	(5,366,157)	-	-
Net finance expense	23,498,557	19,270,474	10,991	21,192

Notes to the Financial Statements

31 December 2008 (cont'd)

7. Profit before tax

	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
The following amounts have been stated after charging/(crediting):				
Non-executive directors' remuneration (Note 5)	391,750	427,531	374,370	397,531
Auditors' remuneration:				
- statutory audits	129,293	108,000	25,000	23,000
- other services	-	143,950	-	138,950
Other auditors	54,313	21,791	-	-
Operating leases:				
- lease payments for premises	82,026	155,429	-	-
- lease payments for survey equipment	5,667,155	496,621	-	-
- lease payments for tugs/barges	1,968,210	87,582	-	-
- lease payments for third party vessels	51,332,767	73,642,246	-	-
Depreciation of property, vessels and equipment (Note 11)	27,206,012	21,776,836	55,585	55,585
Provision for doubtful debts	426,159	8,294,771	-	-
Amortisation of intangible assets	60,348	-	-	-
Net foreign exchange losses/(gain)	4,324,701	(6,224,532)	(12,500)	-
Vessel and equipment written off	-	13,278,110	-	-
Reversal of provision for doubtful debts	(7,790,021)	(8,384)	-	-
Interest income	(3,193,404)	(848,347)	(2,473,131)	(491,557)
Insurance claim on loss of a vessel	-	(13,300,000)	-	-
Gain on disposal of property, plant and equipment	(3,264,731)	(23,881)	-	-

8. Income tax expense

	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Current income tax:				
Malaysian income tax	283,196	2,717,664	-	1,246,729
Foreign tax	1,276,953	22,940	-	-
Under/(over) provision in prior year				
Malaysian income tax	430,502	(6,441,002)	910,901	(60,197)
Foreign tax	9,383	3,556	-	-
	2,000,034	(3,696,842)	910,901	1,186,532
Deferred tax (Note 28):				
Relating to origination and reversal of temporary differences	20,312,147	11,785,937	(4,167)	-
Relating to change in tax rates	(1,699,162)	(1,222,160)	(166)	(168)
(Over)/underprovision in prior year	(209,241)	4,365,784	-	3,250
	18,403,744	14,929,561	(4,333)	3,082
	20,403,778	11,232,719	906,568	1,189,614

Notes to the Financial Statements

31 December 2008 (cont'd)

8. Income tax expense (cont'd)

Domestic income tax is calculated at the Malaysian statutory tax rate of 26% (2007: 27%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 25% from the current year's rate of 26% with effect from the year of assessment 2009. The computation of deferred tax as at 31 December 2008 has reflected these changes.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2008 RM	**2007 RM**	**2008 RM**	**2007 RM**
Profit before tax	100,711,492	63,940,262	6,276,675	4,571,930
Taxation at Malaysian statutory tax rate of 26% (2007: 27%)	26,184,988	17,263,871	1,631,936	1,234,421
Effect of income subject to tax rate of 20%	(30,000)	(35,000)	-	-
Different tax rates in other countries	(750,405)	(39,855)	-	-
Effect of income not subject to tax	3,625,501	3,290,724	(2,342,015)	-
Effect of expenses not deductible for tax purposes	720,734	580,925	519,550	12,308
Effect of change in tax rates on opening balance of deferred tax	(2,511,116)	(1,222,160)	(166)	(168)
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	193,817	50,880	186,362	-
Under/(over) provision of income tax in prior year	430,502	(6,441,002)	910,901	(60,197)
(Over)/underprovision of deffered tax in prior year	(209,241)	4,365,784	-	3,250
Income tax expense for the year	20,403,778	11,232,719	906,568	1,189,614

9. Earning per share

(a) Basic

Basic earning per share amounts are culculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	2008 RM	**2007 RM**
Profit attributable to ordinary equity holders of the Company	78,237,395	50,925,775
Weighted average number of ordinary shares in issue	488,602,183	447,144,113
Basic earning per share (Sen)	16.0	11.4

Notes to the Financial Statements

31 December 2008 (cont'd)

9. Earning per share (cont'd)

(b) Diluted

For the purpose of calculating diluted earnings per share, the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares, i.e. share options granted to employees.

	2008 RM	2007 RM
Profit attributable to ordinary equity holders of the Company	78,237,395	50,925,775
Weighted average number of ordinary share in issue	488,602,183	447,144,113
Effects of dilution from share options granted to employees	28,704,832	34,837,879
Adjusted weighted average number of ordinary shares in issue and issuable	517,307,015	481,981,992
Diluted earnings per share (Sen)	15.1	10.6

10. Dividends

	Dividends in respect of year		Dividend recognised in year	
	2008 RM	2007 RM	2008 RM	2007 RM
Recognised during the year:				
First and final dividend of 0.50 sen less 26% taxation, on 492,427,626 ordinary shares	-	1,821,982	1,821,982	-
First and final dividend of 1.50 sen less 27% taxation, on 165,387,432 ordinary shares	-	-	-	1,810,992

Notes to the Financial Statements

31 December 2008 (cont'd)

11. Property, vessels and equipment

Group	Leasehold Building RM	Vessels RM	Drydocking RM	Diving Equipment, Equipment on Vessel RM	Motor Vehicles RM	Computers, Office Equipment, Furniture and Fittings RM	Renovations RM	Assets under Construction RM	Total RM
31 December 2008									
Cost									
At 1 January 2008	2,410,000	462,632,938	11,168,181	17,658,713	2,627,519	1,537,062	2,338,485	169,661,936	670,034,834
Acquisition of a subsidiary Note 13(a))	-	-	-	-	174,227	164,756	62,169	-	401,152
Additions	1,128,600	-	7,009,328	4,218,105	1,450,204	2,348,844	682,687	260,444,604	277,282,372
Reclassification	-	174,728,956	-	13,287,440	-	-	-	(188,016,396)	-
Disposals	-	-	-	-	-	(28,934)	-	-	(28,934)
Transfer to an associated company	-	(45,230,252)	-	-	-	-	-	-	(45,230,252)
Exchange differences	-	-	-	-	-	18,872	2,041	-	20,913
At 31 December 2008	3,538,600	592,131,642	18,177,509	35,164,258	4,251,950	4,040,600	3,085,382	242,090,144	902,480,085

Notes to the Financial Statements

31 December 2008 (cont'd)

11. Property, vessels and equipment (cont'd)

Group	Leasehold Building RM	Vessels RM	Drydocking RM	Diving Equipment, Equipment on Vessel RM	Motor Vehicles RM	Computers, Office Equipment, Furniture and Fittings RM	Renovations RM	Assets under Construction RM	Total RM
31 December 2008									
Accumulated depreciation									
At 1 January 2008	158,753	44,705,126	6,139,664	3,982,518	1,374,043	705,015	329,390	-	57,394,509
Acquisition of a subsidiary (Note 13(a))	-	-	-	-	108,603	59,597	8,270	-	176,470
Charge for the year	83,468	19,264,926	3,473,618	2,842,520	820,703	469,123	251,654	-	27,206,012
Disposals	-	-	-	-	-	(1,306)	-	-	(1,306)
Exchange differences	-	-	-	-	-	3,831	1,394	-	5,225
At 31 December 2008	242,221	63,970,052	9,613,282	6,825,038	2,303,349	1,236,260	590,708	-	84,780,910
Net carrying amount									
At 31 December 2008	3,296,379	528,161,590	8,564,227	28,339,220	1,948,601	2,804,340	2,494,674	242,090,144	817,699,175

Notes to the Financial Statements

31 December 2008 (cont'd)

11. Property, vessels and equipment (cont'd)

Group	Leasehold Building RM	Vessels RM	Drydocking RM	Diving Equipment, Equipment on Vessel RM	Motor Vehicles RM	Computers, Office Equipment, Furniture and Fittings RM	Renovations RM	Assets under Construction RM	Total RM
31 December 2007									
Cost									
At 1 January 2007 (restated)	2,410,000	375,851,738	9,501,176	13,706,522	2,326,749	919,417	748,475	21,154,970	426,619,047
Acquisition of a subsidiary (Note 13(b)	-	-	-	-	-	125,106	7,878	-	132,984
Additions	-	23,120,055	3,499,902	4,659,115	491,570	499,669	1,582,132	225,608,111	259,460,554
Disposals	-	-	-	-	(190,800)	-	-	-	(190,800)
Write-off	-	(13,440,000)	(1,832,897)	(706,924)	-	(7,130)	-	-	(15,986,951)
Reclassification	-	77,101,145	-	-	-	-	-	(77,101,145)	-
At 31 December 2007	2,410,000	462,632,938	11,168,181	17,658,713	2,627,519	1,537,062	2,338,485	169,661,936	670,034,834

Notes to the Financial Statements
31 December 2008 (cont'd)

11. Property, vessels and equipment (cont'd)

Group	Leasehold Building RM	Vessels RM	Drydocking RM	Diving Equipment, Equipment on Vessel RM	Motor Vehicles RM	Computers, Office Equipment, Furniture and Fittings RM	Renovations RM	Assets under Construction RM	Total RM
31 December 2007									
Accumulated depreciation									
At 1 January 2007	78,420	29,378,056	4,712,189	2,549,448	1,119,631	433,042	182,298	-	38,453,084
Acquisition of a subsidiary (Note 13(b))	-	-	-	-	-	23,568	2,955	-	26,523
Charge for the year	80,333	16,091,756	3,221,692	1,577,712	407,505	253,701	144,137	-	21,776,836
Disposals	-	-	-	-	(153,093)	-	-	-	(153,093)
Write-off	-	(764,686)	(1,794,217)	(144,642)	-	(5,296)	-	-	(2,708,841)
At 31 December 2007	158,753	44,705,126	6,139,664	3,982,518	1,374,043	705,015	329,390	-	57,394,509
Net carrying amount									
At 31 December 2007	2,251,247	417,927,812	5,028,517	13,676,195	1,253,476	832,047	2,009,095	169,661,936	612,640,325

Notes to the Financial Statements

31 December 2008 (cont'd)

11. Property, vessels and equipment (cont'd)

Company	Motor vehicles RM	Total RM
31 December 2008		
Cost		
At 1 January/31 December	277,926	277,926
Accumulated depreciation		
At 1 January 2008	74,113	74,113
Charge for the year	55,585	55,585
At 31 December 2008	129,698	129,698
Net carrying amount		
At 31 December 2008	148,228	148,228
31 December 2007		
Cost		
At 1 January/31 December	277,926	277,926
Accumulated depreciation		
At 1 January 2007	18,528	18,528
Charge for the year	55,585	55,585
At 31 December 2007	74,113	74,113
Net carrying amount		
At 31 December 2007	203,813	203,813

(a) Included in the Group's additions for the year are property, vessels and equipment of RM1,450,204 (2007:RM491,570) which were acquired by means of hire purchase and finance lease arrangements. Net carrying amounts of property, vessels and equipment held under hire purchase and finance lease arrangements are as follows:

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Motor vehicles	1,948,601	1,253,476	148,228	203,813

Detail of the terms and conditions of the hire purchase and finance lease arrangements are disclosed in Note 27.

