Charting The Course To **SUPREMACY**

annual report **2009**

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

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.
- 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

Dato' Haji Ab Wahab bin Haji Ibrahim
Non-Executive Director

Dato' Mohamad Idris bin Mansor
Non-Executive Director

Audit Committee

Dato' 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)

Dato' 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

Dato' 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

Tricor Investor Services Sdn Bhd
(118401-V)
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

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

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

Financial **Calendar**

2009

27 Mar 2009

Proposed final dividend in respect of the financial year ended 31 December 2008

24 Apr 2009

Proposed authority for the company to purchase its own shares of up to ten percent (10%) of its issued and paid-up capital

6 May 2009

Notice of Fourth Annual General Meeting

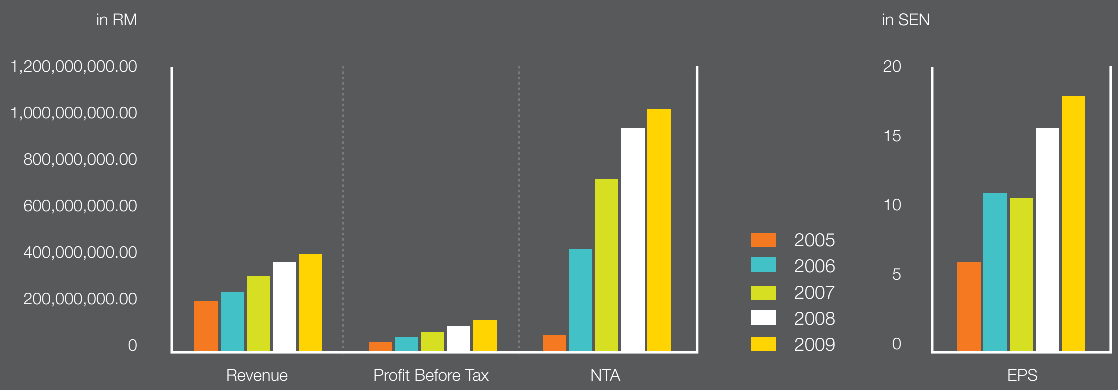
25 May 2009

Quarterly report on consolidated results for the financial period ended 31/3/2009

29 May 2009

4th Annual General Meeting

5-year Group Financial Highlights

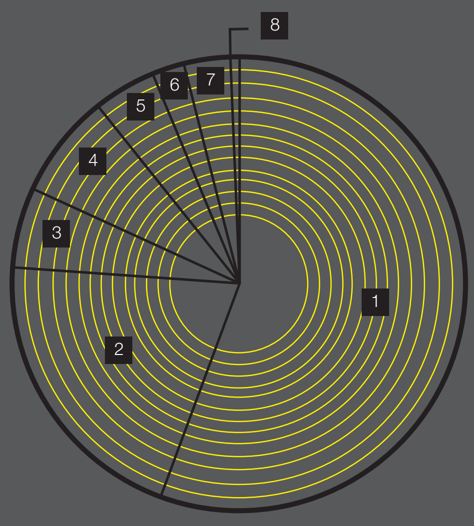


	2005	2006	2007	2008	2009
Revenue (in RM)	137,738,000	151,161,092	249,900,157	322,854,213	348,917,132
Profit before tax (in RM)	29,442,000	60,853,274	68,522,841	100,711,492	112,524,398
NTA (in RM)	84,854,000	450,680,936	746,842,527	950,454,515	1,031,709,840
EPS (sen)	5.42	11.10	10.60	15.10	17.60

2010

19 Aug 2009	19 Aug 2009	20 Aug 2009	17 Nov 2009	25 Feb 2010
Final dividend	Quarterly report on consolidated results for the financial period ended 30/6/2009	Alam – Notice of Book Closure	Quarterly report on consolidated results for the financial period ended 30/9/2009	Quarterly report on consolidated results for the financial period ended 31/12/2009

Revenue Breakdown For Financial Year 2009



		2009 %	2009 RM
1.	Charter Hire	57.89%	202,002,407
2.	Offshore Installation & Construction	24.30%	84,778,312
3.	Sales of Diving Equipment	5.74%	20,036,136
4.	Equipment Rental	7.47%	26,076,057
5.	Other Shipping Related Income	1.77%	6,165,390
6.	Ship Catering	0.95%	3,301,945
7.	Vessel Management Fees	1.80%	6,265,441
8.	Diving & Underwater Services	0.08%	291,444
		100%	**348,917,132**

Our Fleet

(as of 25 May 2010)

	Vessel Name	Vessel Type	Year Built	Class	BHP	Bollard Pull (in metric tonnes)	L x B x D (in meter)	Clear Deck Space (square metres)	Accomodation Capacity
ANCHOR HANDLING									
1	Setia Fajar	Anchor Handling Tug Supply Vessel	2005	BV	5,150	69	58.7 X 14.6 X 5.5	370	42 men
2	Setia Jaguh	Anchor Handling Tug Supply Vessel	1999	BV	8,920	105	64 X 15 X 6.8	400	31 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	BV	5,150	69	59 X 14.6 X 5.5	340	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	2007	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	68	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 4.95	340	42 men
9	Setia Unggul	Anchor Handling Tug Supply Vessel	2007	BV	5,150	68	58.70 X 14.60 X 5.50	370	42 men
10	Setia Teguh	Anchor Handling Tug Supply Vessel (DP1)	2008	BV	5,150	64	59.25 x 14.95 x 6.1	350	42 men
11	Setia Tegap	Anchor Handling Tug Supply Vessel	2008	BV	5,000	65	58.7 x 14.6 x 5.5	370	42 men
12	Setia Hebat	Anchor Handling Tug Supply vessel (DP1)	2008	BV	5,000	65	58.7 x 14.6 x 5.5	340	50 men
13	Setia Erat	Anchor Handling Tug Supply Vessel (DP 1)	2010	BV	5,150	67	58.70 x 14.6 x 5.5	370	42 men
14	Setia Qaseh	Anchor Handling Tug Supply Vessel (DP 1)	2010	BV	5,150	67	58.70 x 14.6 x 5.5	370	42 men
SUPPLY VESSEL									
15	Setia Indah	Straight Supply Vessel	2005	BV	4,750	-	57.5 X 13.8 X 5.5	350	42 men
CREWBOAT/UTILITY VESSEL									
16	Setia Deras	Fast Crewboat	2009	ABS	4,200	NA	40.38 x 7.8 x 3.4	100	80 seating capacity
17	Setia Kilas	Fast Crewboat	2009	ABS	4,200	NA	40.38 x 7.8 x 3.4	100	80 seating capacity
UTILITY MAINTENANCE VESSEL									
18	Setia Abadi	General Purpose/Survey/Utility	1980	BV	1,040	-	29.3 X 7.08 X 3	63	21 men
19	Setia Cekal	Diving Support Vessel	1974	SCM	4,400	-	62 X 12.8 X 4.9	400	60 men
20	Setia Damai	Survey/Maintenance Vessel	1985	SCM	804	-	34 X 10 X 2.8	108	16 men

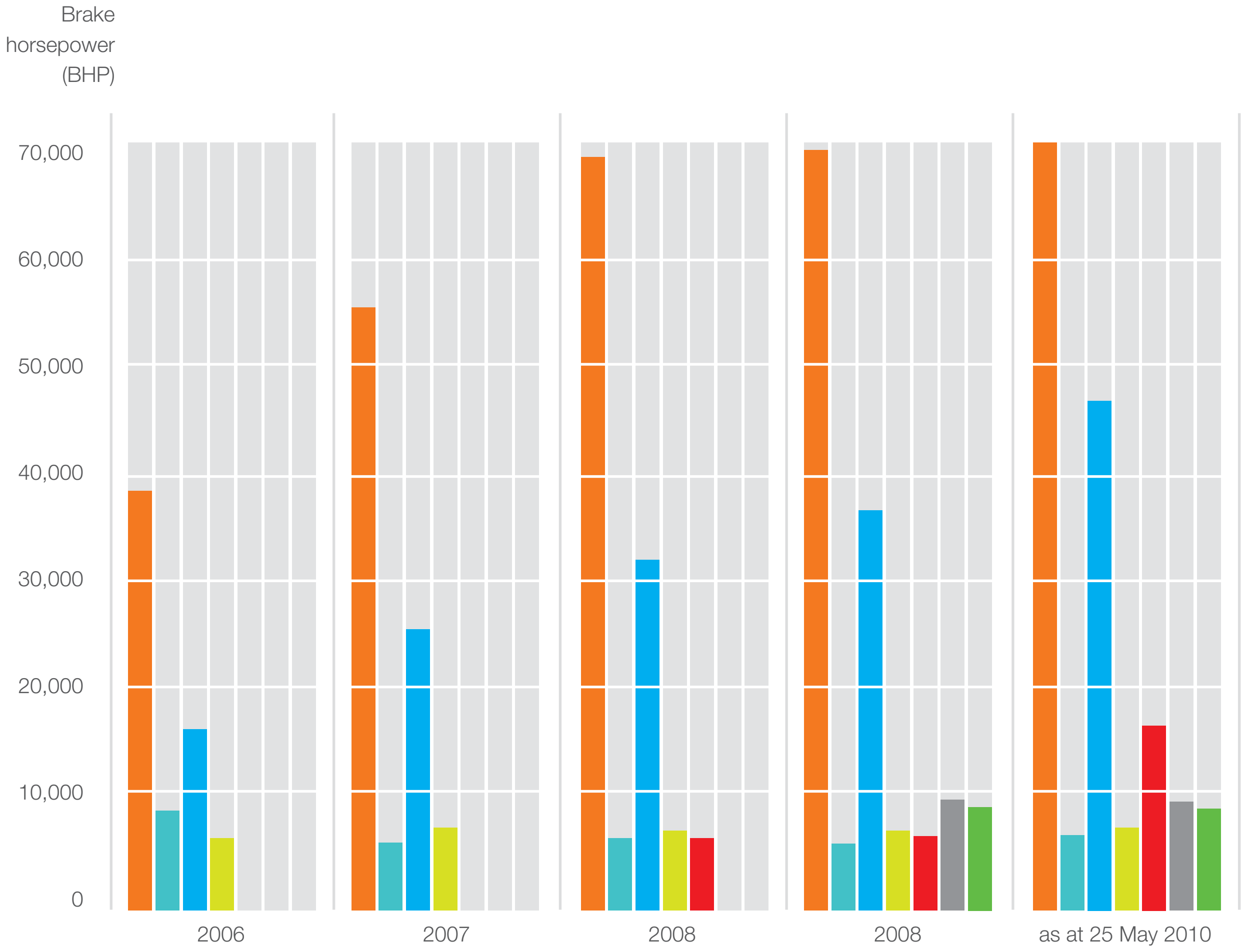
	Vessel Name	Vessel Type	Year Built	Class	BHP	Bollard Pull (in metric tonnes)	L x B x D (in meter)	Clear Deck Space (square metres)	Accomodation Capacity
TUG/TERMINAL SUPPORT VESSEL									
21	Setia Emas	Anchor Handling Tug	2004	BV	4,750	60	48 X 13.2 X 5.2	250	24 men
22	Setia Gagah	Tug/ Straight Supply Vessel	2003	NKK	4,750	47	60 X 13.3 X 6	280	22 men
23	Setia Handal	Tug/ Straight Supply Vessel	2002	BV	3,000	31	50 X 12 X 4.2	257	22 men
24	Setia Kasturi	Tug/Supply Vessel	2005	NKK	4,750	62	60 X 13.3 X 6	350	24 men
25	Setia Wira	Tug/Utility Vessel	2007	BV	3,500	45	48 x 11.8 x 3.8	169	28 men
26	Setia Zaman	Utility Vessel	2008	NKK	2,400	-	40 X 11.8 X 4.6	150	26 men
27	Setia Cekap	Tug/Utility Vessel	2005	BV	3,500	42	45 x 11 x 4	180	20 men
28	Setia Azam	Tug/Utility Vessel	2007	NKK	3,880	46	45 x 11.8 x 3.8	152	20 men
29	Setia Budi	Utility Vessel	2008	NKK	2,400	-	40 x 11.8 x 4.6	133	20 men
30	Setia Yakin	Utility Vessel	2008	NKK	3,200	-	45 x 11 x 4	210	28 men
31	Setia Gigih	Supply & Support Vessel	2009	BV	5,220	66	60 x 13.3 x 6	310	46 men
32	Setia Kental	Supply & Support Vessel	2009	ABS	5,220	63	60 x 13.3 x 6	310	46 men
MULTI PURPOSE SUPPORT / ACCOMMODATION WORK VESSEL									
33	Setia Sakti	Diving Support & Maintenance Vessel (DP2)	2008	BV	5,150	-	76 x 20 x 6.1	700	138 men
34	Setia Ulung	188 Men Accommodation/ Maintenance Vessel	2009	ABS	5,220	NA	78 x 20 x 6.5	680	180 men
35	Setia Aman	188 Men Accommodation/ Maintenance Vessel	2009	ABS	5,220	NA	78 x 20 x 6.5	680	180 men
FAST MULTIPURPOSE SUPPLY VESSEL									
36	Brompton Sun	Fast Multipurpose Supply Vessel	2000	ABS	9,500	-	50.25 x 9.1 x 3.86	190	200 passenger seats

VESSELS AWAITING FOR DELIVERIES

	Vessel Name	Vessel Type	Year Built	Class	BHP	Bollard Pull (in metric tonnes)	L x B x D (in meter)	Clear Deck Space (in square meters)	Accomodation Capacity	Expected Delivery
1	Setia Perkasa	Anchor Handling Tug Supply Vessel (DP 2)	2010	ABS	12,000	150	75 x 17 x 8	540	50 men	2010
2	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	2010
3	Setia Jati	Anchor Handling Tug Supply Vessel (DP 2)	2010	ABS	12,000	150	75 x 17 x 8	540	50 men	2012
4	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	2012

Fleet Graph

(as of 25 May 2010)



Anchor Handling Tug Supply Vessel

Supply Vessel

Tug/Terminal Support Vessel

Utility/Maintenance Vessel

Multipurpose Support / Accommodation Work Vessel

Fast Multipurpose supply vessel

Crew Boats/ Utility Vessel

Anchor Handling

Tug/Terminal Support Vessel

Multipurpose Support Vessel

Supply Vessel

Utility/Maintenance Vessel

Fast Multipurpose Supply Vessel

Our Underwater Assets

(as of 25 May 2010)

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

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

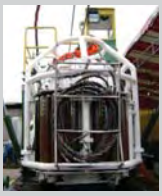
SETIA SELAM 1: 200M 9-MAN SATURATION DIVING SYSTEM 3-MAN BELL C/W

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.