Notes to the Financial Statements

31 December 2008 (cont'd)

11. Property, vessels and equipment (cont'd)

(b) The net carrying amounts of property, vessels and equipment of the Group which are pledged as securities for borrowings as disclosed in Note 26 and Note 27 are as follows:

	Group	
	2008 RM	2007 RM
Leasehold buildings	2,170,914	2,251,247
Vessels	528,161,590	417,927,812
	530,332,504	420,179,059

(c) The strata titles for the leasehold buildings with a net carrying amount of RM2,170,914 (2007:RM2,251,247) have not been issued by the relevant authorities.

(d) As disclosed in Note 6, interest expense capitalised in relation to vessels under construction during the financial year, for the Group amounted to RM10,660,951 (2007:RM5,366,157).

12. Intangible assets

	Goodwill on consolidation RM	Development costs RM	Total RM
Group			
Cost			
At 1 January 2007	-	-	-
Acquisition of a subsidiary (Note 13(b))	1,166,620	-	1,166,620
At 31 December 2007/1 January 2008	1,166,620	-	1,166,620
Acquisition of a subsidiary (Note 13(a))	183,878	-	183,878
Internal development during the year	-	603,475	603,475
Exchange differences	55,913	-	55,913
At 31 December 2008	1,406,411	603,475	2,009,886
Accumulated amortisation and impairment			
At 1 January/31 December 2007/1 January 2008	-	-	-
Charge for the year	-	60,348	60,348
At 31 December 2008	-	60,348	60,348
Net carrying amount			
At 31 December 2007	1,166,620	-	1,166,620
At 31 December 2008	1,406,411	543,127	1,949,538

Notes to the Financial Statements
31 December 2008 (cont'd)

12. Intangible assets (cont'd)

(a) Impairment test for goodwill

Allocation of goodwill

Goodwill has been allocated to the Group's Cash-Generating Unit ("CGU") identified according to business segment as follows:

	Underwater services RM	Offshore support vessels and services RM	Total RM
At 31 December 2008	1,222,533	183,878	1,406,411
At 31 December 2007	1,166,620	-	1,166,620

Key assumptions used in value-in use calculations

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five-year period.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margin is the average margins achieved in the year immediately before the budgeted year increased for expected efficiency improvements.

(ii) Discount rate

The discount rates used are pre-tax and reflect specific risks relating to the relevant segment.

(iii) Bond rate

The bond rates used are the yield on 5-year Singaporean government bond rates at the beginning of the budgeted year.

13. Investments in subsidiaries

	Company 2008 RM	2007 RM
Unquoted shares, at cost	100,302,070	100,302,070

Notes to the Financial Statements

31 December 2008 (cont'd)

13. Investments in subsidiaries (cont'd)

Details of subsidiaries are as follows:

Name of subsidiaries	Country of Incorporation	Principal Activities	Group's Effective Interest 2008 %	2007 %
(i) Held by the Company:				
Alam Maritim (M) Sdn Bhd ("AMSB")	Malaysia	Ship owning, chartering and managing and other shipping related activities	100	100
Alam Maritim (L) Inc. ("AMLI")	Federal Territory of Labuan, Malaysia	Investment holding and ship owning	100	100
(ii) Held through AMSB				
Alam Hidro (M) Sdn Bhd ("AHSB")	Malaysia	Offshore facilities construction and installation and underwater services	70	70
Alam Offshore Services & Logistics Sdn Bhd ("AOLS")	Malaysia	Transportation, ship forwarding and agent, ship chandeling and other related activities	100	100
KJ Waja Engineering Sdn Bhd ("KJ Waja")	Malaysia	Ship repair & maintenance, ship spare supply and other related services	51	-
KJ Waja Services Sdn Bhd ("KJ Waja Services")	Malaysia	Ship spare supply and other related services	51	-
Alam Food Industries (M) Sdn Bhd ("Alam Food")	Malaysia	Catering & messing services	100	-
(iii) Held through AMLI				
Easter Offshore Pte Ltd ("EASTAR")	Singapore	Designing manufacturing and operating of remotly operated vehicles ("ROV")	60	60
Alam Brompton (L) Inc ("ABLI")	Federal Territory of Labuan Malaysia	Ship management and operation, ship owning, ship maintenance and marine consultancy	-**	100
Alam Subsea Pte Ltd ("Alam Subsea")	Singapore	Rental of ROV and providing ROV services	100	-

* Audited by firms other than Ernst & Young

** On 2 January 2008, AMLI entered into Joint Venture Agreement ("JVA") and Shareholders Agreement ("SA") with Brompton Investments Pte. Ltd. which set out the conduct of the ABLI's affairs. Subsequently, pursuant to the JVA and SA, ABLI increased its issued and paid-up share capital from USD100 to USD675,049 whereby AMLI and Brompton Investment Pte. Ltd. subscribed for 344,150 and 330,899 respectively. Accordingly, the investment in ABLI was reclassified from investments in subsidiaries to investment in jointly controlled entities.

Notes to the Financial Statements

31 December 2008 (cont'd)

13. Investments in subsidiaries (cont'd)

(a) Acquisition of subsidiary - 31 December 2008

On 16 January 2008, the Company through its 100% wholly-owned subsidiary, AMSB had acquired 51% equity interest in KJWE, a company incorporated in Malaysia.

The acquired subsidiary has contributed the following results to the Group:

	2008 RM
Revenue	3,322,833
Profit for the year	102,198

The assets and liabilities arising from the acquisition are as follow:

	Acquiree's Carrying Amount RM
Property and equipment (Note 11)	224,682
Deferred tax assets (Note 28)	5,550
Trade and other receivables	647,692
Cash and bank balances	26,075
	903,998
Trade and other payables	(382,332)
Borrowings	(90,025)
Provision for taxation	(42,187)
	(514,544)
Fair value of net assets	389,454
Less: Minority interests	(190,832)
Group's share of net assets	198,622
Goodwill arising on acquisition	183,878
Purchase consideration satisfied by cash	382,500

There were no other cash flow implications on the acquisition except for the cash and cash equivalents of subsidiary acquired totalling to RM356,425.

Subsequently, on 1 April 2008, KJWE increased its issued and paid-up share capital from RM300,000 to RM500,000. Pursuant to the increase in share capital, the Company through its 100% wholly-owned subsidiary, AMSB subscribed for an additional 102,000 ordinary shares of RM1.00 each in KJWE.

Notes to the Financial Statements

31 December 2008 (cont'd)

13. Investments of Subsidiaries (cont'd)

(b) Acquisition of subsidiary - 31 December 2007

On 8 January 2007, the Company through its 100% wholly-owned subsidiary, AMLI had acquired 60% equity interest in EASTAR, a company incorporated in Singapore.

The acquired subsidiary had contributed the following results to the Group:

	2008 RM
Revenue	1,557,440
Profit for the year	322,619

The assets and liabilities arising from the acquisition are as follow:

	Fair value recognised on acquisition RM
Property and equipment (Note 11)	106,461
Inventories	40,242
Trade and other receivables	476,267
Cash and bank balances	887,246
	1,510,216
Trade and other payables	(511,819)
Fair value of net assets	998,397
Less: Minority interests	(399,359)
Group's share of net assets	599,038
Goodwill arising on acquisition	1,166,620
Purchase consideration satisfied by cash	1,765,658

There were no other cash flow implications on the acquisition except for the cash and cash equivalents of subsidiary acquired totalling to RM878,412.

14. Investment in associate

	Group 2008 RM	Group 2007 RM
Unquoted shares, at cost	24,894,933	-
Share of post-acquisition reserves	(422,837)	-
Share of unrealised profit on vessel disposed to an associate	(2,804,147)	-
	21,667,949	-

Notes to the Financial Statements
31 December 2008 (cont'd)

14. Investment in an associate

Details of the associates are as follows:

Name of associate	Country of Incorporation	Principal Activities	Group's Effective Interest 2008 %	Group's Effective Interest 2007 %
(i) Held through AMLI				
Alam-PE Holdings (L) Inc ("ALAM-PE(H)")	Malaysia	Ship management and operation, ship owning, ship maintenance and marine consultancy	49	-
Subsidiaries of Alam-PE (H)				
Alam-PE I (L) Inc ("ALAM-PE I")	Malaysia	Ship owning operating and chartering	49	-
Alam-PE II (L) Inc ("ALAM-PE II")	Malaysia	Ship owning operating and chartering	49	-
Alam-PE III (L) Inc ("ALAM-PE III")	Malaysia	Ship owning operating and chartering	49	-
Alam-PE IV (L) Inc ("ALAM-PE IV")	Malaysia	Ship owning operating and chartering	49	-
Alam-PE V (L) Inc ("ALAM-PE V")	Malaysia	Ship owning operating and chartering	49	-

The summarised financial information of the associates are as follows:

	2008 RM	2007 RM
Assets and liabilities		
Current assets	147,092	-
Non-current assets	51,333,819	-
Total assets	51,480,911	-
Current liabilities	10,084,710	-
Non-current liabilities	42,258,800	-
	52,343,510	-
Results		
Revenue	326,666	-
Loss for the year	(862,934)	-

Notes to the Financial Statements
31 December 2008 (cont'd)

15. Investment in jointly controlled entities

	Group 2008 RM	Group 2007 RM
Unquoted shares, at cost	14,065,900	10,655,180
Share of post-acquisition reserves	11,481,837	6,570,059
	25,547,737	17,225,239

Detail of the jointly controlled entities are as follows:

	Name of jointly controlled entities	Country of Incorporation	Principal Activities	Proportion of Ownership Interest 2008 %	Proportion of Ownership Interest 2007 %
(i)	**Held through AMSB**				
^	Alam Eksplorasi (M) Sdn Bhd ("AESB")	Malaysia	Ship owning, operating and chartering	60 *	60 *
^	Alam Synergy I (L) Inc ("AS I")	Federal Territory of Labuan, Malaysia	Ship owning, operating and chartering	60 *	60 *
^	Alam Synergy II (L) Inc ("AS II")	Federal Territory of Labuan, Malaysia	Ship owning, operating and chartering	60 *	60 *
^	Alam Synergy III (L) Inc ("AS III")	Federal Territory of Labuan, Malaysia	Ship owning, operating and chartering	60 *	60 *
(ii)	**Held through AMLI**				
	Workboat International DMCCO ("WBI")	United Arab Emirates	Ship management and operating, ship owning, ship maintenance and marine consultancy	60 *	60 *
^	Alam Brompton (L) Inc ("ABLI")	Federal Territory of Labuan, Malaysia	Ship management and operation, ship owning, ship maintenance and marine consultancy	51*	100

^ Accounted for as subsidary companies prior to 1 January 2008.
* The Group's effective voting interest is 50%

Notes to the Financial Statements
31 December 2008 (cont'd)

15. Investment in jointly controlled entities (cont'd)

The Group's aggregate share of the income, expenses, assets and liabilities of the jointly controlled entities are as follows:

	2008 RM	2007 RM
Assets and liabilities		
Current assets	16,986,065	9,186,663
Non-current assets	96,473,738	72,129,298
Total assets	113,459,803	81,315,961
Current liabilities	(20,014,046)	(9,141,935)
Non-current liabilities	(67,898,020)	(54,948,787)
Total liabilities	(87,912,066)	(64,090,722)
Results		
Revenue	32,585,025	21,955,307
Expenses, including finance cost and taxation	(27,673,247)	(16,840,832)

16. Amount due from subsidiaries

Amount due from subsidiaries are non-trade in nature, unsecured and repayable on demand except for an amount of RM24,670,786 (2007: RM8,986,039) which bears interest rate between 3.75% per annum and 5.63% per annum (2007: between 3.75% per annum and 5.3% per annum).

Further details on related party transactions are disclosed in Note 34.

17. Inventories

	Group	
	2008 RM	2007 RM
Cost		
Raw materials	2,169,117	421,836
Work-in-progress	17,800,774	410,213
Spare parts	15,318	-
	19,985,209	832,049

Notes to the Financial Statements

31 December 2008 (cont'd)

18. Trade receivables

	Group 2008 RM	Group 2007 RM
Third parties	167,577,337	82,980,901
Accrued charter hire income	29,644,907	19,010,626
Accrued catering and messing income	-	517,219
Construction contracts:		
Due from a customer on contract	3,467,500	14,808,198
	200,689,744	117,316,944
Less: Provision for doubtful debts	(1,104,762)	(8,425,611)
Trade receivables, net	199,584,982	108,891,333

The Group's normal trade credit term ranges from 30 to 90 days (2007: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

The Group has significant exposure to a few large customers and as such a concentration of credit risks, where the potential for default is however expected to be minimal as the customers are of high creditworthiness and of international reputation.

Other information on financial risks of trade receivables are disclosed in Note 35.

19. Due from a customer on contract

	2008 RM	2007 RM
Construction contract costs incurred to date	26,685,028	26,685,028
(Forseeable losses)/attributable profit	(11,340,698)	-
	15,344,330	26,685,028
Less: Progress billings	(11,876,830)	(11,876,830)
	3,467,500	14,808,198

20. Other receivables

	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Amount due from related parties:				
Jointly controlled entities	21,782,736	3,563,867	-	-
An associated company	5,900,267	-	-	-
	27,683,003	3,563,867	-	-
Deposits	3,590,830	1,802,547	-	11,352
Prepayments	4,044,839	3,525,804	-	-
Insurance claims	-	15,272,599	-	-
Sundry receivables	11,480,860	2,160,276	-	1,500
	46,799,532	26,325,093	-	12,852
Less: Provision for doubtful debts	(231,367)	(231,367)	-	-
Receivables, net	46,568,165	26,093,726	-	12,852

Other details on financial risk of other receivables are disclosed in Note 35.

Notes to the Financial Statements

31 December 2008 (cont'd)

21. Cash and cash equivalents

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Cash on hand and at banks	110,097,775	105,051,006	56,364,909	81,119,618
Deposits with licensed banks	11,490,881	7,581,014	-	-
Cash and bank balances	121,588,656	112,632,020	56,364,909	81,119,618
Bank overdrafts (Note 26)	(4,349,127)	(6,735,459)	-	-
Amounts set aside as sinking fund	(5,050,531)	(4,000,000)	-	-
Amounts set aside as margin deposits for bank guarantee facilities	(6,364,141)	(3,581,014)	-	-
Total cash and cash equivalents	105,824,857	98,315,547	56,364,909	81,119,618

The weighted average effective interest rate per annum and the remaining maturity of deposits of the Group as at 31 December 2008 are 3.80% (2007: 3.80%) and 1,825 days (2006: 2,190 days) respectively.

Other information on financial risks of cash and cash equivalents are disclosed in Note 35.

22. Employee benefits

Employee Share Options Scheme ("ESOS")

The AMRB Employee Share Options Scheme ("ESOS") is governed by the bye-laws approved by the shareholders at an Extraordinary General Meeting held on 5 June 2006. The ESOS was implemented on 20 July 2006 and is to be in force for a period of 5 years from the date of implementation.

(a) The number of shares comprised in the options to be offered under the ESOS shall not exceed 15% of the issued and paid-up share capital of the Company at any point of time. Upon completion of the Initial Public Offering ("IPO") on 20 July 2006, the total number of new shares to be issued pursuant to the ESOS is 24,350,412.

(b) When options are granted before the Company is listed on Bursa Malaysia Securities ("Initial Grant"), the exercise price shall be on a step-up basis starting with a price equivalent to the IPO price of RM1.65 and shall increase on the third year and fifth year commencing from the date of acceptance of the options as follows:

	← Exercise period →				
	Year 1	Year 2	Year 3	Year 4	Year 5
Exercise price	RM1.65	RM1.65	RM1.82	RM1.82	RM2.00

(c) Where the options are granted on or after the Company is listed on Bursa Malaysia Securities ("Subsequent Grant"), the exercise price shall be at the higher of the followings:

(i) The weighted average market price of the shares for the five market days immediately preceding the date at which options are granted subject to a discount of up to 10%; or

(ii) the par value of the shares.

Notes to the Financial Statements

31 December 2008 (cont'd)

22. Employee benefits (cont'd)

Employee Share Options Scheme ("ESOS") (cont'd)

(d) All eligible directors and employees will only be allowed to exercise the options subject to the following limits:

	Exercise period				
	Year 1	Year 2	Year 3	Year 4	Year 5
Maximum percentage of option exercisable	5%	10%	20%	30%	35%

(e) The new shares to be allotted upon any exercise of any option granted shall rank pari passu in all respects with the existing shares provided always that the new shares so allotted will not be entitled to any dividends, rights, allotments and/or any distributions declared, made or paid to shareholders which record date thereof precedes the date of allotment of the new shares and shall be subject to all provisions of the Articles of the Company.

(f) In the event of any alteration in the capital structure of the Company, whether by way of issue of new shares credited as fully paid up from capitalisation of profit or reserve, capitalisation issues, rights issues, reduction, subdivision or consolidation of capital or any other variation of capital:

(i) the Exercise Price; and/or

(ii) the number of new shares comprised in the Option so far as unexercised;

shall be adjusted accordingly.

The following table illustrates the number and movements in share option during the year:

	Number of share options								
				Movement during the year					
	Outstanding at 1.1.2008	Granted	Exercised	Bonus issue	Share split	Granted	Exercised	Outstanding at 31.12.2008	Exercisable at 31.12.2008
2008									
2008 Options	-	1,260,000	(64,000)	-	-	-	-	1,196,000	377,000
2007 Options	3,280,563	-	-	-	-	-	(452,175)	2,828,388	513,575
2006 Options	52,777,775	-	-	-	-	-	(7,040,799)	45,736,976	5,835,508
2007									
2007 Options	-	1,295,000	(8,750)	482,344	1,768,594	-	(256,625)	3,280,563	253,500
2006 Options	22,120,100	-	(2,906,700)	7,205,025	26,418,425	-	(59,075)	52,777,775	589,932

Notes to the Financial Statements

31 December 2008 (cont'd)

22. Employee benefits (cont'd)

Employee Share Options Scheme ("ESOS") (cont'd)

(i) Details of share options outstanding at the end of the year:

	Weighted average exercise price RM	Exercise period
2008		
2006 Options	0.66	20.07.2006 - 19.07.2011
2007 Options	4.03	20.07.2007 - 19.07.2011
2008 Options	1.79	20.07.2008 - 19.07.2011
2007		
2006 Options	0.66	20.07.2006 - 19.07.2011
2007 Options	4.03	20.07.2007 - 19.07.2011

(ii) Share options exercised during the financial year

As disclosed in Note 23, options exercised during the financial year resulted in the issuance of 7,556,974 (2007: 3,231,150) ordinary shares at the exercise price between RM0.60 and RM1.53 (2007: RM3.87) each. The related weighted average share price at the date of exercise was RM1.76 (2007: RM4.74).