Divebell

Surface Decompression Chamber

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 2: 50M AIR/MIXED GAS DIVING SYSTEM C/W

Control and Machinery Van

Launching and Recovery System

Generic Specification

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

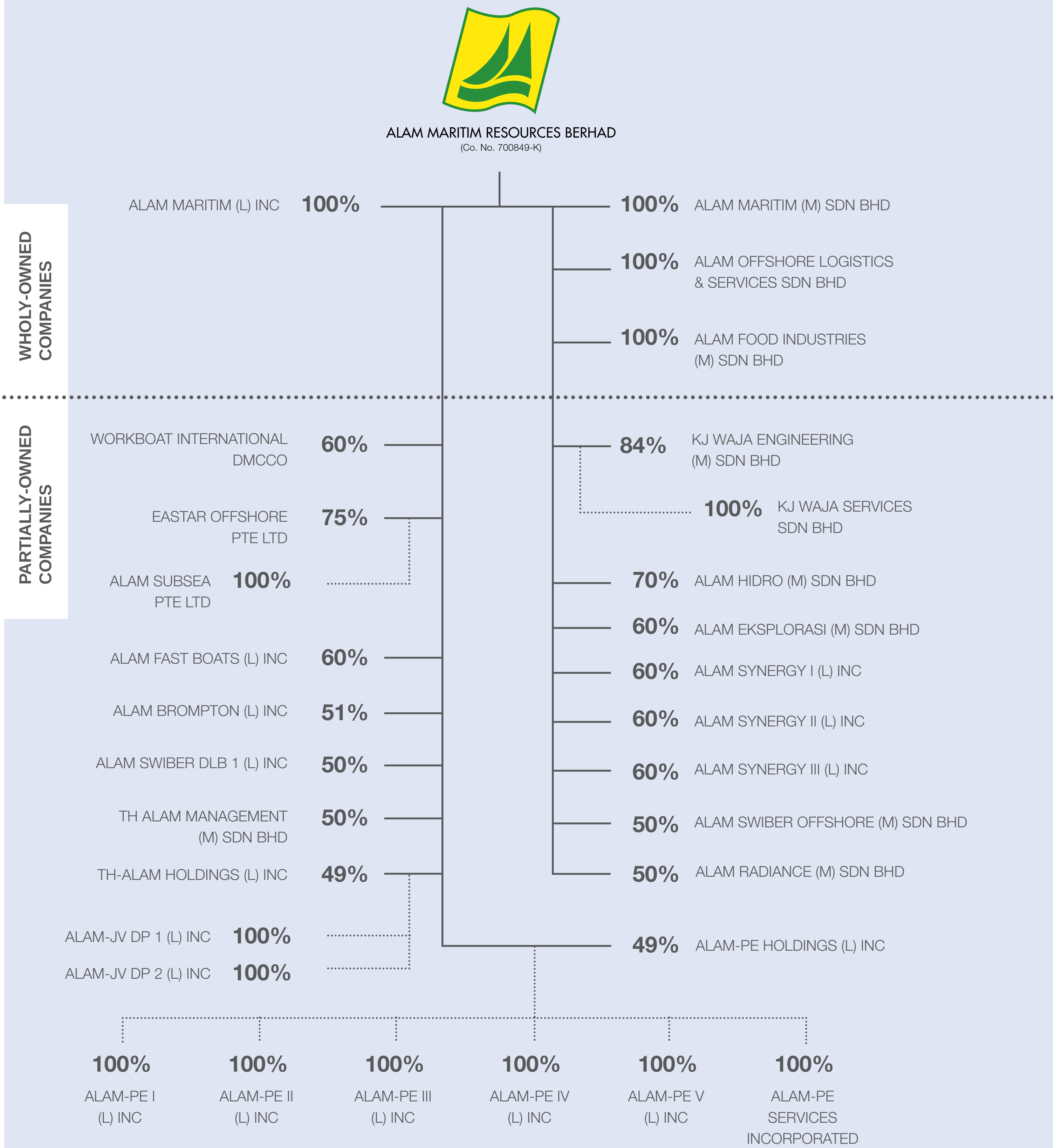
A. Control Van - a 20 footer air-conditioned container with lighting and power points, complete with Dive Supervisor's desk, dive control panel, CCTV, video recorders, divers communication, umbilical and deck decompression chamber.

B. Machinery Van - a 20 footer container complete with hydraulic power pack, air/gas cylinders, air bank, a 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.

Corporate **Structure**

(as of 25 May 2010)



No.	Company	Date and Place of Incorporation	Issued and Fully Paid-Up Share Capital	Effective Equity Interest (%)	Principal Activity
1	Alam Maritim (M) Sdn Bhd ("AMSB")	15.07.96 Malaysia	RM20,000,000	100%	Ship owning, ship managing, hiring, chartering and other related services.
2	Alam Maritim (L) Inc ("AMLI")	14.06.04 F.T Labuan, Malaysia	USD8,940,100	100%	Investment holding and ship owning.
3	Alam Offshore Logistics & Services Sdn Bhd ("AOLS")	20.09.00 Malaysia	RM100,000	100%	Transportation, ship forwarding, shipping agency, ship chandeling and other related services.
4	Alam Food Industries (M) Sdn Bhd ("AFI")	14.04.08 Malaysia	RM100,000	100%	Catering and messing services
5	KJ Waja Engineering (M) Sdn Bhd ("KJ Waja")	16.11.00 Malaysia	RM1,500,000	84%	Ship repair & maintenance and other related services
6	KJ Waja Services Sdn Bhd ("KJWS")	21.07.05 Malaysia	RM100,000	84%	Supply of ship spares
7	Alam Subsea Pte Ltd ("ASPL")	01.01.08 Singapore	SGD500,000	75%	Provision of integrated marine service to oil and gas companies
8	Eastar Offshore Pte Ltd ("Eastar Offshore")	01.03.06 Singapore	SGD628,203	75%	Designing, manufacturing and operating of remotely operated vehicle (ROV's)
9	Alam Hidro (M) Sdn Bhd ("AHSB")	05.02.99 Malaysia	RM500,000	70%	Offshore facilities construction, installation, subsea engineering and underwater services.
10	Alam Eksplorasi (M) Sdn Bhd ("AESB")	21.11.00 Malaysia	RM300,000	60%	Ship owning, ship operating and chartering.
11	Alam Synergy I (L) Inc ("AS I")	18.09.06 F.T Labuan, Malaysia	USD1,050,000	60%	Ship owning and chartering.
12	Alam Synergy II (L) Inc ("AS II")	18.09.06 F.T Labuan, Malaysia	USD1,050,000	60%	Ship owning and chartering.
13	Alam Synergy III (L) Inc ("AS III")	18.09.06 F.T Labuan, Malaysia	USD2,795,000	60%	Ship owning and chartering.
14	Workboat International DMCCO ("WBI")	03.05.05 United Arab Emirates	AED1,000,000	60%	Ship manager, ship operator and marine consultancy
15	Alam Fast Boats (L) Inc. ("AFBI")	26.8.2008 F.T Labuan, Malaysia	USD100	60%	Ship owning, ship managing catering, chartering and other related services.
16	Alam Brompton (L) Inc ("ABLI")	15.06.07 F.T Labuan, Malaysia	USD1,350,000	51%	Ship management & operation, ship owning, ship maintenance and marine consultancy
17	Alam Swiber DLB 1 (L) Inc ("ASD1")	14.09.09 F.T Labuan, Malaysia	USD10,000,000	50%	Ship owning and ship chartering
18	Alam Swiber Offshore (M) Sdn Bhd ("ASO")	07.12.09 Malaysia	RM100	50%	Ship operator
19	TH Alam Management (M) Sdn Bhd ("THAM")	04.05.2010: Malaysia	RM2	50%	Ship Management & consultancy
20	Alam-PE Services Incorporated ("APSI")	27.04.09 British Virgin Island	USD1	50%	Dormant
21	Alam Radiance (M) Sdn Bhd ("ARSB")	30.11.2004 Malaysia	RM2	50%	Ship owning, ship management. ship operation, maintenance and consultancy
22	ALAM-PE Holdings (L) Inc. (Alam-PE (H)")	17.10.2008 F.T Labuan, Malaysia	USD14,000,000	49%	Investment holding
23	ALAM-PE I (L) Inc ("Alam-PE I")	21.8.2008 F.T Labuan, Malaysia	USD10,000,000	49%	Ship owning, ship operating & chartering
24	ALAM-PE II (L) Inc ("Alam-PE II")	21.8.2008 F.T Labuan, Malaysia	USD10,000,000	49%	Ship owning, ship operating & chartering
25	ALAM-PE III (L) Inc ("Alam-PE III")	21.8.2008 F.T Labuan, Malaysia	USD10,000,000	49%	Ship owning, ship operating & chartering
26	ALAM-PE IV (L) Inc ("Alam-PE IV")	21.8.2008 F.T Labuan, Malaysia	USD10,000,000	49%	Ship owning, ship operating & chartering
27	ALAM-PE V (L) Inc ("Alam-PE V")	21.8.2008 F.T Labuan, Malaysia	USD10,000,000	49%	Ship owning, ship operating & chartering
28	TH-Alam Holdings (L) Inc ("THAL")	30.12.09 F.T Labuan, Malaysia	USD17,700,000	49%	Investment holding
29	Alam-JV DP1 (L) Inc ("AJDP1")	02.07.09 F.T Labuan, Malaysia	USD1	49%	Ship owning
30	Alam-JV DP2 (L) Inc ("AJDP2")	02.07.09 F.T Labuan, Malaysia	USD1	49%	Ship owning

F.T = Federal Territory

Calendar of Events

14 May 2010
Maiden voyage of MV Setia Aman, a newly built 5,220 bhp 188-men accommodation/maintenance vessel to Kuantan Port.

14 May 2010
Maiden voyage of MV Setia Ulung, a newly built 5,220 bhp 188-men accommodation/maintenance vessel to Kuantan Port.

9 April 2010
Delivery of MV Setia Qaseh, a newly built DP1 5,150 bhp anchor handling tug supply vessel to Alam Maritim Group.

2 February 2010
Delivery of MV Setia Erat, a newly built DP1 5,220 bhp supply and support vessel to Alam Maritim Group.

29 April 2009
A newly built 125 hp work-class Remotely Operated Vehicle, PARI 3, was delivered to Alam Maritim Group.

6 May 2009
Delivery of MV Setia Gigih, a newly built 5,220 bhp supply and support vessel to Alam Maritim Group

10-12 June 2009
Alam Maritim Group participated in Oil & Gas Asia Exhibition 2009 (OGA2009) at Kuala Lumpur Convention Centre.

15 June 2009
Delivery of MV Setia Deras, a newly built 4,200 bhp fast crewboat to Alam Maritim Group.

18 June 2009
Delivery of MV Setia Kental, a newly built 5,220 bhp supply and support vessel to Alam Maritim Group

4 September 2009
Alam Maritim Group visited Pusat Jagaan Nur Hasanah, Beranang, Selangor as part of its CSR Programme 2009.

12 October 2009
Delivery of MV Setia Kilas, a newly built 4,200 bhp fast crewboat to Alam Maritim Group.

Awards and Recognitions

Year	Achievement
2009	Safety Recognition by ExxonMobil for Hurt-Free Operations < 100,000 man-hours.
2009	PETRONAS Group HSE & Sustainability Awards FY2008/2009 Major Contractor Safety Category Merit Award In Recognition to Project of “HSE Mentor-Mentee Program In Alam Maritim”.
2009	Recognition by Carigali Hess for MV Setia Wangsa-Completion of 1 year service 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 Loss Time Injury (LTI).
2007	HSE Performance Award by PETRONAS CARIGALI SDN BHD - Recognition of an Excellent HSE Achievement.
2006	Contractor Safety Recognition “Gold Award’ by Exxon Mobil-Recognition of Safety Excellence 2006.
2006	Contractors 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 Safety Recognition “Gold Award” by ExxonMobil – Recognition of Safety Excellence.
2003	Contractor Safety Recognition “Gold Award” by ExxonMobil – 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 Safety Award Program by ExxonMobil - Recognition of Safety Excellence.
2001	Contractor Safety Award Program by ExxonMobil – Excellent Safety Performance.

Note: HSE – Health, Safety and Environment

Board of Directors

Left to right:

MOHD ABD RAHMAN BIN MOHD HASHIM
Non-Independent Executive Director

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

AZMI BIN AHMAD
Managing Director/ Chief Executive Officer

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

Left to right:

AB RAZAK BIN HASHIM
Non-Independent Executive Director

AHMAD HASSANUDIN BIN AHMAD KAMALUDDIN
Non-Independent Executive Director

DATO' MOHAMAD IDRIS BIN MANSOR
Independent Non-Executive Director

DATO' HAJI AB WAHAB BIN HAJI IBRAHIM
Independent Non-Executive Director

Board of Directors' Profile

01

DATO' CAPTAIN AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID
Chairman
Independent Non-Executive Director
Aged 61, 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 37 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 other director and/or major sharholder of the company. He has no conflict of interest with the Company and has no conviction for any offences within the past 10 years.

02

AZMI BIN AHMAD
Managing Director/Chief Executive Officer
Non-Independent Executive Director
Aged 51, Malaysian

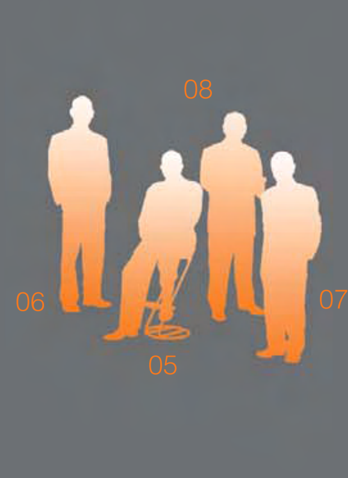
Azmi bin Ahmad was appointed to the Board on 2 May 2006.

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.



03

SHAHARUDDIN BIN WARNO @ RAHMAD
Chief Operating Officer,
Non-Independent Executive Director
Aged 42, 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.

04

MOHD ABD RAHMAN BIN MOHD HASHIM
Non-Independent Executive Director
Aged 58, 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.

05

AHMAD HASSANUDIN BIN AHMAD KAMALUDDIN
Non-Independent Executive Director
Aged 64, 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.

06

AB RAZAK BIN HASHIM
Non-Independent
Executive Director
Aged 48, 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.

07

DATO' HAJI AB WAHAB BIN HAJI IBRAHIM
Independent Non-Executive Director
Aged 59, Malaysian

Dato' 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 Tehcnical 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.

In 2001, he was conferred both the Ahli Mangku Negara ("AMN") and Pingat Jasa Kebaktian ("PJK") and recently (27 February 2010) he was conferred the Darjah Indera Mahkota Pahang.

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.

08

DATO' MOHAMAD IDRIS BIN MANSOR
Independent Non-Executive Director
Aged 66, Malaysian

Dato' Mohamad Idris bin Mansor was appointed to the Board on 2 May 2006. He was 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 on 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. He served as the Non-Executive Chairman of KNM Group Berhad from 23 February 2006 to 28 April 2010. He also sits on the board of Transmile Berhad and has recently been appointed Non-Executive Director of Petroliam Nasional Berhad.

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

Dato' Capt Ahmad Sufian
Chairman

On behalf of the Board of Directors, it gives me great pleasure to present this Annual Report for Alam Maritim Resources Bhd, for the financial year ended 31 December 2009.

The year 2009 can be summed up as one with many challenges not just for your company but our industry as a whole. Nevertheless I am pleased to report that your company sailed through and weathered this turbulent period.

Operating Environment Overview

If you can remember, we entered the year when the world was still in a global recession but towards the second half the global economy began its slow and uneven recovery supported mainly by the various large stimulus programmes. We believe the worst is over nevertheless a full-fledged recovery will take time.

The Malaysian economy posted a growth of 4.5% in the fourth quarter of 2009 and is expected to improve further this year. It is projected to expand by 4.5%-5.5% in 2010, as a result of strengthening domestic demand, buoyed by the improving external environment with growth being driven by private sector activity.

On a global scale, the International Monetary Fund revised its global economic outlook for 2010 to 3.9%, up from 3.1% forecasted earlier, and strengthened further its outlook for 2011.

Oil prices have shown improvement from the lows of 2008. Since the beginning of this year oil prices have been traded between USD71 (February 2) and USD86 (April 6), and we believe it will stabilise at USD80 per barrel level. Oil prices at these levels will give an opportunity for an increase in exploration works which will be good for our industry.

Financial Results

Despite the challenging environment your company maintained a significant double-digit jump in net profit to RM95.4 million marking an 18.8% growth over last year. For FY2009 our revenue improved from the previous year by 8% to RM348.9 million.

Alam Maritim's earnings per share in 2009 stood at 19.3 sen, up almost 21% from 16 sen in 2008. The company's net asset per share strengthened 25% from 2008 to 95 sen as at end December 2009.

The gains during this challenging economic environment came about as your company strengthened its fleet to 32 vessel from 28 in the previous year. This fleet expansion was undertaken via smart partnership program with reputable partners, which keeps Alam Maritim an asset light company and ensures a manageable gearing level. Our gearing was reduced to 0.9 times at the end of 2009, from 1.6 times a year ago.