(iii) Fair value of share options granted during the year

The fair value of share options granted during the financial year was estimated internally using a Black Scholes Option Valuation model, taking into account the terms and conditions upon which the options were granted. The fair value of the share options measured at grant date and the assumptions are as follows:

	Options granted on:	
	on 19.7.2008	on 20.7.2007
Fair value of share options at the grant date	0.56	1.60
Weighted average share price (RM)	1.76	4.74
Exercise price (RM)	1.79	4.03
Expected volatility (%)	58.13	45.24
Expected life (years)	2.50	3.50
Risk free rate (%)	3.83	3.83
Expected dividend yield (%)	3.75	3.75

The expected life of the options is based on historical data and not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of the fair value.

Notes to the Financial Statements

31 December 2008 (cont'd)

23. Share capital and share premium

	Number of ordinary shares	←	Amount	→
	Share capital (issued and fully paid)	Share capital (issued and fully paid) RM	Share premium RM	Total RM
Ordinary shares of RM0.50 each / RM0.25 each:				
At 1 January 2007	162,538,482	81,269,241	30,748,238	112,017,479
Ordinary shares issued during the year:				
Pursuant to ESOS (Note 22)	3,231,150	1,536,650	3,692,818	5,229,468
Pursuant to bonus issue	62,045,224	31,022,612	(31,022,612)	-
Arising from share split	227,499,156	-	-	-
Issued for cash	29,975,000	7,493,750	58,151,500	65,645,250
Transaction costs	-	-	(984,679)	(984,679)
ESOS exercised during the year	-	-	2,447,482	2,447,482
At 31 December 2007	485,289,012	121,322,253	63,032,747	184,355,000
Ordinary shares of RM0.25 each:				
At 1 January 2008	485,289,012	121,322,253	63,032,747	184,355,000
Pursuant to ESOS (Note 22)	7,556,974	1,889,244	3,563,617	5,452,861
ESOS exercised during the year	-	-	2,092,663	2,092,663
At 31 December 2008	492,845,986	123,211,497	68,689,027	191,900,524

Notes to the Financial Statements

31 December 2008 (cont'd)

23. Share capital and share premium (cont'd)

	Number of ordinary shares 2008 RM	Number of ordinary shares 2007 RM	Amount 2008 RM	Amount 2007 RM
Authorised share capital				
Ordinary shares of RM0.50 each:				
At 1 January	-	500,000,000	250,000,000	250,000,000
Arising from share split	-	(500,000,000)	-	(250,000,000)
At end 31 December	-	-	250,000,000	-
Ordinary shares of RM0.25 each:				
At 1 January	1,000,000,000	-	250,000,000	-
Arising from share split	-	1,000,000,000	-	250,000,000
At end 31 December	1,000,000,000	1,000,000,000	250,000,000	250,000,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

31 December 2008

During the financial year, the Company issued 7,556,974 ordinary shares of RM0.25 each for cash pursuant to the Company's Employee Share Options Scheme at the exercise price ranging from RM0.60 to RM1.53 per ordinary share.

31 December 2007

(a) Ordinary shares issued pursuant to bonus issue

During the financial year, the Company issued 62,045,224 ordinary shares of RM0.50 each pursuant to bonus issue, by way of capitalisation of the share premium on the basis of 3 new ordinary shares of RM0.50 each for every 8 existing ordinary shares of RM0.50 each.

(b) Share split exercise

During the financial year, the Company undertook a share split exercise whereby 227,499,156 issued and paid-up ordinary shares of RM0.50 each were split into 454,998,312 ordinary shares of RM0.25 each.

(c) Ordinary shares issued for cash

During the financial year, the Company issued 29,975,000 new ordinary shares of RM0.25 each through a private placement at an issue price of RM2.19 per ordinary share for cash, for repayment of borrowings and additional working capital purposes. The share premium arising therefrom of RM58,151,500 net of share issue costs of RM984,679 have been included in the share premium account. The new ordinary shares ranked pari passu in all respects with the existing ordinary shares of the Company.

Notes to the Financial Statements

31 December 2008 (cont'd)

24. Other reserves

	Share Option Reserve RM	Foreign Currency Translation Reserve RM	Total RM
Group			
At 1 January 2007	3,504,883	-	3,504,883
Foreign currency translation	-	(1,504)	(1,504)
Share options granted under ESOS:			
Recognised in income statement (Note 4)	5,123,743	-	5,123,743
Exercised during the year	(2,447,482)	-	(2,447,482)
At 31 December 2007	6,181,144	(1,504)	6,179,640
At 1 January 2008	6,181,144	(1,504)	6,179,640
Foreign currency translation	-	72,361	72,361
Share options granted under ESOS:			
Recognised in income statement (Note 4)	3,809,165	-	3,809,165
Exercised during the year	(2,092,663)	-	(2,092,663)
At 31 December 2008	7,897,646	70,857	7,968,503
Company			
At 1 January 2007	3,504,883	-	3,504,883
Share options granted under ESOS:			
Recognised in income statement (Note 4)	5,123,743	-	5,123,743
Exercised during the year	(2,447,482)	-	(2,447,482)
At 31 December 2007	6,181,144	-	6,181,144
At 1 January 2008	6,181,144	-	6,181,144
Share options granted under ESOS:			
Recognised in income statement (Note 4)	3,809,165	-	3,809,165
Exercised during the year	(2,092,663)	-	(2,092,663)
At 31 December 2008	7,897,646	-	7,897,646

The nature and purpose of each category are as follows:

(a) Share option reserve

The share option reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on grant of share options.

(b) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currency are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

Notes to the Financial Statements

31 December 2008 (cont'd)

25. Retained profits

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

The Company did not elect for the irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the 108 balance as at 31 December 2008 and 2007 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 31 December 2008, the Company has sufficient credit in the 108 balance to pay franked dividends amounting to RM8,531,335 (2007: RM4,881,494) out of its retained earnings. If the balance of the retained earnings of RMNil (2007: RM101,716) were to be distributed as dividends, the Company may distribute such dividends under the single tier system.

26. Borrowings

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Short term borrowings				
Secured:				
Bank overdrafts (Note 21)	2,283,120	1,823,152	-	-
Term loans	948,435	901,453	-	-
MCP/MMTN	116,470,219	99,654,703	116,470,219	99,654,703
Hire purchase and finance lease liabilities (Note 27)	324,121	299,620	25,238	23,713
	122,091,902	102,678,928	116,495,457	99,678,416
Unsecured:				
Revolving credits	25,000,000	67,533,100	-	-
Bank overdrafts (Note 21)	-	4,912,307	-	-
	25,000,000	72,445,407	-	-
	147,091,902	175,124,335	116,495,457	99,678,416
Long term borrowings				
Secured:				
Term loans	10,685,677	3,040,214	-	-
Sukuk Ijarah MTN	475,000,000	300,000,000	475,000,000	300,000,000
Hire purchase and finance lease liabilities (Note 27)	2,296,484	1,348,271	171,804	197,042
	487,982,161	304,388,485	475,171,804	300,197,042

Notes to the Financial Statements

31 December 2008 (cont'd)

26. Borrowings (cont'd)

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Total borrowings				
Bank overdrafts (Note 21)	4,349,127	6,735,459	-	-
Revolving credits	25,000,000	67,533,100	-	-
Term loans	11,634,112	3,941,667	-	-
MCP/MMTN	96,470,219	99,654,703	96,470,219	99,654,703
Sukuk Ijarah MTN	475,000,000	300,000,000	475,000,000	300,000,000
Hire purchase and finance lease liabilities (Note 27)	2,620,605	1,647,891	197,042	220,755
	635,074,063	479,512,820	571,667,261	399,875,458

Maturity of borrowings (excluding hire purchase and finance lease liabilities):

	Group	
	2008 RM	2007 RM
Not later than 1 year	146,767,781	174,824,715
Later than 1 year not later than 2 years	32,731,757	20,948,435
Later than 2 years not later than 5 years	205,279,794	90,543,637
Later than 5 years	247,674,126	191,548,142
	632,453,458	477,864,929

The weighted average effective interest rates at the balance sheet date for borrowings, excluding hire purchase and finance lease liabilities of the Group, are as follows:

	Group	
	2008 %	2007 %
Bank overdrafts	8.25	5.00
Revolving credits	8.13	6.01
Term loans	5.65	6.49
MCP/MMTN	4.40	3.80
Sukuk Ijarah MTN	4.92	5.05

Bank overdrafts:

The secured bank overdrafts of the Group are secured by deposits with licensed banks of the Group as disclosed in Note 21.

Term loans:

The term loans of the Group are secured by the following:

(a) First legal charge over the vessels and leasehold building of certain subsidiaries as disclosed in Note 11;

(b) 1st preferred statutory mortgage on vessels of certain subsidiaries;

(c) Legal assignments of charter proceeds of certain subsidiaries;

(d) Debentures incorporating fixed and floating asset of certain subsidiaries;

(e) Corporate guarantees by the Company

(f) Assignment of the insurance policy for vessels of certain subsidiaries.

Notes to the Financial Statements

31 December 2008 (cont'd)

26. Borrowings (cont'd)

MCP/MMTN and Sukuk Ijarah MTN Facility

The MCP/MMTN and Sukuk Ijarah MTN are secured by:

(i) a first legal charge over the designated accounts as defined in the Trust Deed;

(ii) third party second fixed legal charge over each of the Ijarah Assets/MCP/MMTN and Sukuk Ijarah MTN assets and assignment of all insurance thereon and charter contracts.

The features of the MCP/MMTN and Sukuk Ijarah MTN issued are as follows:

(i) The MCP/MMTN and Sukuk Ijarah MTN have a maximum principal limit of RM600,000,000.

The MCP/MMTN and Sukuk Ijarah MTN were constituted by a Trust Deed Program Agreement dated 6 July 2007 between the Company and the financial institutions concerned in relation to finance the purchase of beneficial interest in the Ijarah Assets (Syariah Compliant) from subsidiaries.

(ii) The MCP/MMTN are issued at a discount with yield to maturity ranging from 3.78% to 3.85% per annum. The Sukuk Ijarah MTN are issued with yield to maturity ranging from 4.46% to 5.63% per annum (2007: 4.46% to 5.30% per annum).

The amount recognised in respect of the MCP/MMTN is analysed as follows:

	Group and Company	
	2008	2007
	RM	RM
MCP/MMTN		
Nominal value	100,000,000	100,000,000
Less: Discount	(4,714,547)	(1,869,836)
Net proceeds from issuance of MCP/MMTN	95,285,453	98,130,164
Amortisation of discount	1,184,766	1,524,539
Total amount included within borrowings	96,470,219	99,654,703

Other information on financial risks of borrowings are disclosed in Note 35.

27. Hire purchase and finance lease liabilities

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Future minimum lease payments:				
Not later than 1 year	445,248	380,067	34,704	34,704
Later than 1 year and not later than 2 years	445,248	287,640	34,704	34,704
Later than 2 years and not later than 5 years	1,154,097	557,472	69,408	69,408
Later than 5 years	1,038,775	702,568	92,545	127,237
Total future minimum lease payments	3,083,368	1,927,747	231,361	266,053
Less: Future finance charges	(462,763)	(279,856)	(34,319)	(45,298)
Present value of finance lease liabilities (Note 26)	2,620,605	1,647,891	197,042	220,755

Notes to the Financial Statements
31 December 2008 (cont'd)

27. Hire purchase and finance lease liabilities (cont'd)

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Analysis of present value of finance lease liabilities:				
Not later than 1 year	324,121	299,620	25,238	23,713
Later than 1 year and not later than 2 years	335,059	223,710	26,762	25,238
Later than 2 years and not later than 5 years	967,759	469,230	58,099	55,049
Later than 5 years	993,666	655,331	86,943	116,755
	2,620,605	1,647,891	197,042	220,755
Less: Amount due within 12 months (Note 26)	(324,121)	(299,620)	(25,238)	(23,713)
Amount due after 12 months (Note 26)	2,296,484	1,348,271	171,804	197,042

The Group's and the Company's hire purchase and finance lease liabilities bears weighted average effective interest rates of 7.67% (2007: 7.41%) per annum and 8.24% (2007: 7.39%) respectively.

Other information on financial risks of hire purchase and finance lease liabilities are disclosed in Note 35.

28. Deferred taxation

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
At 1 January	47,998,292	33,068,158	4,333	1,251
Acquisition of a subsidiary (Note 13 (a))	(5,550)	-	-	-
Recognised in income statement (Note 8)	18,403,744	14,929,561	(4,333)	3,082
Exchange differences	217	573	-	-
At 31 December	66,396,703	47,998,292	-	4,333
Presented after appropriate offsetting as follows:				
Deferred tax liabilities	66,396,703	47,998,292	-	4,333

The components and movements prior to offsetting of deferred tax liabilities and assets of the Group and of the Company during the financial year are as follows:

Deferred tax liabilities of the Group:

	Accelerated capital allowances RM
At 1 January 2008	54,037,294
Recognised in income statement	17,572,348
Exchange differences	535
At 31 December 2008	71,610,177
At 1 January 2007	33,529,927
Acquisition of a subsidiary (Note 13 (b))	10,196
Recognised in income statement	20,492,469
Exchange differences	4,702
At 31 December 2007	54,037,294

Notes to the Financial Statements

31 December 2008 (cont'd)

28. Deferred taxation (cont'd)

Deferred tax assets of the Group:

	Provision for doubtful debts RM	Unutilised tax losses and unabsorbed capital allowances RM	Total RM
At 1 January 2008	(2,185,320)	(3,853,682)	(6,039,002)
Acquisition of subsidiary (Note 13 (a))	-	(5,550)	(5,550)
Recognised in income statement	2,059,278	(1,227,882)	831,396
Exchange differences	-	(318)	(318)
At 31 December 2008	(126,042)	(5,087,432)	(5,213,474)
At 1 January 2007	(461,769)	-	(461,769)
Acquisition of a subsidiary (Note 13 (b))	-	(6,067)	(6,067)
Recognised in income statement	(1,723,551)	(3,839,357)	(5,562,908)
Exchange differences	-	(8,258)	(8,258)
At 31 December 2007	(2,185,320)	(3,853,682)	(6,039,002)

Deferred tax liabilities of the Company:

	Accelerated capital allowances RM
At 1 January 2008	4,333
Recognised in income statement	(4,333)
At 31 December 2008	-
At 1 January 2007	1,251
Recognised in income statement	3,082
At 31 December 2007	4,333

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2008 RM	2007 RM
Unutilised tax losses	26,643	171,367
Unabsorbed capital allowances	-	32,759
	26,643	204,126

The unutilised tax losses and unabsorbed capital allowances of the Group amounting to RM26,643 (2007: RM171,367) and RMNil (2007: RM32,759) respectively are available indefinitely for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority.

Notes to the Financial Statements

31 December 2008 (cont'd)

29. Trade payables

Trade payables of the Group are non-interest bearing and the normal trade credit terms granted to the Group ranges from 30 to 60 days (2007: 30 to 60 days).

30. Other payables

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Amount due to related parties:				
Jointly controlled entities	12,436,948	1,754,401	-	-
An associated company	76,243,113	-	-	-
	88,680,061	1,754,401	-	-
Due to vendors of vessels	14,511,000	-	-	-
Accrued expenses	14,654,180	6,936,383	11,610,330	7,667,524
Deposits from customers	13,204,033	3,028,389		
Sundry payables	3,831,455	2,956,224	22,110	69,692
	134,880,729	14,675,397	11,632,440	7,737,216

Other information on financial risks of other payables are disclosed in Note 35.

31. Operating lease arrangements

(a) The Group as lease

The Group has entered into non-cancellable operating lease agreements for the use of office premise. Leases of the premise have an average life of between 1 and 5 years. These leases have renewal but no purchase option included in the contracts. There are no restrictions placed upon the Group by entering into these leases.

The future aggregate lease payments under non-cancellable operating leases contracted for as at the balance sheet date but not recognised as liabilities are as follows:

	2008 RM	2007 RM
Future rental payments:		
Not later than 1 year	1,757,845	73,325
Later than 1 year and not later than 5 years	44,304	16,250
	1,802,149	89,575

The lease payments recognised in profit or loss during the financial year are disclosed in Note 7.

(b) The Group as lessor

The Group has entered into non-cancellable operating lease agreements on its vessels. These leases have remaining non-cancellable lease terms of between 0.5 to 16 years. All leases include a clause to enable upward revision of the charter hire charge on an annual basis based on prevailing market conditions.

The future lease payments receivable under non-cancellable operating leases contracted for as at the balance sheet date but not recognised as receivables, are as follows:

	2008 RM	2007 RM
Not later than 1 year	143,221,102	72,871,767
Later than 1 year and not later than 5 years	213,535,232	93,524,778
Later than 5 years	104,331,564	98,987,368
	461,087,898	265,383,913

Charter hire revenue earned from chartering the Group's vessels are recognised as revenue during the financial year is disclosed in Note 3.

Notes to the Financial Statements
31 December 2008 (cont'd)

32. Capital commitments

	Group 2008 RM	Group 2007 RM
Capital expenditure		
Approved and contracted for		
Purchase of vessels	380,592,800	307,144,366
Purchase of land	8,405,987	-

33. Contingent liabilities

	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Unsecured:				
Corporate guarantees given to banks for credit facilities granted to subsidiaries	-	-	176,304,800	253,782,864
Performance bond guarantee extended to third parties	5,520,576	4,134,940	-	-
Bank guarantees extended to third parties	466,000	560,800	-	-

34. Related party disclosures

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year.

	Note	2008 RM	2007 RM
Group			
Jointly controlled entities:			
Charter hire of vessels	(i)	31,718,285	7,785,855
Mobilisation fees of vessels	(i)	2,277,077	-
Vessel management fees from jointly controlled entities	(ii)	1,966,785	616,536
Associates:			
Transfer of vessel to an associated company		45,230,252	-
Company			
Subsidiaries:			
Management fees from subsidiaries		-	4,850,937
Dividend income from subsidiaries		9,007,750	2,920,000
ESOS costs charged to subsidiaries		1,911,717	1,755,643

Notes to the Financial Statements

31 December 2008 (cont'd)

34. Related party disclosures (cont'd)

(i) The charter hire expense and mobilisation fees received from jointly controlled entities were made according to the published prices and conditions offered by these related parties to their major customers, except that a longer credit period of up to six months is normally granted.

(ii) The vessel management fees received from jointly controlled entities were made according to the published prices and conditions offered by these related parties to their major customers, except that a longer credit period of up to six months is normally granted.

Information regarding outstanding balances arising from related party transactions as at 31 December 2008 are disclosed in Note 16.

The directors are of the opinion that the transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year as follows:

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Short term employee benefits	8,747,618	6,839,428	4,495,496	4,153,324
Contributions to defined contribution plan - EPF	600,651	398,964	217,206	143,766

Included in the total key management personnel compensation are:

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Directors' remuneration (Note 5)	4,369,616	4,714,072	4,352,236	3,801,990

Executive directors of the Group and the Company and other members of key management have been granted number of options under the ESOS:

	Group and Company	
	2008 RM	2007 RM
At 1 January	42,653,637	17,512,400
Granted	690,000	505,000
Exercised	(5,366,362)	(5,608,751)
Bonus issue	-	6,481,069
Share split	-	23,763,919
At 31 December	37,977,275	42,653,637

The share options were granted on the same terms and conditions as those offered to other employees of the Group (Note 22).