Your company's balance sheet remained healthy with cash and bank balances amounting to RM203.1 million as at end of 2009, against RM121.6 million a year ago, reflecting an increase of some 67%.

Better Years Ahead

With the worst behind us, it is likely that there will be more exploration jobs in the pipeline. In the past most of our contracts were secured within this region but I am pleased to report that the management team is putting a lot more focus on securing contracts beyond this region.

Part of this process requires us to establish partnerships with reputable companies in this region as well as the Middle East. In the longer term we believe this will give us a foothold in other markets and enhance our international presence.

Dividends / Capital Appreciation

The oil and gas industry is a capital-intensive business, and as I mentioned earlier 2009 was a very challenging year for us. However with a better performance in 2009 your Board is declaring a final dividend of 0.75 sen per share which is a slight improvement from last year.

This modest dividend payout reflects a commitment towards realizing value for our shareholders.

Corporate Exercises Undertaken

Last year we entered into various corporate exercise one of which was with Lembaga Tabung Haji. A Joint Venture company called TH-Alam Holdings (L) Inc was incorporated with an authorised and paid-up capital of USD39.3 million. Another JV company was formed with Swiber Offshore Construction Pte Ltd, called Alam Swiber Offshore (M) Sdn Bhd, to venture into offshore installation and construction projects. These two Joint Venture companies will pave the way for both parties to combine their respective strengths and resources, and align their capabilities to promote efficient solutions for the oil and gas sector. Going forward, the company will continue to strengthen its core business in offshore support vessels and simultaneously adding value to its services.

Sincere and Heartfelt Appreciation

On behalf of the Board of Alam Maritim I would like to extend my utmost gratitude to all shareholders, customers, regulatory authorities, financiers, partners and suppliers for their continuous support, trust and confidence in the company. We hope to strengthen this relationship in the future, thus growing our businesses together.

My heartfelt thanks and gratitude to the management and all employees of Alam Maritim, for their hard work, dedication, and commitment during the year.

Last but not least to all our employees serving on board our vessels, my sincere appreciation for their effort, enthusiasm and courage in delivering their responsibilities.

Dato' Captain Ahmad Sufian @ Qurnain bin Abdul Rashid
Chairman
16 April 2010

Penyata Pengerusi

Saya dengan rasa besar hati membentangkan kepada anda laporan tahunan Alam Maritim Resources Berhad bagi tahun kewangan berakhir 31 Disember 2009.

Tahun 2009 dapat kita simpulkan sebagai satu tahun yang penuh dengan cabaran bukan hanya bagi syarikat anda, malah juga industri secara keseluruhan. Namun saya rasa berbesar hati melaporkan bahawa syarikat anda telah pun "belayar" walaupun terpaksa melalui tempoh keadaan cuaca yang terus bergolak.

Tinjauan Persekitaran Operasi

Jika anda masih ingat, kita memasuki tahun ini ketika dunia masih berada dalam kemelesetan global tetapi apabila menuju ke pertengahan kedua, keadaan ekonomi global telah mula menunjukkan pemulihan yang lambat dan tidak merata disokong penuh oleh pelbagai program stimulus yang besar. Kami percaya bahawa yang terburuk sudah berakhir tetapi pemulihan penuh akan memakan masa.

Ekonomi Malaysia telah mencatat pertumbuhan sebanyak 4.5% pada suku keempat tahun 2009 dan diharapkan akan meningkat pada tahun ini. Keadaan ekonomi ini telah dianggarkan untuk mengembang antara 4.5% hingga 5.5% pada tahun 2010, berikutan dari pengukuhan permintaan domestik dan disokong oleh keadaan persekitaran luaran yang meningkat akibat dari dorongan oleh aktiviti sektor swasta.

Pada skala global, Tabung Kewangan Antarabangsa ("IMF") telah membuat semakan prospek ekonomi global untuk tahun 2010 kepada 3.9%, meningkat dari 3.1% yang telah dianggarkan sebelum ini, dan diperkuatkan lagi oleh prospek untuk 2011.

Harga minyak telah menunjukkan peningkatan dari tahap terendah pada tahun 2008. Sejak awal tahun ini harga minyak telah didagangkan antara USD71 (2 Februari) dan USD86 (6 April), dan kami percaya bahawa harga ini akan stabil pada USD80 setong. Harga minyak pada peringkat ini akan membuka peluang untuk syarikat mempertingkatkan aktiviti eksplorasi yang selanjutnya memberi peluang yang baik dalam industri yang kita ceburi ini.

Keputusan Kewangan

Walaupun persekitaran yang mencabar, Syarikat anda telah berjaya mempertahankan tahap keuntungan dua angka ke atas keuntungan bersih iaitu RM95.4 juta di mana ianya menunjukkan pertumbuhan sebanyak 18.8% dari tahun yang lalu.

Bagi tahun kewangan 2009, pendapatan kami telah meningkat dari tahun sebelumnya sebanyak 8% menjadikan ianya sebanyak RM348.9 juta.

Keuntungan sesaham Alam Maritim pada 2009 adalah 19.3 sen, iaitu hampir 21% meningkat daripada 16 sen seperti yang telah dicatatkan pada tahun 2008. Nilai aset bersih bagi setiap saham telah meningkat sebanyak 25% dari tahun 2008 kepada 95 sen seperti yang direkodkan pada hujung Disember 2009.

Keuntungan pencapaian dalam keadaan ekonomi yang mencabar telah beransur kembali pulih setelah syarikat anda memperkuat armada perkapalannya menjadi 32 buah kapal dari 28 buah kapal pada tahun sebelumnya. Perluasan armada perkapalan ini telah dibawa melalui program kerjasama pintar dengan rakan niaga yang terkemuka, yang mana ianya dapat menjadikan Alam Maritim "ringan" dari segi aset dan seterusnya dapat menjamin tahap pengearan yang boleh diuruskan. Tahap penggearan kami telah berkurang menjadi 0.9 kali pada akhir tahun 2009, dari 1.6 kali seperti yang telah dicatatkan setahun yang lalu.

Penyata imbang Syarikat anda terus berada pada tahap yang mantap dengan jumlah baki tunai dan bank sebanyak RM203.1 juta pada akhir tahun 2009, berbanding RM121.6 juta tahun lalu, yang juga mencerminkan kenaikan sekitar 67%.

Tahun Depan Yang Lebih Baik

Dengan keadaan terburuk di belakang kami, ada kemungkinan bahawa akan wujudnya kerja-kerja eksplorasi. Pada masa lalu sebahagian besar kontrak kami diperolehi dalam kawasan ini tapi saya juga berasa senang hati untuk melaporkan bahawa pihak pengurusan telah memberi tumpuan yang tinggi untuk mendapatkan kontrak di luar kawasan ini.

Sebahagian daripada proses ini memerlukan kita untuk membina kerjasama dengan beberapa syarikat terkemuka di kawasan ini serta kawasan Timur Tengah. Dalam jangka panjang, kita percaya ini akan memberi kita peluang di pasaran-pasaran lain dan juga dapat mempertingkatkan kewujudan kita di peringkat antarabangsa.

Dividen / Apresiasi Modal

Industri minyak dan gas merupakan perniagaan bermodal intensif dan seperti yang telah saya sebutkan sebelumnya tahun 2009 adalah merupakan tahun yang sangat mencabar bagi kami. Namun dengan prestasi yang lebih baik pada tahun 2009, para ahli Lembaga Pengarah anda telah mengisytiharkan dividen akhir sebanyak 0.75 sen sesaham yang merupakan peningkatan kecil dari tahun lalu.

Pembayaran dividen yang sederhana ini mencerminkan komitmen kami untuk mewujudkan nilai bagi para pemegang saham kami.

Perlaksanaan Korporat

Pada tahun lalu kami telah melaksanakan pelbagai perlaksanaan korporat yang mana salah satunya melibatkan pihak Tabung Haji. Sebuah syarikat usahasama bernama TH-Alam Holdings (L) Inc telah ditubuhkan dengan modal dibenarkan dan modal berbayar sebanyak USD39.3 juta Sebuah lagi syarikat usahasama diwujudkan bersama Swiber Construction Offshore (M) Pte Ltd adalah untuk tujuan usahasama ke arah bidang pemasangan pesisir pantai dan projek-projek pembinaan yang lain.

Kedua-dua syarikat usahasama ini akan membuka jalan bagi kedua-dua belah pihak untuk menggabungkan kekuatan dan sumber, dan seterusnya menyelaraskan kemampuan masing-masing untuk mempromosikan penyelesaian yang efisien dalam sektor minyak dan gas. Langkah seterusnya, syarikat akan terus mengukuhkan perniagaan terasnya di bidang kapal pesisir pantai dan sekaligus memberikan nilai tambah kepada perkhidmatan yang telah sedia ada.

Penghargaan Tulus Ikhlas

Bagi pihak Lembaga Pengarah Alam Maritim, saya ingin menyampaikan penghargaan saya kepada semua pemegang saham, pelanggan, pihak berkuasa pihak pemberi kewangan, rakan kongsi niaga dan juga pembekal di atas sokongan, kepercayaan dan keyakinan di dalam syarikat. Kami berharap dapat memperkuatkan hubungan ini di masa depan, sehingga kita sama-sama dapat mengembangkan perniagaan ini bersama-sama.

Penghargaan tulus ikhlas serta terima kasih saya kepada pihak pengurusan dan semua warga kerja di Kumpulan Alam Maritim, di atas kerja keras, dedikasi, dan komitmen anda semua sepanjang tahun.

Akhir sekali, kepada semua pekerja kami yang kini sedang bertugas di atas kapal kapal kami, saya ingin merakamkan penghargaan yang tulus terhadap usaha mereka, semangat serta keberanian mereka dalam menyampaikan tanggung jawab mereka terhadap syarikat.

Dato' Captain Ahmad Sufian @ Qurnain bin Abdul Rashid
Pengerusi

16 April 2010

Overview on 2009 Results and Achievements

AZMI AHMAD
Managing Director/CEO

As a growing integrated oil and gas support service provider, Alam Maritim Resources Berhad, through its various portfolios and spread of businesses, ("AMRB" or "the Group") had delivered yet another commendable performance for the year ended 31 December 2009 (FY2009), despite a sluggish development in the global oil and gas industry due to the world wide economic crisis and volatile movement in oil price. The performance is a testimony of our sound business fundamentals in driving integration, operational excellence and value.

For the year under review, the Group recorded RM347.4 million in revenue against RM322.8 million achieved in FY2008. The single digit growth in revenue was due to several factors, including fewer charter contracts secured for 3rd party vessel operations, and higher operating costs due to general provisions of doubtful debts and loss on foreign exchange. However, there was significant increase in net profit by 22% from RM78.2 million in FY2008 to RM85.8 million in FY2009, attributed to higher share of profits from associated and jointly controlled companies, lower finance costs and income recognised from gain on transfer of vessels to joint venture companies.

Offshore Support Vessels (OSVs)

For the FY2009, the Offshore Support Vessels ("OSVs") segment is still the main contributor to the revenue and profit of the Group, followed by the underwater services activities. The OSVs operations contributed to more than 30% of gross profit margin in spite of the slight drop in daily charter rates ("DCRs") for the newly inked and extended contracts. During the year, the Group managed to secure a total of RM226.4 million worth of contracts, inclusive of 3rd party vessel operations. The 3rd party vessels normally contribute about 15% to the gross profit margin.

In FY2009, the Group took delivery of four new vessels, comprising two anchor handling tug supply vessel ("AHTSs") and two accommodation vessels that added up to a total of 32 vessels to the fleet. During the period, more than 70% of the Group's vessels were under mid to long-term local charter contracts, supporting the national oil and gas company; PETRONAS and its Production Sharing Contract ("PSCs") contractors operating and managing the local oil and gas fields. In addition, some of the vessels were deployed outside the country, servicing oil majors in Indonesia, India and the Middle East.

In its drive and commitment to become the largest owner-operator of OSVs in the country, AMRB has targeted to own at least 40 vessels by the end of FY2012. So far, the Group's fleet expansion programme is on track since its mission is shared and well supported by its strong and credible partners.

As a reflection of such tacit understanding and arrangement, in September 2009, the Group entered into a 50:50 JV arrangement with Swiber Engineering Group, a global company listed on the Singapore Stock Exchange, to co-own and operate a pipe lay barge. The joint venture arrangement is a strategic move to penetrate and engage in new business segment to strengthen the Group's base for future earnings. It is also a move to ensure we share the risk of the business. The newly built barge is expected to be delivered during the 2nd half of FY2010.

Based on similar principle of profit and risk sharing, later in November 2009, AMRB signed a JV agreement with Lembaga Tabung Haji, which currently is one of AMRB's substantial shareholders, to jointly finance, own and operate a total of six vessels comprising four AHTS and two accommodation vessels, equipped with high-end technology, which are capable of supporting deeper water exploration.

In all of the above exercises, the Group made a conscious financial strategic decision to take minority stake in the JVs. This is to enable the Group to grow and, at the same time, effectively manage and optimise its massive capital expenditure without putting the pressure on its gearing level, and thus, ensuring compliance with its existing financial covenants.

Underwater Services and ROVs

The underwater services segment had contributed a total of RM142.6 million to the revenue, mainly from the underwater services projects, inclusive of ROVs sales and operations, as compared to RM37.3 million achieved in previous year. Alam Hidro (M) Sdn Bhd alone contributed RM108.0 million to the revenue from its underwater construction and engineering activities supporting the oil majors' upstream activities.

In addition to the above, Eastar Offshore Pte Ltd, our ROV designing and manufacturing company, recorded RM22.3million and RM6.7 million in FY2009 against RM23.0 million and RM6.3 million achieved in FY2008, in revenue and net profit, respectively. With ROV being widely utilised in the operations of the upstream sector of the oil and gas industry, from exploration, to development, production and maintenance phases of the industry, the Group is optimistic that more orders of ROV will be received in the FY2010, given the general view that the economy has reached a stabilisation stage and we see improvements in indicators which point to an impending recovery, with oil prices expected soon to be corrected and stabilised at USD70 to USD80 per barrel, as seen in recent months.

Integrated Logistics and Ancillary Services

A total of RM2.0 million in revenue was contributed by our other subsidiaries, namely Alam Offshore & Logistics (M) Sdn Bhd ("AOLS") and Alam Food Industries (M) Sdn Bhd ("AFI"). Both AOLS and AFI are wholly-owned subsidiaries and were established to complement the Group's core businesses by offering efficient and productive in-house logistics and service centres to the Group. It must be pointed out that the segment's considerable contribution in terms of cost saving to the operations of the Group, prudently justified the subsidiaries' activities to be sustained even though they have yet to contribute significantly to the bottom line.

Ship Repair and Maintenance

This is another segment which has yet to show positive bottom line contribution However, AMRB recognises its role in supporting the Group's core activities. It is hoped that this segment will eventually add value to the Group when operational efficiency and productivity issues are comprehensively addressed and attended to. With the development of ship repair facility at Kuala Linggi, Melaka, Malaysia already in the pipeline, the Group is set to fully embark on and engage in this potential core activity in the nearest future. Such a move will enable the Group to provide quality services meeting delivery times, efficient execution of work orders and cost reduction benefits. Meanwhile, the Group is quite satisfied with the substantial savings on, and timely attendance to the ship's maintenance, repair costs and work processes, provided by the subsidiary, regardless of its negative contribution in FY2009.

Conclusion

The industry shall see slow recovery in 2010 with expected correction and stabilization in the oil and gas prices, in line with the general consensus that the economy will rebound this year onwards. Already we are beginning to some 'green shoots' of recovery. Thus, going forward, the oil majors are expected to resume the momentum on E&P projects, thus, meeting their commitment to maintaining healthy oil and gas reserves ratio. Furthermore, the recovery of the global economy would also translate into an increase in demand for energy especially from oil and gas. As an integrated support services provider to the oil and gas industry, AMRB shall remain committed to serve its reputable clients and meet their expanding and varied needs. We always try to position ourselves by growing, expanding and planning our business activities strategically to meet the current market demands as well as anticipating future needs.

For FY2010, AMRB believes that the OSV segment will still remain the largest contributor to the Company's profitability considering that it is well and ably supported by the fact that it owns and operates the largest and youngest fleet of Malaysian-flagged OSVs in South East Asia. In addition, most of the Group's vessels are already on long-term charter contracts with the national oil company and its PSC contractors, which shield itself from the dearth of new contracts and against the declining trend of DCRs.

Besides building the strength of the Group's hardware, AMRB is also heavily investing on its human capital and Integrated Quality Management System to ensure that it consistently delivers quality and safe operations.

Mindful of its obligations and responsibilities, AMRB has put in place mechanisms and systems to ensure that strong corporate values and good governance are inculcated and practised by the management and staff Group-wide.

For 2010 and years to come, the industry shall witness AMRB's ever readiness to take the regional and global challenges in pursuit of ensuring maximum returns to its shareholders.

AZMI AHMAD
Managing Director/CEO

18 April 2010

Tinjauan Hasil dan Prestasi 2009

Sebagai pembekal perkhidmatan berintegrasi sokongan minyak dan gas yang semakin berkembang maju, Alam Maritim Resources Berhad melalui pelbagai potfolio dan perniagaannya ("AMRB" atau "Kumpulan") telah mencapai prestasi yang memberangsangkan untuk tahun yang berakhir 31 Disember 2009 (FY09) walaupun industri minyak dan gas berada dalam fasa pembangunan yang perlahan akibat krisis ekonomi yang dialami di seluruh dunia dan gerakan harga minyak yang tidak menentu.

Untuk tahun yang ditinjau, Kumpulan telah mencatat pendapatan sebanyak RM347.4 juta berbanding tahun 2008 iaitu sebanayak RM322.8 juta. Pertumbuhan pendapatan satu angka ini disebabkan oleh beberapa faktor termasuk kontrak sewa dijanjikan yang lebih sedikit untuk operasi kapal pihak ke-3 dan kenaikan kos operasi disebabkan peruntukan umum hutang diragui dan kerugian terhadap tukaran wang asing. Namun, masih terdapat peningkatan yang signifikan pada laba bersih sebesar 22% dari RM78.2 juta dalam tahun 2008 kepada RM85.8 juta dalam tahun 2009 disebabkan perkongsian keuntungan yang lebih tinggi daripada syarikat bersekutu dan syarikat usahasama, kos kewangan yang lebih rendah dan keuntungan yang diperolehi dari keuntungan hasil daripada pengalihan kapal-kapal ke syarikat-syarikat usahasama.

Kapal Sokongan Pesisir Pantai

Untuk tahun kewangan 2009, segmen perkhidmatan kapal sokongan pesisir pantai (“OSVs”) masih merupakan penyumbang utama kepada pendapatan dan keuntungan Kumpulan, diikuti oleh aktiviti perkhidmatan dasar laut. Operasi OSVs memberikan sumbangan lebih daripada 30% dari marjin keuntungan kasar walaupun terdapat dari sedikit penurunan kadar cater harian untuk kontrak yang baru dan kontrak yang dilanjutkan. Pada tahun lalu, Kumpulan telah berjaya memperolehi kontrak bernilai RM226.4 juta termasuk operasi kapal pihak ke-3. Perkhidmatan yang melibatkan penggunaan kapal pihak ke-3 biasanya memberikan sumbangan sekitar 15% dari marjin keuntungan kasar.

Dalam tahun kewangan 2009, Kumpulan telah menerima empat unit kapal baru yang terdiri daripada dua unit kapal AHTS dan dua unit kapal penginapan yang menjadikan jumlah kapal keseluruhan kepada 32 unit. Dalam tahun yang sama, lebih dari 70% daripada kapal Kumpulan telah berada di pertengahan kontrak dan kontrak jangka masa panjang tempatan, untuk menyokong syarikat minyak dan gas nasional; PETRONAS dan pihak kontraktor Kontrak Pengeluaran Minyak (“PSC”) tempatan yang kini sedang beroperasi serta memberi perkhidmatan di telaga minyak dan gas tempatan. Dalam masa yang sama, beberapa unit kapal juga telah dikerahkan beroperasi di luar negeri untuk memberi perkhidmatan kepada syarikat pengeluar minyak utama di Indonesia, India dan di Timur Tengah.

Dalam komitmen Syarikat untuk menjadi pemilik-pengendali terbesar OSVs di negara ini, AMRB telah menyasarkan untuk memiliki sekurang-kurangnya 40 unit kapal pada akhir tahun 2012. Setakat ini, program untuk memperkasakan armada Kumpulan telah berada di landasannya memandangkan misi utamanya telah dikongsi sepenuhnya oleh rakan niaga yang mantap dan penuh kredibiliti.

Pada bulan September 2009, Kumpulan telah memeterai perjanjian usahasama 50:50 dengan Swiber Engineering Group, sebuah syarikat global yang disenaraikan di Bursa Saham Singapura untuk bersama-sama memiliki dan mengendalikan baj pengendalian paip. Syarikat usahasama ini adalah merupakan langkah strategik untuk menembusi serta menurut serta dalam segmen perniagaan yang baru untuk memperkasakan keuntungan Kumpulan di masa hadapan. Baj yang baru dibina ini diharapkan akan dapat diserahkan pada Syarikat pada pertengahan tahun 2010.

Berlandaskan kepada konsep perkongsian untung dan risiko, seterusnya pada November 2009, AMRB telah menandatangani perjanjian usahasama dengan Lembaga Tabung Haji (“TH”), yang mana pada ketika ini, TH adalah merupakan salah satu pemegang saham utama AMRB, untuk bersama-sama membiayai, memiliki dan mengendali jumlah keseluruhan enam unit kapal yang terdiri daripada empat unit AHTS dan dua unit kapal penginapan yang dilengkapi dengan teknologi termaju yang mampu menyokong aktiviti eksplorasi laut yang lebih dalam.

Secara keseluruhannya, Kumpulan telah membuat keputusan kewangan secara berhemah initu dengan mengambil bahagian minoriti dalam syarikat usahasama tersebut. Langkah ini membolehkan Kumpulan untuk berkembang dan pada masa yang sama dapat menguruskan secara efektif serta mengoptimumkan perbelanjaan modal yang besar tanpa memberi tekanan terhadap tahap penggearannya dan selanjutnya dapat memastikan pematuhan terhadap peruntukan kewangan yang telah sedia ada.

Perkhidmatan Dasar Laut & Peralatan Selam Kawalan Jauh ("ROVs")

Segmen perkhidmatan dasar laut telah menyumbang hasil berjumlah sebanyak RM142.6 juta terutamanya dari projek-projek perkhidmatan dasar laut termasuk penjualan dan operasi ROVs berbanding dengan RM37.3 juta pada tahun sebelumnya. Alam Hidro (M) Sdn Bhd telah menyumbang sebanyak RM108.0 juta pendapatan yang diperolehi dari pembinaan dasar laut dan aktiviti kejuruteraan yang menyokong kegiatan huluan minyak utama.

Lanjutan daripada di atas, Eastar Offshore Pte Ltd, syarikat pengeluaran ROV kami telah mencatatkan keuntungan bersih sebanyak RM22.3 juta dan RM6.7 juta pada tahun 2009 berbanding RM23.0 juta dan RM6.7 juta pada tahun kewangan 2008 masing-masing. Dengan ROV yang kini digunakan secara meluas dalam operasi di sektor huluan industri minyak dan gas dari aktiviti eksplorasi, pembangunan, pengeluaran dan tahap pemeliharaan dalam industri, Kumpulan berkeyakinan bahawa lebih banyak tempahan ROV akan diterima dalam tahun kewangan 2010 yang mana ianya memberikan petanda bahawa harga minyak yang harus segera diperbaiki dan stabil pada aras US$70 hingga US$80 se tong seperti yang dilihat dalam beberapa bulan yang lalu.

Perkhidmatan Logistik Bersepadu dan Rampaian

Sebanyak RM2.0 juta pendapatan telah disumbangkan oleh anak-anak syarikat lain iaitu Alam Offshore & Logistics (M) Sdn Bhd ("AOLS") dan Alam Food Industries (M) Sdn Bhd ("AFI"). Kedua AOLS dan AFI adalah merupakan anak syarikat yang dimiliki sepenuhnya yang mana ianya ditubuhkan untuk melengkapkan perniagaan teras Kumpulan dengan menawarkan perkhidmatan logistik Kumpulan yang efisien dan produktif. Segmen ini telah menawarkan sumbangan yang agak besar dari segi penjimatan kos operasi dan ini memberi ruang untuk mempertahankan operasi masing-masing walaupun kedua-dua syarikat ini masih belum lagi memberi sumbangan yang ketara terhadap keuntungan syarikat.

Membaikpulih dan Penyelengaraan Kapal

Ini adalah merupakan segmen yang belum lagi menunjukkan sebarang keuntungan. Segmen ini diharapkan dapat sedikit sebanyak menambah nilai terhadap Kumpulan tatkala isu kecekapan operasi dan produktiviti dapat di atasi dengan sepenuhnya. Dengan pembangunan kemudahan pembaikan kapal di Kuala Linggi, Melaka, Malaysia yang telah dirancangkan, Kumpulan bercadang untuk memulakan sepenuhnya kegiatan teras yang berpotensi ini dalam masa depan yang terdekat. Ini membolehkan pihak Kumpulan dapat menyediakan perkhidmatan yang berkualiti dalam memenuhi masa penerimaan, perlaksanaan kerja yang efisien serta faedah pengurangan kos. Dalam pada itu, Kumpulan telah berpuas hati dengan penjimatan besar terhadap kos penyelenggaraan dan pembaikan kapal walaupun ianya telah mencatat sumbangan negatif dalam tahun kewangan 2009.

Kesimpulan

Industri ini akan melihat pemulihan yang perlahan pada tahun 2010 dengan pembetulan dan penstabilan harga minyak dan gas selaras dengan bancian umum yang mengharapkan ekonomi akan melonjak semula dan ianya diharapkan akan berterusan. Seterusnya, pihak pengeluar minyak utama dijangka meneruskan momentum projek E & P dalam memenuhi komitmen mereka untuk mempertahankan nisbah simpanan minyak dan gas yang optimum. Selain daripada itu, keadaan menghidupkan semula ekonomi global juga dapat diterjemahkan kepada peningkatan permintaan tenaga terutamanya dari minyak dan gas. Sebagai pembekal perkhidmatan sokongan bersepadu industri minyak dan gas, AMRB akan tetap komited untuk memberi perkhidmatannya kepada para klien yang tersohor dalam memenuhi permintaan mereka yang kian bertambah. Kami sentiasa cuba memperkasakan, mengembangkan serta merancang aktiviti perniagaan secara strategik untuk memenuhi kehendak semasa pasaran permintaan dan juga pada masa yang sama mengenalpasti keperluan di masa hadapan.

Dalam tahun kewangan 2010, AMRB berpendapat bahawa segmen OSV akan tetap menjadi penyumbang terbesar terhadap keuntungan Syarikat, disokong oleh armada perkapalan mudanya yang besar di bawah naungan bendera Malaysia di Asia Tenggara yang mana ianya juga dikendalikan sendiri oleh Syarikat. Lanjutan daripada ini, sebahagian besar kapal Kumpulan sudah dicater untuk kontrak jangka panjang dengan syarikat minyak nasional dan juga pihak kontraktor PSC di mana ianya dapat melindungi Syarikat dari mengalami kekurangan kontrak baru dan melawan kecenderungan penurunan tarif cater harian.

Selain membina kekuatan teras Kumpulan, AMRB juga menitik beratkan pelaburan modal insan dan Sistem Pengurusan Kualiti Bersepadu dalam memberi perkhidmatan berkualiti yang konsisten dan selamat.

Menyedari kewajipan dan tanggung jawab di atas, AMRB telah meletakkan mekanisma dan sistem untuk memastikan bahawa nilai-nilai korporat dan tata urus syarikat yang baik ditanamkan serta dipraktikkan oleh pihak Pengurusan dan juga staf di seluruh Kumpulan dalam memenuhi harapan para pemegang saham dan mereka yang berkepentingan lain.

Maka, untuk tahun 2010 dan juga tahun-tahun yang mendatang, industri akan menyaksikan persiapan AMRB dalam menghadapi cabaran global, ancaman dan peluang yang lebih berpotensi.

AZMI AHMAD
Pengarah Urusan/
Ketua Pegawai Eksekutif

18 April 2010

Senior Management **Team**

left to right:

MOHD ABD RAHMAN BIN MOHD HASHIM
Executive Director
Fleet Management Division
AMRB and AMSB

SHAHARUDDIN BIN WARNO @ RAHMAD
Executive Director /
Chief Operating Officer
Alam Maritim Group

AZMI BIN AHMAD
Managing Director /
CEO
Alam Maritim Group

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

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

AZMAN BIN SHABUDIN
Executive Director, Offshore Installation Construction AHSB

BADROL R. AZMI BIN MD. YUNAN
Chief Operating Officer ASO

WU QIONG
Managing Director Eastar Offshore

MOHD FOZI BIN ISMAIL
Executive Director, Underwater Services AHSB

SAMUEL BERNARD SASSOON
Executive Director Eastar Offshore

KAMARULZAMAN BIN JANTAN
Managing Director KJ Waja

Management Team

Seated (left to right):

ANAS BIN SULAIMAN
Senior Manager
Group Internal Audit
& Risk Management

HANIZA BINTI SABARAN
Senior Manager
Group Corporate Secretarial

Standing (left to right):

NASIR BIN JALAL
General Manager
AOLS

NIK AZNUDDEEN HUSAIN
Assistant General Manager
Group Project & Services

YAHYA BIN ASRI
Senior Manager
Group HSE-MS

CAPTAIN SYED FAZIL BIN YAHYA
Head
Group Fleet Management Division

MOHAMAD IZHAM BIN CHE ARIF
Head, Training
Group Fleet Management Division

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

CAPTAIN RAMLI BIN BUJANG
Senior Manager
Group ISM-ISPS

Seated :

NURANISMA BINTI AHMAD
Manager
Finance & Accounts
Group Finance Division

Standing (left to right):

NUR AZNITA BINTI TAIP
Manager
Group Legal

WAN ZURHAIRI BIN WAN MAT
Head
Ship Operations
Group Fleet Management Division

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

ALIAS BIN MADHZAR
Manager
AFI

MAHIZAN BIN ISMAIL
Head
Technical Department
Group Fleet Management Division

SOFFAN AFFENDI BIN AMINUDIN
Manager
Corporate Finance
Group Finance Division

Corporate Responsibility

AMRB continued to promote 2 main areas of CSR activities during the period under review

a. **Workplace - Health, Safety and Environment Report 2009**

2009 continued to be a very challenging year for AMRB with the operational HSE expectation remained to be sustained, coupled with increase number of fleets and the growing organizational population and increased work activities.

The efforts on introducing the Mentor-Mentor Program were worth the price when AMRB was awarded the PETRONAS Group HSE & Sustainability Awards for FY2008/2009 in the Major Contractor Safety Category Merit Award. The recognition by PETRONAS saw a new challenge for AMRB to continually improved its HSE performance in the years to come and sustain its operational excellence.

However, the HSE Performance in 2009 have not been too encouraging with 2 Lost Time Injury ("LTI") cases recorded for the period under review. Cumulatively, AMRB registered a total completion of over 1.6 million man-hours worked, however only managed to sustain 437,760 man-hours free of LTI. The Total Recordable Case Frequency ("TRCF") as at the end of 2009 stood at 1.23.

The above HSE performance shall never dampen the company's commitment towards HSE but in fact enhance the aspiration for an improvement in overall HSE performance in 2010. Additional efforts in increasing the frequency of visits, inspection and audit as well as Line Management efforts in HSE validation and verification on board our fleets have effectively managed the increasing risks in our business operations as well as to prevent recurrence of past incidents.

b. **Community**

AMRB remains committed to giving back to the community by aligning its corporate activities to worthy social causes as part of its contribution to the nation.