Notes to the Financial Statements

31 December 2008 (cont'd)

35. Financial instruments

(a) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign currency risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

(b) Interest rate risk

The Group finances its operations through operating cash flows which are principally denominated in Malaysian Ringgit. The Group's exposure to market risk for changes in the interest rate environment principally relates to its debt obligations. The debt obligations pertaining to the Group's borrowings are disclosed in Note 26. The Group does not hedge interest rate risk but ensures that it had obtained borrowings at competitive interest rates under the most favourable terms and conditions.

(c) Foreign currency risk

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the Group. The currencies giving rise to risk are primarily United States Dollars (USD) and Singapore Dollars (SGD). Foreign exchange exposures in transactional currencies other than functional currencies of the Group are kept to an acceptable level.

The Group maintains a natural hedge, whenever possible. This natural hedge reduces significantly the financial impact of movements in the foreign exchange rates.

The net unhedged financial assets and financial liabilities of the Group companies that are not denominated in their functional currencies are as follows:

		Group	
Functional currencies of Group Companies	**United State Dollars RM**	**Singapore Dollars RM**	**Euro RM**
At 31 December 2008			
Ringgit Malaysia	44,652,402	(1,471,119)	(8,797)
Singapore Dollars	(139,162)	-	-
	44,513,240	(1,471,119)	(8,797)
At 31 December 2007			
Ringgit Malaysia	(36,052,283)	(1,910,390)	(8,797)
Singapore Dollars	(18,344)	-	-
	(36,070,627)	(1,910,390)	(8,797)

(d) Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

Notes to the Financial Statements

31 December 2008 (cont'd)

35. Financial instruments (cont'd)

(e) Credit risk

The Group credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

The credit risk of the Group's other financial assets, which comprise of cash and cash equivalents and other receivables arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The Group has significant exposure to a few large customers and as such a concentration of credit risks, where the potential for default is however expected to be minimal as the customers are of high creditworthiness and of international reputation.

(f) Fair value

The carrying amounts of financial assets and liabilities of the Group and of the Company at the balance sheet date approximated their fair values except for the followings:

	2008		2007	
Group	**Carrying amount RM**	**Fair value RM**	**Carrying amount RM**	**Fair value RM**
Financial Liabilities				
Term loans (Note 26)	10,685,677	10,402,383	3,040,214	3,010,216
Hire purchase and finance lease liabilities (Note 27)	2,296,484	2,117,972	1,348,271	1,224,828
Company				
Financial Liabilities				
Hire purchase and finance lease liabilities (Note 27)	171,804	156,698	197,042	182,269

It is not practical to estimate the fair values of the investments in subsidiaries due principally to the lack of quoted market prices and the inability to estimate fair values without incurring excessive costs. It is also not practical to estimate the fair value of amounts due from subsidiaries due principally to a lack of fixed repayment terms entered by the parties involved and without incurring excessive costs. However, the Group and the Company does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

The carrying amounts of receivables, cash and bank balances and payables for the Group and the Company approximate their fair values due to their short term maturity.

Notes to the Financial Statements

31 December 2008 (cont'd)

35. Financial instruments (cont'd)

(f) Fair value (cont'd)

The methods and assumptions used by management to determine fair values of financial instruments other than those whose carrying amounts reasonably approximate their fair value are as follows:

(i) Borrowings and finance lease payable

The fair value of borrowings is determined by discounting the expected future cash flows based on current rates for similar types of borrowing and leasing arrangements.

36. Segmental information

(a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(b) Business segments

The Group comprises the following two main business segments:

- **Offshore supply vessels and services**

  Provision of vessels for charter hire, assisting seismic operators in seismic survey related activities, transportation of crew and supplies, towing and mooring of rigs offshore, anchor-handling services and other support, repair and maintenance services for the oil and gas industry.

- **Underwater services**

  Provision of offshore facilities construction and installation services such as marine construction related services, sub-sea engineering services and offshore pipeline construction related services and designing, manufacturing and operating of remotely operated vehicles ("ROVs").

Other business segments include investment holding and provision of transportation, ship forwarding and agent and ship chandelling to the subsidiaries, none of which are of a sufficient size to be reported separately.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

(c) Geographical segments

Segmental reporting by geographical segments has not been prepared as the Group's operations are carried out predominantly in Malaysia.

(d) Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

Notes to the Financial Statements

31 December 2008 (cont'd)

36. Segmental information (cont'd)

	Offshore support vessel and services RM	Underwater services RM	Other RM	Eliminations RM	Total RM
31 December 2008					
Revenue					
Sales to external customers	258,987,124	64,934,050	1,419,356	-	325,340,530
Inter segment sales	-	6,058,684	11,213,257	(19,758,258)	(2,486,317)
Total revenue	258,987,124	70,992,734	12,632,613	(19,758,258)	322,854,213
Results					
Segment results	109,383,646	19,849,705	6,377,183	(15,889,426)	119,721,108
Finance costs	(23,369,469)	(104,274)	(24,814)	-	(23,498,557)
Share of results of associates	(422,837)	-	-	-	(422,837)
Share of results of jointly controlled entities	4,911,778	-	-	-	4,911,778
Profit before tax	90,503,118	19,745,431	6,352,369	(15,889,426)	100,711,492
Income tax expense					(20,403,778)
Profit for the year					80,307,714
31 December 2008					
Assets					
Segment assets	773,980,993	31,752,569	1,033,153	10,932,460	817,699,175
Investment in an associate	24,894,933	-	-	(3,226,984)	21,667,949
Investment in jointly controlled entities	14,065,900	-	-	11,481,837	25,547,737
Intangible assets	183,878	599,040	-	1,166,620	1,949,538
Unallocated assets	433,197,702	72,626,552	712,245,732	(827,654,192)	390,415,794
Total assets	1,246,323,406	104,978,161	713,278,885	(807,300,259)	1,257,280,193
Liabilities					
Segment liabilities	73,054,697	2,357,292	495,382,476	3,584,399	574,378,864
Unallocated liabilities	946,113,770	82,682,621	108,878,680	(834,969,431)	302,705,640
Total liabilities	1,019,168,467	85,039,913	604,261,156	(831,385,032)	877,084,504
Other segment information:					
Capital expenditure	797,754,971	33,530,123	203,813	-	831,488,907
Depreciation	24,353,400	2,355,206	497,406	-	27,206,012
Other significant non-cash expenses:					
Provision for doubtful debts	-	426,159	-	-	426,159
Share options granted under ESOS	1,210,117	488,444	2,110,604	-	3,809,165

Notes to the Financial Statements
31 December 2008 (cont'd)

36. Segmental information (cont'd)

31 December 2007	Offshore support vessel and services RM	Underwater services RM	Other RM	Eliminations RM	Total RM
Revenue					
Sales to external customers	221,991,590	18,423,641	2,030,813	-	242,446,044
Inter segment sales	-	301,537	10,207,641	(10,509,178)	-
Total revenue	221,991,590	18,725,178	12,238,454	(10,509,178)	242,446,044
Results					
Segment results	72,805,652	7,325,264	4,756,810	(6,791,465)	78,096,261
Finance costs	(19,111,334)	(124,675)	(34,465)	-	(19,270,474)
Share of results of jointly controlled entities	-	-	-	5,114,475	5,114,475
Profit before tax	53,694,318	7,200,589	4,722,345	(1,676,990)	63,940,262
Income tax expense					(11,232,719)
Profit for the year					52,707,543
31 December 2007					
Assets					
Segment assets	589,206,451	8,537,693	818,088	14,078,093	612,640,325
Investment in jointly controlled entities	10,655,180	-	-	6,570,059	17,225,239
Intangible assets	-	-	-	1,166,620	1,166,620
Unallocated assets	158,449,996	25,210,613	517,250,284	(451,689,667)	249,221,226
Total assets	758,311,627	33,748,306	518,068,372	(429,874,895)	880,253,410
Liabilities					
Segment liabilities	45,547,642	2,037,007	300,369,267	4,432,861	352,386,777
Unallocated liabilities	543,118,674	36,423,378	107,835,382	(451,689,352)	235,688,082
Total liabilities	588,666,316	38,460,385	408,204,649	(447,256,491)	588,074,859
Other segment information:					
Capital expenditure	621,140,001	9,430,690	1,011,059	-	631,581,750
Depreciation	20,564,298	1,046,090	166,448	-	21,776,836
Other significant non-cash expenses:					
Provision for doubtful debts	8,284,953	2,676	7,142	-	8,294,771
Share options granted under ESOS	1,111,310	448,538	3,563,895	-	5,123,743

37. Prior year adjustments

Prior to 1 January 2008, AESB, AS I, AS II and AS III ("Companies") being Companies in which the Alam Maritim Resources Berhad Group holds 60% shareholding had been classified as subsidiaries by virtue of the control the Group exercised over these companies.

During the year, the Board of Directors of Alam Maritim Resources Berhad, having considered the terms of the Joint Venture Agreements with the Group's Joint Venture Partner, GMV-Alam (M) Sdn. Bhd., which set out the conduct of the Companies' affairs, concluded that it is more appropriate to classify the investments as jointly controlled entities as the Group does not have absolute control over their financial management and operation.