During the year under review, AMRB provided financial assistance and support in-kind to deserving members of society in the form of donations.

Alam Maritim in the News

Alam Maritim expects double-digit growth

PETALING JAYA: Alam Maritim Resources Bhd expects a double-digit growth in net profit this year.

This will be backed by a stable global oil price, expansion of its fleet and a few joint-venture (JV) contracts to provide supporting vessels for oil and gas operations.

The company reported a net profit of RM80.3mil on revenue of RM323mil for the year ended Dec 31, representing 52% and 33.4% growth respectively from the previous year.

"We are in talks with an Australian company and a few more parties," chairman Datuk Captain Ahmad Sufian Abdul Rashid told a press conference yesterday after the company AGM.

"I would not discount the possibility of a partnership agreement in the next few months," he said but declined to elaborate.

On its fleet expansion programme, Ahmad Sufian said Alam Maritim's fleet would increase to 40 next year from the current 29 vessels.

"With 40 offshore support vessels in its fleet by next year, the company is set to become one of the largest owner-operat… offshore supply vessels in… East Asia," he said.

He said the need for of… support services would c… especially in deepwater a… ongoing exploration and … works as well as other ac… related to the upstream o… industry.

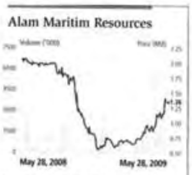
Meanwhile, managing … Azmi Ahmad said the co… venture into ship repair a… tenance business to servi… expanded fleet was timel… could cut costs by half.

He said 36 acres at Kua… in Malacca, had been acq… develop a ship repair yar… which 5.5 acres had been … oped.

"The yard is expected t… commence operations n… he said, adding that it w… a total of RM10mil to RM15…

For the first quarter ende… March 31, Alam Maritim ne… it increased 138% to RM26.… from RM11.18mil a year ago…

This was due to higher c… bution for offshore offshore support vessels and underv… services.



Profit projections year-end Dec 31

Kos selenggara kapal dijangka kurang 50 peratus

PEMILIKAN limbungan baik pulih akan membolehkan AMRB berjimat dalam menyelenggara kapalnya.

AMRB sasar untung berganda

Alam Maritim cautious about venturing overseas

By Zaidi Isham Ismail
bt@nstp.com.my

ALAM Maritim Resources Bhd, an offshore marine transportation service provider, said it remains cautious about venturing into new markets.

The company said it had received many enquiries from countries like Australia, Thailand and Indonesia to enter into joint venture partnerships due to its strong track record.

"However, we have to be careful before we decide to expand because we don't want to venture into an area where we are not familiar with such as South Africa," its group managing director and chief executive officer Azmi Ahmad told reporters after the company's annual general meeting in Kuala Lumpur yesterday.

"We would rather operate in an area like the Middle East where we already have a joint venture partner there," he said.

He added that forming partnerships can be a good thing, as they will help grow fleet size and cut firm's risk exposure.

From left: Azmi, chairman Datuk Kapten Ahmad Sufian Abdul Rashid and executive director Shaharuddin Rahmad after the company's AGM yesterday.

Alam Maritim currently has an order book of RM600 million, of which some 60 per cent are awarded Petroliam Nasional Bhd.

It is set to become one of Asia's largest owner and operator of offshore supply vessels (OSVs), with the delivery of 11 new vessels worth a total of RM600 million by the end of 2011 to complement its existing 29 vessels.

Azmi said its shipyard in Kuala Linggi in Malacca is also set to halve maintenance and service cost of its 40 vessels by 2010 as it no longer sends its ships for repairs in Singapore or Batam in Indonesia.

The company expects double-digit growth in net profit in its financial year ending December 2009, on deliveries of new OSVs and rising oil and gas demand.

Last year, its net profit rose 43.3 per cent to RM80.3 million, from RM56 million a year before.

50 ▶ BIZNEWS

Alam Mariti… of securing …

By Rupinder Singh

If successful, Alam Maritim will add another RM180 millio… to its order book supplying vessels to Petronas Carigali

Alam Mariti… in underwat…

Firm to invest RM250mil on new ROV…

»Where it is risky or impossible for divers to go, we will be ready with our robotic equipment for deep-sea diving»

AZMI AHMAD

Alam Maritim bina limbungan

Pusat baik pulih kapal di Kuala Linggi jimatkan kos penyelenggaraan

Oleh Ahmad Faizal Hajat

"Sebagai usaha untuk tidak bergantung kepada Petronas sebagai pelanggan utama, Alam Maritim kini dalam proses untuk mempelbagai asas pelanggannya"

Azmi Ahmad

Masa seeks Govt aid for shippers with distressed assets

Audit Committee Report

MEMBERSHIP AND ATTENDANCE

The Audit Committee members and details of attendance of each member at Audit Committee meetings during 2009 are as follows:

Composition of Audit Committee	Number of Audit Committee Meetings Held	Attended	%
Dato' Haji Ab Wahab bin Haji Ibrahim Chairman (Independent Non-Executive Director and a Certified Accountant)	5	5	100
Dato' Captain Ahmad Suffian @ Qurnain bin Abdul Rashid (Independent Non-Executive Director)	5	5	100
Dato' Mohamad Idris bin Mansor (Independent Non-Executive Director)	5	4	80

The Audit Committee convened five meetings during the year, which were attended by all the members except for Dato' Mohamad Idris Mansor who attended four out of five meetings held. Upon invitation by the Audit Committee, the Executive Directors, Head of Finance & Accounts, Head of Internal Audit and the External Auditors attended all the meetings.

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 secretary of the Committee shall be the Group Secretary.

All members of the Audit Committee are financially literate and are able to analyse and interpret financial statements to effectively discharge their duties and responsibilities as members of the Audit Committee.

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 noncompliance of subparagraph 15.09(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 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.

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 Directors 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.

(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 coordination 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 reappointment, 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.

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 Internal 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;
- 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.
- Review and verify the allocation of options pursuant to the companies ESOS schemes.

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 2009 was approximately RM340,000.

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;
- Carrying out investigations and special reviews requested by management and/or the Audit Committee; and
- Identifying opportunities to improve the operations of and processes in the Company and the Group.

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 a half-yearly 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 29 March 2010.

Statement of Corporate Governance

At AMRB, the Board of Directors ("the Board") embraces strong business ethics and sets high standard of corporate culture in discharging its obligations to the shareholders and the stakeholders. The Board Members are committed to good governance practices and strongly believe that it is the way forward to achieve competitiveness, growth and sustainability.

The purpose of the Corporate Governance Statement ("CGS") is to report to the investors and the stakeholders the manner in which the Corporate Governance practices is applied in the Group of Companies under the direction of the present leaders. The CGS is also prepared in compliance with Para 15.25 of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad.

A DIRECTORS

The Board

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 (8) members comprising five (5) Non Independent Executive Directors and three (3) Independent Non Executive Directors. The strong background of members of the Board in accounting, engineering, and management particularly in marine environment and oil and gas industry provides in depth knowledge and expertise to the Board.

The Board has 1/3 independent votes from its members to ensure that the interests of minority shareholders are considered and protected. The Board strongly feels that the current mix of skills and experience of its members is satisfactory to discharge its duties and responsibilities effectively and efficiently.

A brief profile of each Director is set out on page 16 to 19 of this Annual Report.

Appointments to the Board

The Nomination Committee is an arm of the Board and it deals with among others; the appointment of a new board member. The Nomination Committee shall ensure that the nominee has the required set of skills, professionalism, integrity, relevant industry knowledge and expertise to contribute and complement the Board existing strengths.

The Nomination Committee has also implemented the process to assess 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 chief executive officer and the chief operating officer. The result of assessment is documented for the Board's proper evaluation.

Board Responsibilities

At the strategic level of AMRB, clear division of responsibilities of the Chairman and the Managing Director/Chief Executive Officer (MD/CEO) ensures the balance of power and authority, such that no one individual has unfettered powers of decision.

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 annual basis.

The Board is accountable to the shareholders and it is committed to ensure that the Management; being vested with delegated authority and powers by the Board, serves and act in the best interest of the shareholders.

There is also clear division of the Board and the Management. At the Management level, there are various working committees established namely, HSE Steering and Working Committees, Management Committee, Group Risk Management Working Committee, Credit Control Committee, Human Resources Policy Committee and Tender Committee to implement policies and procedures, monitoring effectiveness and reviewing the relevancy of current systems and to being responsible in day to day management and operations of the Group of Companies.

Board Meetings

The Board has met six (6) times during the financial year ended 31 December 2009 to deliberate and consider various strategic matters including review on quarterly performance results, corporate plans, annual budget, risk assessments, debtors analysis and controls, new investments proposals and other corporate matters.

The Company Secretary plans board meetings well in advance and will ensure that the agenda and necessary information for the Board to deal with in the meeting is systematically organized and disseminated to the Board Members on a timely basis.

The Company Secretary properly records the minutes of meeting 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 generally 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 specialized issues and in furtherance of their duties.

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

Name	Position	No of Meetings Attended
Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid	Independent Non Executive Chairman	6/6
Dato' Mohamad Idris bin Mansor	Independent Non Executive Director	5/6
Dato' Haji Ab Wahab bin Haji Ibrahim	Independent Non Executive Director	6/6
Azmi bin Ahmad	Managing Director/CEO	6/6
Shaharuddin bin Warno @ Rahmad	Executive Director/COO	5/6
Encik Ahmad Hassanudin bin Ahmad Kamaluddin	Executive Director	6/6
Encik Ab Razak bin Hashim	Executive Director	6/6
Encik Mohd Abd Rahman bin Mohd Hashim	Executive Director	6/6

Board Committees

The Board has delegated some of its functions to be driven by three Board's Committees established primarily 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, asses, 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;

- To meet as and when required.

The members of the NRC are as follows:

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

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
Dato' Haji Ab Wahab bin Haji Ibrahim	Member
Shaharuddin bin Warno @ Rahmad	Member
Azmi bin Ahmad	Alternate Member to Shaharuddin bin Warno @ Rahmad

Having a Group Risk Management Working Committee to deliberate most of the corporate and operational risks at its meeting under the close supervision of the Chairman of RMC, it did not convened any meeting in 2009.

The Board's RMC shall maintain effective communication with the Group Risk Management Working Committee and share common principles in dealing with risky opportunities.

iv. 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 hereof 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

At each 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 materials containing information relevant to the business of the meeting to enable them to obtain further explanations, where necessary.

In dealing with announcement and disclosures to Bursa Malaysia Securities Berhad, the Board's prior approval is necessary before any release of such information to the public.

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 (3) years rotation.

At the Fifth AGM, Dato' Captain Ahmad Sufian bin Abdul Rashid, Encik Azmi bin Ahmad and Encik Mohd Abd Rahman bin Mohd Hashim shall retire and stand for re-election. Their profiles can be referred to on page 16 and 17, respectively of this Annual Report.

Directors' Training

All the Board Members have successfully attended the Mandatory Accreditation Programme in compliance with the MMLR.

The Board is mindful that an appropriate continuous training is necessary for them to keep abreast with changes and developments in the market place and the corporate regulatory framework.

During the financial year ended 31 December 2009, the Board Members had attended the following training/workshops/seminars/professional public courses tabulated herein for information:

No	Director	Training/Conference
1	Dato' Captain Ahmad Sufian @ Qurnain bin Abdul Rashid	• Recovery & Malaysia strategy, Making Bold Changes on 6 October 2009 • Corporate Governance Guide - Towards Board Room Excellence on 12 August 2009 • Red Flags & Landmines in Financial Accounting on 1 June 2009 • Leading Team into Action on 15 April 2009
2	Dato' Mohamad Idris bin Mansor	• Improving Risk Committee Performance on 17 December 2009 • Corporate Governance Guide - Towards Board Room Excellence on 23 July 2009
3	Dato' Haji Ab Wahab bin Haji Ibrahim	• Corporate Governance Guide - Towards Board Room Excellence on 23 July 2009 • Financial Reporting Standards 139 conducted by Tanjung Offshore Berhad

No	Director	Training/Conference
4	Azmi bin Ahmad	• Corporate Governance Guide - Towards Board Room Excellence on 2 July 2009 • The role of Market Players in Influencing Good CG Practices Amongst PLCs on 9 June 2009
5	Shaharuddin bin Warno@Rahmad	• Corporate Governance Guide - Towards Board Room Excellence on 20 August 2009
6	Ahmad Hassanudin bin Ahmad Kamaluddin	• Improving Risk Committee Performance on 17 December 2009 • Corporate Governance Guide - Towards Board Room Excellence on 12 August 2009.
7	Ab Razak bin Hashim	• Corporate Governance Guide - Towards Board Room Excellence on 20 August 2009
8	Mohd Abd Rahman bin Mohd Hashim	• Corporate Governance Guide - Towards Board Room Excellence on 12 August 2009

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, motivate and retain them in order to run the Group successfully. At AMRB, the rewards for Executive Directors, including CEO and COO are linked to both corporate and individual performance. On the other hand, the level of remuneration for the Non-Executive Directors reflects functions and 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 of both Executive Directors and Non-Executive Directors are drawn and decided based on internal guidelines and benchmarked against the other public listed companies in similar industry.

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 2009 is as follows:-

Description	Executive Directors	Non-Executive Directors	Total
Basic Salary & Other Emoluments	2,125,836	-	2,125,836
Contribution to EPF	193,116	-	193,116
Bonus	518,400	-	518,400
Fees	-	102,000	102,000
Allowances	-	40,000	40,000
Benfit in Kind	118,500	15,000	133,500
Total	2,955,852	157,000	3,112,852

Remuneration Band (RM)	Executive	Non-Executive
RM50,000	-	1
RM50,001 and RM200,000	-	2
RM500,001 and RM600,000	2	-
RM800,001 and RM900,000	2	-

Note: One of the Executive Directors was on sabbatical leave.

C SHAREHOLDERS

Dialogue Between Companies and Investors

The Group recognizes the importance of effective communication with its shareholders and potential investors to keep them informed of the major development of the Group. Such information is disseminated through the following channels:-

- Quarterly and Full year results announcements;
- Annual Report;
- Analyst Briefings/Conference calls;
- Circulars/Statements 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 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 has overall responsibility for maintaining 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 Group’s Internal Control pursuant to Paragraph 15.26(b) of Bursa Malaysia Listing Requirements is set forth on pages 49 and 50 of this Annual Report. The Board also recognizes that the system of internal control has inherent limitations and is aware that such a system can only provide reasonable and not absolute assurance against material misstatements, loss or fraud.

The internal control system of the Group is supported by an established organizational structure with well-defined authority and responsibility lines, and which comprises of appropriate financial, operational and compliance controls.

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 2009, the Directors have:-

- Adopted the appropriate accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent;
- Ensure that 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 Buy-Back

During the financial year, there were no share buy-back by the Company.

Options, warrants or Convertible Securities

A total of 14,141,112 units of ESOS Options were exercised for the financial year ended 31 December 2009.

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 were no non-audit fees paid to the external auditors during the financial year.

Variation in Results

The audited results of the financial year ended 2009 did not defer by 10% or more than the profit forecast of the an unaudited 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 2009 or entered into during the financial period under review.

Statement on Internal Control

RESPONSIBILITY

The Board of Directors recognises 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.

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 awareness 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
- All material risks are to be identified, analysed, treated, monitored and reported.

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 and 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 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 organisation 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.

(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.

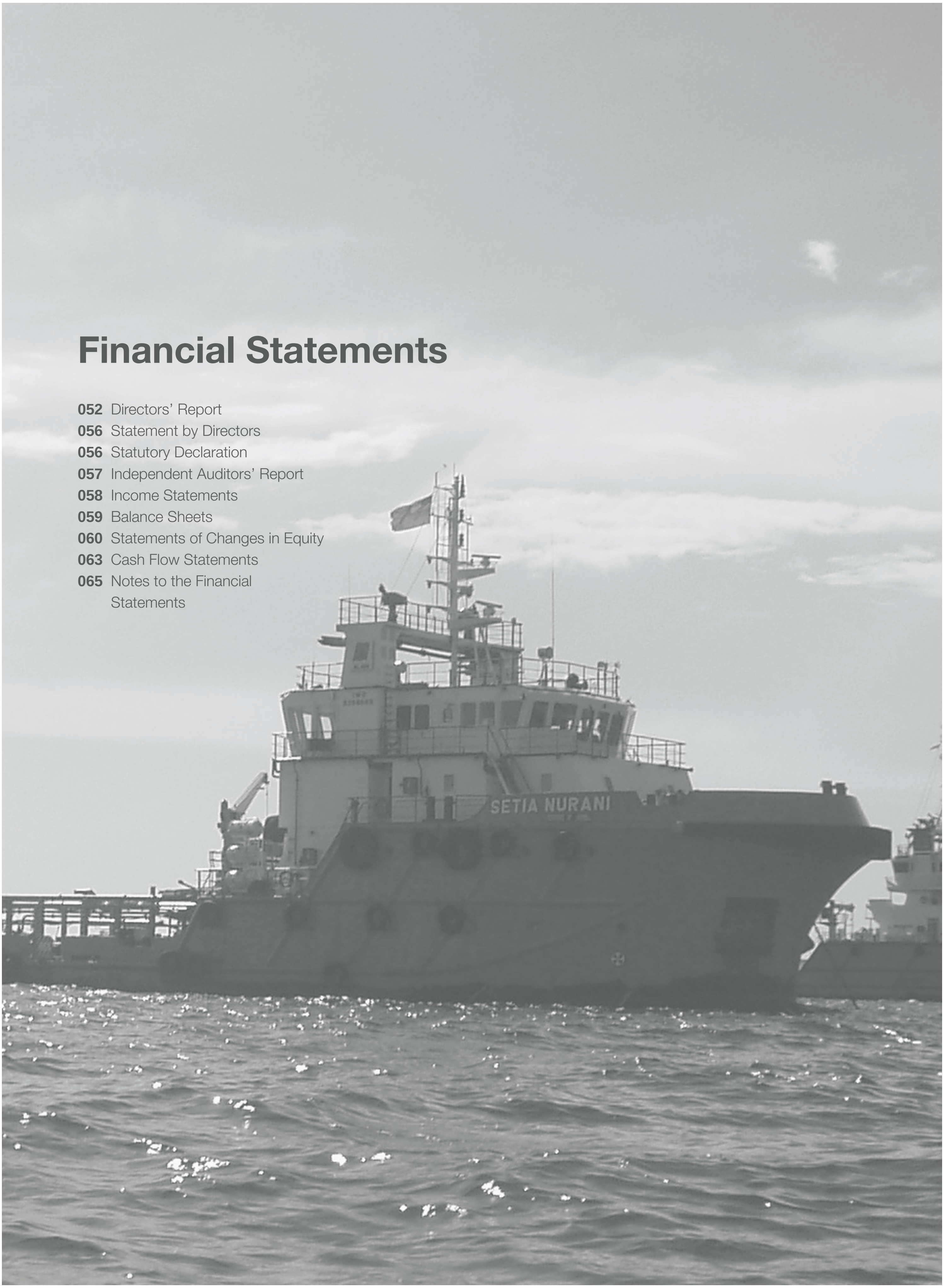
Monitoring and review of the effectiveness of the system of internal control

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 29 March 2010.

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 2009.

Principal activities

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 14 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.

Results

	Group RM	Company RM
Profit for the year	95,366,752	1,637,047
Attributable to:		
Equity holders of the Company	91,279,940	1,637,047
Minority interests	4,086,812	-
	95,366,752	1,637,047

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 opinion 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.

Dividends

The amount of dividends paid by the Company since 31 December 2008 were as follows:

	RM
In respect of the financial year ended 31 December 2008, as reported in the directors' report of that year:	
First and final dividend of 0.50 sen per share less 26% taxation on 500,127,273 shares, paid on 11 September 2009	1,875,480

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2009, of 0.75 sen less 25% taxation (0.56 sen net per ordinary share) on 506,987,098 ordinary shares, amounting to a dividend payable of RM2,851,802 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 2010.

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
Dato' 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 Options 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' interests

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 1.1.2009	**Acquired**	**Sold**	**At 31.12.2009**
The Company				
Direct interest:				
Dato' Captain Ahmad Sufian @ Qurnain bin Abdul Rashid	500,000	687,500	(987,500)	200,000
Dato' Mohamad Idris bin Mansor	275,000	550,000	(275,000)	550,000
Dato' Haji Ab Wahab bin Haji Ibrahim	396,000	550,000	(945,000)	1,000
Azmi bin Ahmad	1,179,474	-	(1,000,000)	179,474
Shaharuddin bin Warno @ Rahmad	2,524,674	3,152,325	(2,000,000)	3,676,999
Mohd Abd Rahman bin Mohd Hashim	1,305,424	-	(1,305,424)	-
Ab Razak bin Hashim	1,559,600	2,152,324	(3,711,924)	-
Ahmad Hassanudin bin Ahmad Kamaluddin	1,250	990,000	(991,250)	-

	← Number of Ordinary Shares of RM0.25 Each →			
	At 1.1.2009	**Acquired**	**Sold**	**At 31.12.2009**
Indirect interest:				
Azmi bin Ahmad	261,778,090	-	(7,000,000)	254,778,090
Shaharuddin bin Warno @ Rahmad	261,778,090	-	(7,000,000)	254,778,090
Mohd Abd Rahman bin Mohd Hashim	261,778,090	-	(7,000,000)	254,778,090
Ab Razak bin Hashim	261,778,090	-	(7,000,000)	254,778,090

	Number of Options Over Ordinary Shares of RM0.25 Each			
	At 1.1.2009	**Acquired**	**Sold**	**At 31.12.2009**
The Company				
Dato' Captain Ahmad Sufian @ Qurnain bin Abdul Rashid	1,168,750	-	(687,500)	481,250
Dato' Mohamad Idris bin Mansor	935,000	-	(550,000)	385,000
Dato' Haji Ab Wahab bin Haji Ibrahim	935,000	-	(550,000)	385,000
Azmi bin Ahmad	5,358,925	-	-	5,358,925
Shaharuddin bin Warno @ Rahmad	5,358,925	-	(3,152,325)	2,206,600
Mohd Abd Rahman bin Mohd Hashim	4,098,051	-	-	4,098,051
Ab Razak bin Hashim	4,358,925	-	(2,152,324)	2,206,601
Ahmad Hassanudin bin Ahmad Kamaluddin	2,145,000	-	(990,000)	1,155,000

Issue of shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM123,211,497 to RM126,746,775 by way of the issuance of 14,141,112 ordinary shares of RM0.25 each for cash pursuant to the Company's Employee Share Options Scheme at the exercise prices ranging from RM0.60 to RM1.59 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 23 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 holders of 5,000,000 or more options as at 31 December 2009.

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.

(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

There were no significant events during the financial year.

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 26 March 2010.

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 58 to 107 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 2009 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 26 March 2010.

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 58 to 107 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 26 March 2010

Md Nasir bin Noh

Before me,

Independent Auditors' Report

To the members of Alam Maritim Resources Berhad (Incorporated in Malaysia)

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 2009 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 58 to 107.

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 2009 and of their financial performance and cash flows for the year then ended.

Report on other legal and 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 14 to the 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
26 March 2010

Income Statements

For the year ended 31 December 2009

	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
Revenue	3	348,917,132	322,854,213	1,713,250	9,007,750
Cost of sales		(194,929,687)	(176,021,239)	-	-
Gross profit		153,987,445	146,832,974	1,713,250	9,007,750
Other income		7,631,583	15,535,125	988,642	2,718,481
Employee benefits expense	4	(24,646,486)	(22,637,194)	(242,828)	(4,712,702)
Other expenses		(25,068,072)	(20,009,797)	(520,073)	(725,863)
Operating profit		111,904,470	119,721,108	1,938,991	6,287,666
Finance costs	6	(25,874,837)	(23,498,557)	(9,466)	(10,991)
Share of profit of jointly controlled entities		23,211,091	4,911,778	-	-
Share of profit/(loss) of associates		3,283,674	(422,837)	-	-
Profit before tax	7	112,524,398	100,711,492	1,929,525	6,276,675
Income tax expense	8	(17,157,646)	(20,403,778)	(292,478)	(906,568)
Profit for the year		95,366,752	80,307,714	1,637,047	5,370,107
Attributable to:					
Equity holders of the Company		91,279,940	78,237,395	1,637,047	5,370,107
Minority interests		4,086,812	2,070,319	-	-
		95,366,752	80,307,714	1,637,047	5,370,107
Earnings per share attributable to equity holders of the Company:					
Basic (Sen)	9	18.3	16.0		
Diluted (Sen)	9	17.6	15.1		

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

Balance Sheets

As at 31 December 2009

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Assets					
Non-current assets					
Property, vessels and equipment	11	778,763,399	817,699,175	92,642	148,228
Prepaid land lease payments	12	10,052,363	-	-	-
Intangible assets	13	1,850,173	1,949,538	-	-
Investments in subsidiaries	14	-	-	100,302,070	100,302,070
Investments in associates	15	22,225,947	21,667,949	-	-
Investments in jointly controlled entities	16	45,600,714	25,547,737	-	-
		858,492,596	866,864,399	100,394,712	100,450,298
Current assets					
Amount due from subsidiaries	17	-	-	623,912,236	653,647,552
Inventories	18	23,362,915	19,985,209	-	-
Trade receivables	19	150,689,419	199,584,982	-	-
Other receivables	21	115,547,226	46,568,165	-	-
Tax recoverable		3,183,093	2,688,782	2,468,139	1,166,447
Cash and bank balances	22	203,140,231	121,588,656	77,001,774	56,364,909
		495,922,884	390,415,794	703,382,149	711,178,908
Total assets		1,354,415,480	1,257,280,193	803,776,861	811,629,206
Equity and liabilities					
Equity attributable to equity holders of the company					
Share capital	24	126,746,775	123,211,497	126,746,775	123,211,497
Share premium	24	78,470,938	68,689,027	78,470,938	68,689,027
Other reserves	25	6,785,533	7,968,503	6,613,126	7,897,646
Retained profits	26	264,469,513	174,996,808	8,292,902	8,531,335
		476,472,759	374,865,835	220,123,741	208,329,505
Minority interests		7,289,480	5,329,854	-	-
Total equity		483,762,239	380,195,689	220,123,741	208,329,505
Non-current liabilities					
Borrowings	27	486,316,442	487,982,161	445,145,042	475,171,804
Deferred tax liabilities	29	77,511,121	66,396,703	-	-
		563,827,563	554,378,864	445,145,042	475,171,804
Current liabilities					
Borrowings	27	157,129,155	147,091,902	126,789,886	116,495,457
Trade payables	30	28,925,886	39,045,143	-	-
Other payables	31	117,047,107	134,880,729	11,718,192	11,632,440
Tax payable		3,723,530	1,687,866	-	-
		306,825,678	322,705,640	138,508,078	128,127,897
Total liabilities		870,653,241	877,084,504	583,653,120	603,299,701
Total equity and liabilities		1,354,415,480	1,257,280,193	803,776,861	811,629,206

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

Statements of Changes in Equity

For the year ended 31 December 2009

	Attributable to equity holders of the company					Minority interests	Total equity
	Non-distributable			Distributable			
	Share capital (Note 24) RM	Share premium (Note 24) RM	Other reserves (Note 25) RM	Retained profits (Note 26) RM	Total RM	RM	RM
Group							
At 1 January 2008	121,322,253	63,032,747	6,179,640	98,581,395	289,116,035	3,062,516	292,178,551
Issue of ordinary shares:							
Pursuant to ESOS	1,889,244	3,563,617	-	-	5,452,861	-	5,452,861
Acquisition of a subsidiary (Note 14(a))	-	-	-	-	-	190,832	190,832
Share issued to minority interests	-	-	-	-	-	98,000	98,000
Share options granted under ESOS:							
- recognised in income statement	-	-	3,809,165	-	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)	(140,053)	(1,962,035)
Foreign currency translation, representing income recognised directly in equity	-	-	72,361	-	72,361	48,240	120,601
Profit for the year	-	-	-	78,237,395	78,237,395	2,070,319	80,307,714
At 31 December 2008	123,211,497	68,689,027	7,968,503	174,996,808	374,865,835	5,329,854	380,195,689

	Attributable to equity holders of the company					Minority interests	Total equity
	Non-distributable			Distributable			
	Share capital (Note 24) RM	Share premium (Note 24) RM	Other reserves (Note 25) RM	Retained profits (Note 26) RM	Total RM	RM	RM
Group (cont'd.)							
At 1 January 2009	123,211,497	68,689,027	7,968,503	174,996,808	374,865,835	5,329,854	380,195,689
Issue of ordinary shares:							
Pursuant to ESOS	3,535,278	6,195,243	-	-	9,730,521	-	9,730,521
Share options granted under ESOS:							
- recognised in income statement	-	-	2,302,148	-	2,302,148	-	2,302,148
- exercised during the year	-	3,586,668	(3,586,668)	-	-	-	-
Dividends (Note 10)	-	-	-	(1,875,480)	(1,875,480)	(2,102,182)	(3,977,662)
Accretion in a subsidiary (Note 14)	-	-	-	68,245	68,245	(68,245)	-
Foreign currency translation	-	-	101,550	-	101,550	43,241	144,791
Net income recognised directly in equity	-	-	101,550	68,245	169,795	(25,004)	144,791
Profit for the year	-	-	-	91,279,940	91,279,940	4,086,812	95,366,752
At 31 December 2009	126,746,775	78,470,938	6,785,533	264,469,513	476,472,759	7,289,480	483,762,239

Statements of Changes in Equity
For the year ended 31 December 2009 (cont'd)

	← Non-distributable		→	Distributable	
	Share capital (Note 24) RM	Share premium (Note 24) RM	Other reserves (Note 25) RM	Retained profits (Note 26) RM	Total equity RM
Company					
At 1 January 2008	121,322,253	63,032,747	6,181,144	4,983,210	195,519,354
Profit for the year	-	-	-	5,370,107	5,370,107
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	-	-	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
At 1 January 2009	123,211,497	68,689,027	7,897,646	8,531,335	208,329,505
Profit for the year	-	-	-	1,637,047	1,637,047
Issue of ordinary shares: Pursuant to ESOS	3,535,278	6,195,243	-	-	9,730,521
Share options granted under ESOS: -					
- recognised in income statement	-	-	2,302,148	-	2,302,148
- exercised during the year	-	3,586,668	(3,586,668)	-	-
Dividends (Note 10)	-	-	-	(1,875,480)	(1,875,480)
At 31 December 2009	126,746,775	78,470,938	6,613,126	8,292,902	220,123,741

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

Cash Flow Statements

For the year ended 31 December 2009

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash flows from operating activities				
Profit before tax	112,524,398	100,711,492	1,929,525	6,276,675
Adjustments for:				
Interest income	(2,976,348)	(3,193,404)	(988,642)	(2,718,481)
Dividend income	-	-	(1,713,250)	(9,007,750)
Depreciation of property, vessels and equipment (Note 11)	31,880,541	27,206,012	55,586	55,585
Gain on disposal of property, vessels and equipment	(5,409,340)	(3,264,731)	-	-
Unrealised profit on vessels disposed to associates	2,572,411	2,804,147	-	-
Property, vessels and equipment written off	429,696	-	-	-
Amortisation of prepaid land lease payments	9,997	-	-	-
Interest expense	25,874,837	23,498,557	9,466	10,991
Share options granted under ESOS (Note 4)	2,302,148	3,809,165	91,928	1,897,448
Provision for doubtful debts	9,035,533	426,159	-	-
Reversal of provision for doubtful debts	-	(7,790,021)	-	-
Net foreign exchange losses/(gain)	4,576,266	4,324,701	-	-
Amortisation of intangible assets	122,260	60,348	-	-
Share of (profit)/loss of associates	(3,283,674)	422,837	-	-
Share of profit of jointly controlled entities	(23,211,091)	(4,911,778)	-	-
Operating profit/(loss) before working capital changes	154,447,634	144,103,484	(615,387)	(3,485,532)
Changes in working capital:				
Increase in inventories	(3,377,706)	(19,153,160)	-	-
(Increase)/decrease in receivables	(30,533,684)	(103,156,535)	-	34,947
(Decrease)/increase in payables	(27,952,879)	110,732,178	85,752	3,895,224
Cash generated from operations	92,583,365	132,525,967	(529,635)	444,639
Taxes paid	(4,543,897)	(4,283,220)	(1,594,170)	(2,239,381)
Interest paid	(27,370,446)	(23,498,557)	(24,334,071)	(21,309,503)
Net cash generated from/(used in) operating activities	60,669,022	104,744,190	(26,457,876)	(23,104,245)