As a result, the Group reclassified these Companies as jointly controlled entities and the results of these Companies have been de-consolidated and accounted for under the equity method in accordance with the Group's accounting policy set out in Note 2.2(b) and the comparative amounts of the Group as at previous financial year have been therefore restated as follows:

Notes to the Financial Statements

31 December 2008 (cont'd)

37. Prior year adjustments (cont'd)

	Group 2008 RM	Group 2007 RM
Effects on total equity:		
As at 1 January, as previously stated	302,756,854	174,172,694
Adjustments:		
Profits attributable to minority interests prior to 1 January 2007	(8,301,328)	(8,301,328)
Profits attributable to minority interests in financial year ended 2007	(2,276,975)	-
As at 31 December, as restated	292,178,551	165,871,366

The following comparative amounts of the Group have been restated to reflect the reclassification of the Companies as jointly controlled entities:

	As previously stated RM	Adjustments RM	As restated RM
Income statements:			
Revenue	249,900,157	(7,454,113)	242,446,044
Cost of sales	(148,740,331)	3,358,501	(145,381,830)
Gross profit	101,159,826	(4,095,612)	97,064,214
Other income	31,312,611	(8,039,564)	23,273,047
Employee benefits expense	(14,614,865)	20,000	(14,594,865)
Other expenses	(29,154,778)	1,508,643	(27,646,135)
Operating profit	88,702,794	(10,606,533)	78,096,261
Finance costs	(20,302,058)	1,031,584	(19,270,474)
Share of profit of jointly controlled entities	122,105	4,992,370	5,114,475
Profit before tax	68,522,841	(4,582,579)	63,940,262
Income tax expense	(12,516,323)	1,283,604	(11,232,719)
Profit for the year	56,006,518	(3,298,975)	52,707,543
Attributable to:			
Equity holders of the Company	50,925,775	-	50,925,775
Minority interests	5,080,743	(3,298,975)	1,781,768
Property, vessels and equipment	732,944,770	(120,304,445)	612,640,325
Investment in jointly controlled entities	1,313,547	15,911,692	17,225,239
Current assets			
Other receivables	22,548,204	3,545,522	26,093,726
Tax recoverable	783,187	(11,089)	772,098
Cash and bank balances	118,120,305	(5,488,285)	112,632,020
Equity and liabilities			
Minority interests	13,640,819	(10,578,303)	3,062,516
Non-current liabilities			
Borrowings	395,927,589	(91,539,104)	304,388,485
Deferred tax liabilities	48,158,084	(159,792)	47,998,292
Current liabilities			
Borrowings	178,619,608	(3,495,273)	175,124,335
Trade payables	43,885,536	(9,367)	43,876,169
Other payables	15,200,163	(524,766)	14,675,397
Tax payable	2,052,181	(40,000)	2,012,181

Analysis of Shareholdings

as at 31 March 2009

A. SHARE CAPITAL

Class of Securities	Ordinary Shares of RM0.25 each
Authorised Capital	RM250,000,000.00
Issued Capital	492,845,986 shares of RM0.25 each
Paid-Up Capital	RM123,211,496.50
Voting Rights	On a poll, one vote for every ordinary share held

B. DISTRIBUTION SCHEDULE

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Shares
Less than 100	45	2.46	2,215	0.00
100-1,000	284	15.55	242,364	0.05
1,001-10,000	1053	57.67	4,709,113	0.95
10,001-100,000	332	18.18	9,745,536	1.98
100,001-24,642,298	108	5.91	139,059,086	28.22
24,642,299 and above	4	0.22	339,087,672	68.80
Total	**1826**	**100.00**	**492,845,986**	**100.00**

C. DIRECTORS' INTEREST (AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS)

		Direct Interest		Indirect Interest	
	Names	No. of Shares Held	%	No. of Shares Held	%
1	Dato' Captain Ahmad Sufian @ Qurnain bin Abdul Rashid	500,000	0.10	10,000 [4]	*
2	Azmi bin Ahmad	1,179,474 [1]	0.24	262,287,640 [5]	53.22
3	Shaharuddin bin Warno @ Rahmad	2,524,674 [2]	0.51	261,778,090 [6]	53.12
4	Ab Razak bin Hashim	1,561,600 [3]	0.32	261,778,090 [6]	53.12
5	Mohd Abd Rahman bin Mohd Hashim	1,305,424 [2]	0.26	261,778,090 [6]	53.12
6	Ahmad Hassanudin bin Ahmad Kamaluddin	1,250 [2]	*	82,500 [7]	0.02
7	Dato' Mohamad Idris bin Mansor	275,000 [2]	0.06	-	-
8	Haji Ab Wahab bin Haji Ibrahim	154,800	0.03	-	-

Notes:

* Negligible
(1) 1,179,374 shares are held in bare trust by CIMSEC Nominees (Tempatan) Sdn Bhd and 100 shares are held under his name.
(2) All of the shares are held in bare trust by CIMSEC Nominees (Tempatan) Sdn Bhd.
(3) 261,600 of the total shares are held in bare trust by CIMSEC Nominees (Tempatan) Sdn Bhd.
(4) Deemed interest by virtue of the interest of his child.
(5) Deemed interest by virtue of his interest in SAR Venture (261,778,090 shares) and his spouse (509,550 shares).
(6) Deemed interest by virtue of his interest in SAR Venture (261,778,090 shares).
(7) Deemed interest by virtue of the interest of his spouse.

Analysis of Shareholdings

as at 31 March 2009 (cont'd)

D. SUBSTANTIAL SHAREHOLDERS' INTEREST (AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS)

No	Names	No. of Shares Held	%
1	SAR Venture Holdings (M) Sdn Bhd	261,778,090	53.12
2	Forum Vest Sdn Bhd	41,214,282	8.36
3	Lembaga Tabung Haji	36,095,300	7.32

E. THIRTY (30) LARGEST SHAREHOLDERS (AS PER RECORD OF DEPOSITORS)

No.	Names of Shareholders	No. of Shares Held	%
1	SAR VENTURE HOLDINGS (M) SDN BHD	179,907,264	36.50
2	SAR VENTURE HOLDINGS (M) SDN BHD	81,870,826	16.61
3	FORUM VEST SDN BHD	41,214,282	8.36
4	LEMBAGA TABUNG HAJI	36,095,300	7.32
5	AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD AMANAH SAHAM WAWASAN 2020	15,397,900	3.12
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AMERICAN INTERNATIONAL ASSURANCE BERHAD	12,770,576	2.59
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD UBS AG SINGAPORE FOR PANG YOKE MIN	10,627,400	2.16
8	AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD SEKIM AMANAH SAHAM NASIONAL	7,277,600	1.48
9	AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD PUBLIC ISLAMIC OPPORTUNITIES FUND	6,878,600	1.40
10	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (DR)	6,509,524	1.32
11	AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD SKIM AMANAH SAHAM BUMIPUTERA	5,805,100	1.18
12	AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD PUBLIC ISLAMIC BALANCED FUND	5,702,250	1.16
13	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	5,612,724	1.14
14	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)	5,016,524	1.02

Analysis of Shareholdings

as at 31 March 2009 (cont'd)

E. THIRTY (30) LARGEST SHAREHOLDERS (AS PER RECORD OF DEPOSITORS) (CON'T)

No.	Names of Shareholders	No. of Shares Held	%
15	AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD AMANAH SAHAM MALAYSIA	4,020,000	0.82
16	AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD PUBLIC ISLAMIC SELECT TREASURES FUND	3,011,700	0.61
17	HDM NOMINEES (ASING) SDN BHD PHILLIP SECURITIES PTE LTD FOR HING YIH PEIR	3,000,000	0.61
18	AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD PUBLIC ENHANCED BOND FUND	2,726,800	0.55
19	AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD PUBLIC ISLAMIC OPTIMAL GROWTH FUND	2,027,200	0.41
20	AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD AMANAH SAHAM DIDIK	2,000,000	0.41
21	PERMODALAN NASIONAL BERHAD INVESTMENT PROCESSING DEPT	2,000,000	0.41
22	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LSF)	1,875,000	0.38
23	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR SHAHARUDDIN BIN WARNO @ RAHMAD (MH0104)	1,579,224	0.32
24	AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD AFFIN ISLAMIC EQUITY FUND	1,337,050	0.27
25	AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD DANA ISLAMIAH AFFIN	1,323,950	0.27
26	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR MOHD ABD RAHMAN BIN MOHD HASHIM (MH0105)	1,305,424	0.26
27	AB RAZAK BIN HASHIM	1,300,000	0.26
28	MD RADI BIN HAJI ARSHAD	1,200,000	0.24
29	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR AZMI BIN AHMAD (MY0354)	1,179,374	0.24
30	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LBF)	1,131,650	0.23
	Total	**451,703,242**	**91.65**

Corporate Directory

Company	Telephone	Fax	Business Address
• Alam Maritim Resources Berhad (Corporate Office)	+603 9058 2244	+603 9059 6845	No. 38F, Level 2, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, MALAYSIA
• Alam Hidro (M) Sdn Bhd	+603 9056 2155	+603 9056 3155	No. 38 D & E, Level 4, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, MALAYSIA
• Alam Maritim (M) Sdn Bhd (Labuan Branch)	+6087 582287	+6087 582890	Room No.10, Admin Building, Asian Supply Base, Ranca Ranca Industrial Estate, 87017 Labuan Federal Territory, MALAYSIA
• Alam Maritim (M) Sdn Bhd (Lumut Branch)	+605 688 8295	+605 688 1634	No. 68, Ground Floor, Persiaran Venice Sutera Satu, 32200 Lumut, Perak Darul Ridzuan, MALAYSIA
• Alam Maritim (M) Sdn Bhd (Kemaman Branch)	+609 863 5260	+609 863 5261	Door 10, 1st Floor Admin Building A, Kemaman Supply Base, 24007 Kemaman, Terengganu Darul Iman, MALAYSIA
• Alam Maritim (M) Sdn Bhd (Kemaman Warehouse)	+609 863 4911	+609 863 4811	Warehouse 12, Door 12, P.O Box 17, Admin Building B, Kemaman Supply Base, 24007 Kemaman, Terengganu Darul Iman, MALAYSIA
• Workboat International DMCCO	+9714 357 1555 +9714 357 1751	+9714 357 1761	P.O Box 119181 Dubai, UNITED ARAB EMIRATES
• Eastar Offshore Pte Ltd	+65 6515 5311	+65 6316 5993	20, Bukit Batok Crescent, #09-16 Enterprise Center, SINGAPORE 658080
• Alam Offshore Logistics & Services Sdn Bhd (Main Office)	+609 862 3500	+609 862 3502	Lot 935, Telok Kalong, Telaga Simpul, 24007 Kemaman, Terengganu Darul Iman, MALAYSIA
• Alam Offshore Logistics & Services Sdn Bhd (Kemaman Warehouse)	+609 862 3500	+609 862 3502	Lot 6 & 8, 1st Floor, Admin Building A, Kemaman Supply Base, 24007 Kemaman, Terengganu Darul Iman, MALAYSIA
• KJ Waja Engineering (M) Sdn Bhd	+606 384 1895	+606 384 3985	MT 1962, Taman Sri Aman, 78300 Masjid Tanah, Melaka, MALAYSIA
• KJ Waja Engineering (M) Sdn Bhd (Shipyard)	+606 3876 614/5	+606 3876613	Bt 32, Jalan Linggi Tanjung Agas, Kuala Linggi, Daerah Alor Gajah 78200 Malacca, MALAYSIA
• Alam Food Industries (M) Sdn Bhd	+609 859 3543	+609 859 3543	PT 6867, Ground Floor, Bukit Kuang Business Center, Jalan Kemunting, 24000 Kemaman, Terengganu Darul Iman, MALAYSIA

Notice of Fourth Annual General Meeting



NOTICE IS HEREBY GIVEN THAT the **Fourth (4th) Annual General Meeting** of the Company will be held on **Friday, 29 May 2009 at 10.00 a.m** at Ballroom 3, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS

1. To recieve the Audited Financial Statements together with the Directors' and Auditors' Reports thereon for the financial year ended 31 December 2008. **(Resolution 1)**

2. To declare a First and Final Dividend of 2.0% or 0.5 sen per share (less 25% income tax) in respect of the financial year ended 31 December 2008. **(Resolution 2)**

3. To re-elect the following Directors who shall retire pursuant to Article 94 of the Company's Articles of Association:

   (a) Shaharuddin bin Warno @ Rahmad; **(Resolution 3)**

   (b) Ahmad Hassanudin bin Ahmad Kamaluddin; and **(Resolution 4)**

   (c) Haji Ab Wahab bin Haji Ibrahim. **(Resolution 5)**

4. To re-appoint Messrs Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolutions:

5. To approve the payment of Directors' Fees of RM102,000 for the financial year ended 31 December 2008. **(Resolution 7)**

6. To approve the payment of Directors' Fees of such amount not exceeding RM300,000 for each financial year commencing from the financial year ending 31 December 2009. **(Resolution 8)**

7. Authority for the Directors to issue shares pursuant to Section 132D, Companies Act, 1965 ("the Act") **(Resolution 9)**

   "THAT, pursuant to Section 132D of the Act and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company at any time and at such price, upon such terms and conditions, for such purposes and to such person and persons whomsoever as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten percent (10%) of the issued share capital of the Company for the time being and that the Directors be also empowered to obtain the approval for the listing and the quotation of the additional shares so issued on Bursa Malaysia Securities Berhad ("Bursa Securities") and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

Notice of Fourth Annual General Meeting (cont'd)

8. Authority for proposed purchase of its own shares by the Company in accordance with Section 67A of the Act **(Resolution 10)**

   "THAT subject to compliance with the Act, the Company's Memorandum and Articles of Associations, the Listing Requirements of Bursa Securities and the approvals of the relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase such amount of ordinary shares of RM0.25 each in the Company's issued and paid up ordinary shares through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be purchased pursuant to this resolution shall not exceed ten percent (10%) of the total issued and paid-up share capital of the Company ("Proposed Share Buy-Back") and the maximum amount of funds to be utilized for the purpose of the Proposed Share Buy-Back shall not exceed the Company's aggregate retained profits and/or share premium account.

   THAT the authority conferred by this resolution shall commence immediately upon the passing of this resolution and shall continue to be in force until:-

   (a) the conclusion of the next Annual General Meeting of the Company at which time the authority will lapse unless by an ordinary resolution passed by shareholders of the Company in a general meeting, the authority is renewed either unconditionally or subject to conditions; or

   (b) the expiry of period within which the next Annual General Meeting is required to be held pursuant to the Act; or

   (c) the authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

   whichever is the earlier.

   THAT the Directors be and are hereby authorised to decide in their discretion to retain the ordinary shares in the Company as treasury shares or to cancel them or a combination of both and/or to resell them on Bursa Securities and/or to distribute them as share dividends.

   AND THAT the Directors be and are hereby authorised to take all steps to give full effect to the Proposed Share Buy-Back with full power to amend and/or assent to any conditions, modifications, variations or amendments as may be imposed by the relevant government/regulatory authorities and/or to do all such acts and things in the best interest of the Company."

9. To transact any other business of which due notice shall have been given.

By Order of the Board,

Haniza binti Sabaran (MAICSA 7032233)
Company Secretary

Kuala Lumpur
7 May 2009

Notice of Fourth Annual General Meeting (cont'd)

Notes:

1. Proxies must be members of the Company.

2. The instrument appointing a proxy shall be in writing under the hand of the appointer. If the appointer is a corporation, it must be executed under its Seal or under the hand of its attorney.

3. Subject to Article 87 of the Company's Articles of Association, where two (2) proxies are appointed, the appointment shall be invalid unless the proportion of shares to be represented by each proxy is specified.

4. The instrument appointing proxies must be deposited at the registered office of the Company not less than forty-eight (48) hours before the time for holding the meeting.

5. Explanatory Notes on Special Business:-

   (a) Payment of Directors' Fees for the financial year ended 31 December 2008.
   The proposed Ordinary Resolution, if passed will empower the Directors of the Company to pay Directors' Fees of RM102,000 for the financial year ended 31 December 2008.

   (b) Payment of Directors' fees for the ensuing financial year.
   The proposed Ordinary Resolution, if passed will empower the Directors of the Company to pay Directors' Fees of not more than RM300,000 for each financial year commencing from the financial year ending 31 December 2009.

   (c) Authority to issue shares pursuant to Section 132D, of the Act.
   The proposed Ordinary Resolution, if passed will give Directors of the Company, authority to allot and issue shares in the Company up to an amount not exceeding ten percent (10%) of the total issued capital of the Company for the time being, for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in general meeting will expire at the conclusion of the next Annual General Meeting.

   (d) Proposed Share Buy-Back.
   The proposed Ordinary Resolution, if passed, is to empower the Directors to purchase the Company's shares of up to ten percent (10%) of the issued and paid up capital of the Company by utilizing the retained profits and the share premium account of the Company. This authority, unless revoked or varied by the shareholders of the Company in general meeting will expire at the conclusion of the next Annual General Meeting.

Statement Accompanying
Notice of Annual General Meeting

Pursuant to Paragraph 8.28 (2) of the Listing Requirements of Bursa Malaysia Securities Berhad

The Directors who are standing for re-election pursuant to Article 94 of the Company's Articles of Association:-

(a) Shaharuddin bin Warno @ Rahmad;

(b) Ahmad Hassanudin bin Ahmad Kamaluddin; and

(c) Haji Ab Wahab bin Haji Ibrahim.

The details of the three (3) Directors seeking re-election are set out on pages 18, 19 to 20 respectively of this Annual Report.

The details of any interest in the securities of the Company or its subsidiaries (if any) held by the said Directors are stated on page 55 of the Audited Financial Statements of this Annual Report.

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ALAM MARITIM RESOURCES BERHAD
(Co. No. 700849-K)

Proxy Form

No. of Shares	
CDS Account No.	
NRIC / Company No.	
Tel & Fax No.	

I/We* ____

(Full name in Capital Letters)

of ____

Being a member of **ALAM MARITIM RESOURCES BERHAD** hereby appoint:-

	Name/CDS Account No.	NRIC/ Passport No:	No of shares	%	
Proxy 1					or failing him/her
Proxy 2					or failing him/her
		Total			

THE CHAIRMAN OF THE MEETING as my/our* proxies to vote for me/us* and on my/our* behalf at the Fourth Annual General Meeting of the Company to be held at 10.00 a.m. on Friday, 29 May 2009 at Ballroom 3, Sime Darby Convention Centre, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, and at any adjournment thereof, in the manner indicated below:

As Ordinary Business	**For**	**Against**
1 To receive the Audited Financial Statements for the FYE 31 December 2008.		
2 Declaration of First and Final Dividend.		
3 Re-election Shaharuddin bin Warno @ Rahmad pursuant to Article 94.		
4 Re-election of Ahmad Hassanudin bin Ahmad Kamaluddin pursuant to Article 94.		
5 Re-election Haji Ab Wahab bin Haji Ibrahim pursuant to Article 94.		
6 Re-appointment Messrs Ernst & Young as Auditors of the Company.		
As Special Business		
7 Payment of Directors' Fees for the FYE 31 December 2008.		
8 Payment of Directors' Fees for ensuing year.		
9 Issuance on new shares pursuant to Section 132D, Companies Act, 1965.		
10 Proposed Share Buy-Back.		

Please indicate ("X") in the appropriate box against the resolution as to how you wish your proxy to vote. In the absence of spcific instructions, the proxy will vote or abstain at his/her discretion.

Date :

Signature/ Common Seal of Shareholder

Notes:

1. Proxies must be members of the Company.

2. The instrument appointing a proxy shall be in writing under the hand of the appointer. If the appointer is a corporation, it must be executed under its Seal or under the hand of its attorney.

3. Subject to Article 87 of the Company's Articles of Association, where two (2) proxies are appointed, the appointment shall be invalid unless the proportion of shares to be represented by each proxy is specified.

4. The instrument appointing proxies must be deposited at the registered office of the Company at 38F, Level 2, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting.

* Delete whichever is inapplicable.

Fold this flap for sealing

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STAMP

THE COMPANY SECRETARY
ALAM MARITIM RESOURCES BERHAD (700849-K)
38F, Level 2, Jalan Radin Anum
Bandar Baru Sri Petaling
57000 Kuala Lumpur
MALAYSIA

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