Cash Flow Statements

For the year ended 31 December 2009 (cont'd)

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash flows from investing activities				
Purchase of property, vessels and equipment (Note 11)	(95,042,684)	(279,728,449)	-	-
Prepayment of land lease	(10,062,360)	-	-	-
Acquisition of subsidiaries (Note 14(a))	-	(356,425)	-	-
Investment in jointly controlled entities	(352)	-	-	-
Additional investment in a jointly controlled entity (Note 16)	-	(3,410,720)	-	-
Investments in associates	-	(24,894,933)	-	-
Increase/(decrease) in amount due from subsidiaries	-	-	60,404,157	(210,700,103)
Internal development costs on diving equipment	-	(603,475)	-	-
Interest received	2,976,348	3,193,404	988,642	2,718,481
Dividends received	-	-	-	9,007,750
Net cash (used in)/generated from investing activities	(102,129,048)	(305,800,598)	61,392,799	(198,973,872)
Cash flows from financing activities				
Proceeds from disposal of vessels to associates	124,646,000	50,953,000	-	-
Proceeds from issuance of ordinary shares (Note 24)	9,730,521	5,452,861	11,940,741	7,364,578
Proceeds from MCP/MMTN	95,661,918	146,815,516	95,661,918	146,815,516
Repayment of MCP/MMTN	(100,000,000)	(150,000,000)	(100,000,000)	(150,000,000)
Proceeds from Sukuk Ijarah MTN	-	200,000,000	-	200,000,000
Redemption of Sukuk Ijarah MTN	(20,000,000)	(5,000,000)	(20,000,000)	(5,000,000)
Proceeds from drawdown of term loans	22,203,376	10,285,457	-	-
Repayment of term loans	(2,030,554)	(968,364)	-	-
Proceeds from drawdown of revolving credits	-	52,352,650	-	-
Repayment of revolving credits	-	(94,885,750)	-	-
Repayment of hire purchase and lease financing (Note 28)	(749,063)	(741,959)	(25,237)	(34,704)
Shares issued to minority interest	-	98,000	-	-
Net cash released from/(set aside) for collateral and sinking fund	(2,642,263)	(3,833,658)	-	-
Dividends paid	(3,977,662)	(1,962,035)	(1,875,480)	(1,821,982)
Net cash generated from/ (used in) financing activities	122,842,273	208,565,718	(14,298,058)	197,323,408
Net increase in cash and cash equivalents	81,382,247	7,509,310	20,636,865	(24,754,709)
Cash and cash equivalents at beginning of year	105,824,857	98,315,547	56,364,909	81,119,618
Cash and cash equivalents at end of year (Note 22)	187,207,104	105,824,857	77,001,774	56,364,909

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

Notes to the Financial Statements

31 December 2009

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. The principal activities of the subsidiaries are disclosed in Note 14 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 26 March 2010.

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 July 2009 as described fully in Note 2.3.

The financial statements of the Group and of the Company have also been prepared on a historical cost 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.

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)

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.

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 management accounts of the associates 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.

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.

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.

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(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.

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.

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(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 written 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 as 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.

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.

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(j) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially 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 as 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.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

(iv) Operating leases - the Group as 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.

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(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.

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.

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(n) Employee benefits (cont'd)

(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.

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 in accordance with the policy set out in Note 2.2(f) above.

(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. Significant accounting policies (cont'd)

2.3 Standards and Interpretations issued but not yet effective

At the date of authorisation of these financial statements, the following new FRSs and Interpretations, and amendments to certain Standards and Interpretations were issued but not yet effective and have not been applied by the Group and the Company, which are:

Effective for financial periods beginning on or after 1 July 2009:

FRS 8 Operating	Segments

Effective for financial periods beginning on or after 1 January 2010:

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (as revised in 2009)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1 and FRS 127	First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 139, FRS 7 and IC Interpretation 9	Financial Instruments: Recogniton and Measurement, Disclosures and Reassessment of Embedded Derivatives
Amendments to FRSs:	'Improvements to FRSs (2009)'
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TR i – 3	Presentation of Financial Statements of Islamic Financial Institutions

2. Significant accounting policies (cont'd)

2.3 Standards and Interpretations issued but not yet effective (cont'd)

FRS 1	FRS 1 First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations
FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138	Intangible Assets
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 12	Service Concession Arrangements
IC Interpretation I5	Agreements for the Construction of Real Estate
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners

The improvements to FRSs 2009 include amendments to FRS 117 which requires the lease of land to be assessed as to whether they are finance or operating lease. The Group is still assessing the impact of this amendment.

The Group and the Company are exempted from disclosing the possible impact to the financial statements upon the initial application of FRS 139, IC Interpretation 9 and the amendments thereto.

The other new FRSs, Amendments to FRSs and Interpretations are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application except for the changes arising from the adoption of FRS 139, IC Interpretation 9 and the amendments thereto.

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 RM427,910.

(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.

3. Revenue

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Charter hire	202,002,407	244,926,927	-	-
Offshore installation and construction	84,778,312	26,027,449	-	-
Ship catering	3,301,945	4,961,856	-	-
Rental of equipment	26,076,057	13,797,667	-	-
Diving and underwater services	291,444	359,445	-	-
Other shipping related income	6,165,390	8,550,911	-	-
Sales of diving equipment	20,036,136	22,263,173	-	-
Dividend income from subsidiaries	-	-	1,713,250	9,007,750
Vessel's management fees	6,265,441	1,966,785	-	-
	348,917,132	322,854,213	1,713,250	9,007,750

4. Employee benefits expense

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Salaries, bonuses and allowances	17,329,408	14,011,747	142,000	2,596,727
Contributions to defined contribution plan - EPF	1,552,957	1,442,526	-	217,206
Social security contributions	97,632	61,873	-	1,240
Share options granted under ESOS (Note 25)	2,302,148	3,809,165	91,928	1,897,448
Other staff related expenses	3,364,341	3,311,883	8,900	81
	24,646,486	22,637,194	242,828	4,712,702

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM3,569,950 (2008: RM3,977,866) and RM Nil (2008: RM3,977,866) as further disclosed in Note 5.

5. Directors' remuneration

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Executive directors' remuneration (Note 4) :				
Fees	73,356	-	-	-
Other emoluments	3,496,594	3,977,866	-	3,977,866
	3,569,950	3,977,866	-	3,977,866
Non-executive directors remuneration (Note 7) :				
Fees	102,000	119,380	102,000	102,000
Other emoluments	131,928	272,370	131,928	272,370
	233,928	391,750	233,928	374,370
Total directors' remuneration (Note 35(b))	3,803,878	4,369,616	233,928	4,352,236
Estimated money value of benefits-in-kind	133,500	133,500	15,000	133,500
Total directors'remuneration including benefits-in-kind	3,937,378	4,503,116	248,928	4,485,736

5. Directors' remuneration (cont'd)

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

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Executive:				
Salaries and other emoluments	2,125,836	1,567,200	-	1,567,200
Bonus:				
- current year's provisions	518,400	528,600	-	528,600
Defined contribution plan				
- EPF	193,116	195,988	-	195,988
Share options granted under ESOS	732,598	1,686,078	-	1,686,078
Estimated money value of benefits-in-kind	118,500	118,500	-	118,500
Total executive directors' remuneration	3,688,450	4,096,366	-	4,096,366
Non-executive:				
Fees and other emoluments	142,000	180,380	142,000	163,000
Share options granted under ESOS	91,928	211,370	91,928	211,370
Estimated money value of benefits-in-kind	15,000	15,000	15,000	15,000
Total non-executive director's remuneration	248,928	406,750	248,928	389,370
Total directors' remuneration	3,937,378	4,503,116	248,928	4,485,736

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	
	2009	2008
Executive directors:		
RM500,001 - RM700,000	2	4
RM800,001 - RM900,000	2	-
Non-executive directors:		
RM40,001 - RM50,000	1	1
RM50,001 - RM60,000	2	1
RM60,001 - RM70,000	-	1

6. Finance costs

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Interest expense on:				
Term loans	896,308	5,031,208	-	-
Hire purchase and finance lease liabilities	931,955	114,106	9,466	10,991
MCP/MMTN	4,630,986	2,539,790	-	-
Sukuk Ijarah MTN	24,324,605	22,130,996	-	-
Other borrowings	1,217,578	4,343,408	-	-
	32,001,432	34,159,508	9,466	10,991
Less: Interest expense capitalised in qualifying assets-vessels under construction (Note 11)	(6,126,595)	(10,660,951)	-	-
Net finance expense	25,874,837	23,498,557	9,466	10,991

7. Profit before tax

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Non-executive directors' remuneration (Note 5)	233,928	391,750	233,928	374,370
Auditors' remuneration:				
Auditors of the Company:				
- statutory audits	162,300	129,293	45,000	25,000
Other auditors	55,017	54,313	-	-
Operating leases:				
- lease payments for premises	560,784	82,026	-	-
- lease payments for survey equipment	8,536,970	5,667,155	-	-
- lease payments for tugs/barges	686,684	1,968,210	-	-
- lease payments for third party vessels	26,917,084	51,332,767	-	-
Depreciation of property, vessels and equipment (Note 11)	31,880,541	27,206,012	-	55,585
Provision for doubtful debts	9,035,533	426,159	-	-
Amortisation of intangible assets	122,260	60,348	-	-
Amortisation of prepaid land lease payments	9,997	-	-	-
Net foreign exchange losses/(gain)	4,576,266	4,324,701	-	(12,500)
Property, vessels and equipment written off	429,696	-	-	-
Reversal of provision for doubtful debts	-	(7,790,021)		-
Interest income	(2,976,348)	(3,193,404)	(988,642)	(2,473,131)
Gain on disposal of property, vessels and equipment	(2,836,929)	(3,264,731)	-	-

8. Income tax expense

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Current income tax:				
Malaysian income tax	4,314,522	283,196	192,124	-
Foreign tax	1,300,846	1,276,953	-	-
Underprovision in prior year:				
Malaysian income tax	455,971	430,502	100,354	910,901
Foreign tax	13,911	9,383	-	-
	6,085,250	2,000,034	292,478	910,901
Deferred tax (Note 29):				
Relating to origination and reversal of temporary differences	10,126,285	20,312,147	-	(4,167)
Relating to change in tax rates	(21,437)	(1,699,162)	-	(166)
Under/(over) provision in prior year	967,548	(209,241)	-	-
	11,072,396	18,403,744	-	(4,333)
	17,157,646	20,403,778	292,478	906,568

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2008: 26%) of the estimated assessable profit for the year.

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

8. Income tax expense (cont'd)

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	
	2009 RM	2008 RM	2009 RM	2008 RM
Profit before tax	112,524,398	100,711,492	1,929,525	6,276,675
Taxation at Malaysian statutory tax rate of 25% (2008: 26%)	28,131,100	26,184,988	482,381	1,631,936
Effect of income subject to tax rate of 20%	(25,000)	(30,000)	-	-
Different tax rates in other countries	(777,231)	(750,405)		-
Different tax rates in other jurisdiction	(7,097,109)	-	-	-
Effect of income not subject to tax	(11,793)	(3,625,501)	(428,312)	(2,342,015)
Effect of share of results of jointly controlled entities and associates	(6,623,691)	-	-	-
Effect of expenses not deductible for tax purposes	2,145,377	720,734	138,055	519,550
Effect of change in tax rates on opening balance of deferred tax	(21,437)	(2,511,116)	-	(166)
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	-	193,817	-	186,362
Underprovision of income tax in prior year	469,882	430,502	100,354	910,901
Under/(over) provision of of deferred tax in prior year	967,548	(209,241)	-	-
Income tax expense for the year	17,157,646	20,403,778	292,478	906,568

9. Earnings per share

(a) Basic

Basic earnings per share amounts are calculated 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.

	2009 RM	2008 RM
Profit attributable to ordinary equity holders of the Company	91,279,940	78,237,395
Weighted average number of ordinary shares in issue	497,446,671	488,602,183
Basic earnings per share (Sen)	18.3	16.0

(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.

	2009 RM	2008 RM
Profit attributable to ordinary equity holders of the Company	91,279,940	78,237,395
Weighted average number of ordinary shares in issue	497,446,671	488,602,183
Effects of dilution from share options granted to employees	21,584,549	28,704,832
Adjusted weighted average number of ordinary shares in issue and issuable	519,031,220	517,307,015
Diluted earnings per share (Sen)	17.6	15.1

10. Dividends

	Dividends in respect of year		Dividends recognised in year	
	2009 RM	2008 RM	2009 RM	2008 RM
Recognised during the year:				
First and final dividend of 0.50 sen less 25% taxation, on 500,127,273 ordinary shares	-	1,875,480	1,875,480	-
First and final dividend of 0.50 sen less 26% taxation, on 492,427,626 ordinary shares	-	-	-	1,821,982

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2009, of 0.75 sen less 25% taxation (0.56 sen net per ordinary share) on 506,987,098 ordinary shares, amounting to a dividend payable of RM2,851,802 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 31December 2010.

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 2009									
Cost									
At 1 January 2009	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
Additions	10,512,937	-	2,913,752	6 ,924,840	151,497	1,587,318	812,234	89,394,507	112,297,085
Reclassification	471,310	119,083,394	-	-	-	-	-	(119,554,704)	-
Disposals	-	-	-	-	(275,899)	-	(139,039)	-	(414,938)
Transfer to associates	-	(119,083,394)	-	-	-	-	-	-	(119,083,394)
Written off	-	-	(5,759,644)	-	(86,644)	-	-	-	(5,846,288)
Exchange differences	41,646	-	-	76,530	-	46,669	9,236	131	174,212
At 31 December 2009	14,564,493	592,131,642	15,331,617	42,165,628	4,040,904	5,674,587	3,767,813	211,930,078	889,606,762
Accumulated depreciation									
At 1 January 2009	242,221	63,970,052	9,613,282	6,825,038	2,303,349	1,236,260	590,708	-	84,780,910
Charge for the year	245,301	21,342,416	392,800	8,167,443	765,187	667,972	299,422	-	31,880,541
Disposals	-	-	-	-	(275,899)	-	(139,039)	-	(414,938)
Written off	-	-	(5,396,381)	-	(20,211)	-	-	-	(5,416,592)
Exchange differences	651	-	-	13,861	-	95	(1,165)	-	13,442
At 31 December 2009	488,173	85,312,468	4,609,701	15,006,342	2,772,426	1,904,327	749,926	-	110,843,363
Net carrying amount									
At 31 December 2009	14,076,320	506,819,174	10,721,916	27,159,286	1,268,478	3,770,260	3,017,887	211,930,078	778,763,399

Notes to the Financial Statements
31 December 2009 (cont'd)

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

Group (cont'd.)	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 14(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
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 14(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

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

Company	Motor vehicles RM	Total RM
31 December 2009		
Cost		
At 1 January/31 December	277,926	277,926
Accumulated depreciation		
At 1 January 2009	129,698	129,698
Charge for the year	55,586	55,586
At 31 December 2009	185,284	185,284
Net carrying amount		
At 31 December 2009	92,642	92,642
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

(a) Included in the Group's additions for the year are property, vessels and equipment of RM11,127,806 (2008: RM1,450,204) 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	
	2009 RM	2008 RM	2009 RM	2008 RM
Motor vehicles	1,268,478	1,948,601	92,642	148,228
Assets under construction	9,793,519	-	-	-

Details of the terms and conditions of the hire purchase and finance lease arrangements are disclosed in Note 28.

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

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

Group

	2009 RM	2008 RM
Leasehold buildings	14,076,320	2,170,914
Vessels	506,819,174	528,161,590
	520,895,494	530,332,504

(c) The strata titles for the leasehold buildings with a net carrying amount of RM2,097,260 (2008:RM2,170,914) 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 RM6,126,595 (2008: RM10,660,951).

12. Prepaid land lease payments

Group	RM
Cost	
At 1 January 2008/31 December 2008/1 January 2009	-
Additions	10,062,360
At 31 December 2009	10,062,360
Accumulated amortisation	
At 1 January 2008/31 December 2008/1 January 2009	-
Charge for the year (Note 7)	9,997
At 31 December 2009	9,997
Net carrying amount	
At 31 December 2009	10,052,363
At 31 December 2008	-
Analysed as:	
Long term leasehold land	4,975,412
Short term leasehold land	5,076,951
	10,052,363

The title for the prepaid land lease payments have not been issued by the relevant authorities.

13. Intangible assets

Group	Goodwill consolidation RM	Development costs RM	Total RM
Cost			
At 1 January 2009	1,406,411	603,475	2,009,886
Exchange differences	15,852	7,825	23,677
At 31 December 2009	1,422,263	611,300	2,033,563
At 1 January 2008	1,166,620	-	1,166,620
Acquisition of a subsidiary (Note 14(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 2009	-	60,348	60,348
Charge for the year	-	122,260	122,260
Exchange differences	-	782	782
At 31 December 2009	-	183,390	183,390
At 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 2009	1,422,263	427,910	1,850,173
At 31 December 2008	1,406,411	543,127	1,949,538

(a) Impairment tests 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 2009	1,238,385	183,878	1,422,263
At 31 December 2008	1,222,533	183,878	1,406,411

13. Intangible assets (cont'd)

(a) Impairment tests for goodwill (cont'd)

Allocation of goodwill (cont'd)

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.

14. Investments in subsidiaries

	Company	
	2009 RM	2008 RM
Unquoted shares, at cost	100,302,070	100,302,070

Details of subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Principal Activities	Group's Effective Interest 2009 %	Group's Effective Interest 2008 %
(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

14. Investments in subsidiaries (cont'd)

Name of Subsidiaries	Country of Incorporation	Principal Activities	Group's Effective Interest 2009	Group's Effective Interest 2008
(ii) Held through AMSB (cont'd):				
KJ Waja Engineeering Sdn Bhd ("KJ Waja")	Malaysia	Ship repair & maintenance, ship spare supply and other related services	84 **	51
KJ Waja Services Sdn Bhd ("KJWS")	Malaysia	Ship spare supply and other related services	84	51
Alam Food Industries (M) Sdn Bhd ("AFI")	Malaysia	Catering & messing services	100	100
(iii) Held through AMLI:				
Eastar Offshore Pte. Ltd ("EASTAR OFFSHORE")*	Singapore	Designing, manufacturing and operating of remotely operated vehicles ("ROVs")	60	60
Alam Subsea Pte. Ltd. ("ASPL")*	Singapore	Rental of ROV and providing ROV Services	100	100

* Audited by firms other than Ernst & Young

** On 20 March 2009, KJ Waja increased its issued and paid-up share capital from RM500,000 to RM1,500,000. Pursuant to the increase in share capital, the Group via AMSB subscribed for an additional 1,000,000 ordinary shares of RM1.00 each in KJ Waja, resulting in an increase of AMSB's equity interest from 51 to 84 percent.

(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 KJ Waja, 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

14. Investments in subsidiaries (cont'd)

(a) Acquisition of subsidiary - 31 December 2008 (cont'd)

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

	Fair Value recognised on acquisition RM
Property and equipment (Note 11)	224,681
Deferred tax assets (Note 29)	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.

15. Investments in associates

	Group 2009 RM	Group 2008 RM
Unquoted shares, at cost	24,894,933	24,894,933
Share of post-acquisition reserves	2,707,572	(422,837)
Share of unrealised prof its on vessel disposed to associates	(5,376,558)	(2,804,147)
	22,225,947	21,667,949

Name of Associates	Country of Incorporation	Principal Activities	Group's Effective Interest 2009 %	Group's Effective Interest 2008 %
(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	49

15. Investments in associates (cont'd)

Details of the associates are as follows:

Name of Associates	Country of Incorporation	Principal Activities	Group's Effective Interest 2009	2008
Subsidiaries of ALAM-PE(H):				
Alam-PE I (L) Inc ("ALAM-PE I")	Malaysia	Ship owning, operating and chartering	49	49
Alam-PE II (L) Inc ("ALAM-PE II")	Malaysia	Ship owning, operating and chartering	49	49
Alam-PE III (L) Inc ("ALAM-PE III")	Malaysia	Ship owning, operating and chartering	49	49
Alam-PE IV (L) Inc ("ALAM-PE IV")	Malaysia	Ship owning, operating and chartering	49	49
Alam-PE V (L) Inc ("ALAM-PE V")	Malaysia	Ship owning, operating and chartering	49	49
Alam-PE Services Incorporated ("APSI")	Malaysia	Ship management	49	49

	2009 RM	2008 RM
Assets and liabilities		
Current assets	53,458,237	147,092
Non-current assets	88,738,576	51,333,819
Total assets	142,196,813	51,480,911
Current liabilities	33,123,896	10,084,710
Non-current liabilities	83,733,192	42,258,800
Total liabilities	116,857,088	52,343,510
Results		
Revenue	10,975,906	326,666
Profit/(loss) for the year	3,130,409	(862,934)

16. Investment in jointly controlled entities

	Group 2009 RM	Group 2008 RM
Unquoted shares, at cost	14,066,252	14,065,900
Share of post-acquisition reserves	31,534,462	11,481,837
	45,600,714	25,547,737

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

Details of the jointly controlled entities are as follows:

Name of jointly controlled entities	Country of Incorporation	Principal Activities	Proportion of Ownership Interest 2009 %	2008 %
(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 operation, 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	51
Alam Fast Boats (L) Inc. ("AFBLI")	Federal Territory of Labuan, Malaysia	Ship owning, operating and chartering	50	-
Alam Swiber DLB 1 (L) Inc ("ASDLB1")	Federal Territory of Labuan, Malaysia	Ship owning, operating and chartering	50	-

16. 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:

	2009 RM	2008 RM
Assets and liabilities		
Current assets	54,396,561	16,986,065
Non-current assets	124,559,709	96,473,738
Total assets	178,956,270	113,459,803
Current liabilities	68,923,596	20,014,046
Non-current liabilities	64,326,459	67,898,020
Total liabilities	133,250,055	87,912,066
Results		
Revenue	111,221,819	32,585,025
Expenses, including finance costs and taxation	(93,941,021)	(27,673,247)

17. Amount due from subsidiaries

Amount due from subsidiaries are non-trade in nature, unsecured and repayable on demand except for an amount of RM28,955,591 (2008: RM24,670,786) which bears interest rate between 4.58% per annum and 5.63% per annum (2008: between 3.75% per annum and 5.63% per annum).

Further details on related party transactions are disclosed in Note 35.

18. Inventories

	Group	
	2009 RM	2008 RM
Cost		
Raw materials	1,474,658	2,169,117
Work-in-progress	21,639,822	17,800,774
Spare parts	248,435	15,318
	23,362,915	19,985,209

19. Trade receivables

	Group	
	2009 RM	2008 RM
Third parties	121,853,110	167,577,337
Accrued charter hire income	22,522,558	29,644,907
Construction contracts:		
Due from customers on contract (Note 20)	16,454,046	3,467,500
	160,829,714	200,689,744
Less: Provision for doubtful debts	(10,140,295)	(1,104,762)
Trade receivables, net	150,689,419	199,584,982

19. Trade receivables (cont'd)

The Group's normal trade credit term ranges from 30 to 90 days (2008: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

62.7% (2008: 50.5%) of trade receivables are due from five customers. Other than these, the Group has no significant concentration of credit risk.

Other information on financial risks of trade receivables are disclosed in Note 36.

20. Due from customers on contract

	Group	
	2009 RM	2008 RM
Construction contract costs incurred to date	99,080,213	26,685,028
(Foreseeable losses)/attributable profit	(7,749,337)	(11,340,698)
	91,330,876	15,344,330
Less: Progress billings	(74,876,830)	(11,876,830)
	16,454,046	3,467,500

21. Other receivables

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Amount due from related parties:				
- Jointly controlled entities	84,301,702	21,782,736	-	-
- Associates	10,057,659	5,900,267	-	-
	94,359,361	27,683,003	-	-
Deposits	12,825,013	3,590,830	-	-
Prepayments	4,115,102	4,044,839	-	-
Sundry receivables	4,479,117	11,480,860	-	-
	115,778,593	46,799,532	-	-
Less: Provision for doubtful debts	(231,367)	(231,367)	-	-
Receivables, net	115,547,226	46,568,165	-	-

Other details on financial risks of other receivables are disclosed in Note 36.

22. Cash and cash equivalents

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash on hand and at banks	183,517,730	110,097,775	70,501,774	56,364,909
Deposits with licensed banks	19,622,501	11,490,881	6,500,000	-
Cash and bank balances	203,140,231	121,588,656	77,001,774	56,364,909
Bank overdrafts (Note 27)	(1,876,192)	(4,349,127)	-	-
Amounts set aside as sinking fund	(6,000,000)	(5,050,531)	-	-
Amounts set aside as margin deposits for bank guarantee facilities	(8,056,935)	(6,364,141)	-	-
Total cash and cash quivalents	187,207,104	105,824,857	77,001,774	56,364,909

22. Cash and cash equivalents (cont'd)

The weighted average effective interest rate per annum and the remaining maturity of deposits of the Group as at 31 December 2009 are 1.90% (2008: 3.80%) and 1,280 days (2008: 1,825 days) respectively.

Other information on financial risks of cash and cash equivalents are disclosed in Note 36.

23. 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 following:

(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.

(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 options 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.

23. Employee benefits (cont'd)

Employee share options scheme ("ESOS") (cont'd)

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

	Number of share options				
	Outstanding at 1 January	Movements during the year Granted	Exercised	Outstanding at 31 December	Exercisable at 31 December
2009					
2009 Options	-	1,250,000	(12,000)	1,238,000	363,000
2008 Options	2,296,000	-	-	2,296,000	1,470,000
2007 Options	2,828,388	-	(474,137)	2,354,251	1,107,813
2006 Options	45,736,976	-	(13,654,975)	32,082,001	10,596,595
2008					
2008 Options	-	2,360,000	(64,000)	2,296,000	1,477,000
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

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

	Weighted average exercise price RM	Exercise Period
2009		
2006 Options	0.66	20.07.2006 - 19.07.2011
2007 Options	1.47	20.07.2007 - 19.07.2011
2008 Options	1.79	20.07.2008 - 19.07.2011
2009 Options	1.27	20.07.2009 - 19.07.2011
2008		
2006 Options	0.66	20.07.2006 - 19.07.2011
2007 Options	1.47	20.07.2007 - 19.07.2011
2008 Options	1.79	20.07.2008 - 19.07.2011

(ii) Share options exercised during the financial year

As disclosed in Note 24, options exercised during the financial year resulted in the issuance of 14,141,112 (2008: 7,556,974) ordinary shares at the exercise price between RM0.60 and RM1.59 (2008: RM0.60 and RM1.53) each. The related weighted average share price at the date of exercise was RM1.37 (2008: RM1.76).

	Options Granted on 20.6.2009	on 19.7.2008
Fair value of share options at the grant date	0.19	0.56
Weighted average share price (RM)	1.37	1.76
Exercise price (RM)	1.27	1.79
Expected volatility (%)	23.53	58.13
Expected life (years)	1.50	2.50
Risk free rate (%)	2.85	3.83
Expected dividend yield (%)	0.37	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.

24. 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 RM0.25 each:				
At 1 January 2008	485,289,012	121,322,253	63,032,747	184,355,000
Pursuant to ESOS (Note 23)	7,556,974	1,889,244	5,656,280	7,545,524
At 31 December 2008	492,845,986	123,211,497	68,689,027	191,900,524
Ordinary shares of RM0.25 each:				
At 1 January 2009	492,845,986	123,211,497	68,689,027	191,900,524
Pursuant to ESOS (Note 23)	14,141,112	3,535,278	9,781,911	13,317,189
At 31 December 2009	506,987,098	126,746,775	78,470,938	205,217,713

	Number of ordinary shares		Amount	
	2009	2008	2009 RM	2008 RM
Authorised share capital				
Ordinary shares of RM0.25 each:				
At 1 January/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.

During the financial year, the Company issued 14,141,112 (2008: 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 RM1.59 (2008: RM0.60 to RM1.53) per ordinary share.

25. Other reserves

	Share option reserve RM	Foreign currency translation reserve RM	Total RM
Group			
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	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
At 1 January 2009	7,897,646	70,857	7,968,503
Foreign currency translation	-	101,550	101,550
Share options granted under ESOS:			
Recognised in income statement	2,302,148	-	2,302,148
Exercised during the year	(3,586,668)	-	(3,586,668)
At 31 December 2009	6,613,126	172,407	6,785,533

25. Other reserves (cont'd)

Company

At 1 January 2008	6,181,144	-	6,181,144
Share options granted under ESOS:			
Recognised in income statement	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
At 1 January 2009	7,897,646	-	7,897,646
Share options granted under ESOS:			
Recognised in income statement	2,302,148	-	2,302,148
Exercised during the year	(3,586,668)	-	(3,586,668)
At 31 December 2009	6,613,126	-	6,613,126

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.

26. 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 2009, the Company has sufficient credit in the 108 balance to pay franked dividends amounting to RM3,495,983 (2008: RM5,138,686) out of its retained earnings. If the balance of the retained earnings of RM4,796,919 (2008: RM3,392,649) were to be distributed as dividends, the Company may distribute such dividends under the single tier system.

27. Borrowings

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Short term borrowings				
Secured:				
Bank overdrafts (Note 22)	1,876,192	4,349,127	-	-
Term loans	2,717,547	948,435	-	-
MCP/MMTN	96,763,123	96,470,219	96,763,123	96,470,219
Sukuk Ijarah MTN	30,000,000	20,000,000	30,000,000	20,000,000
Hire purchase and finance lease liabilities (Note 28)	772,293	324,121	26,763	25,238
	132,129,155	122,091,902	126,789,886	116,495,457
Unsecured:				
Revolving credits	25,000,000	25,000,000	-	-
	157,129,155	147,091,902	126,789,886	116,495,457
Long term borrowings				
Secured:				
Term loans	29,089,387	10,685,677	-	-
Sukuk Ijarah MTN	445,000,000	475,000,000	445,000,000	475,000,000
Hire purchase and finance lease liabilities (Note 28)	12,227,055	2,296,484	145,042	171,804
	486,316,442	487,982,161	445,145,042	475,171,804
Total borrowings				
Bank overdrafts (Note 22)	1,876,192	4,349,127	-	-
Revolving credits	25,000,000	25,000,000	-	-
Term loans	31,806,934	11,634,112	-	-
MCP/MMTN	96,763,123	96,470,219	96,763,123	96,470,219
Sukuk Ijarah MTN	475,000,000	495,000,000	475,000,000	495,000,000
Hire purchase and finance lease liabilities (Note 28)	12,999,348	2,620,605	171,805	197,042
	643,445,597	635,074,063	571,934,928	591,667,261

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

	Group 2009 RM	Group 2008 RM
Not later than 1 year	156,356,862	146,767,781
Later than 1 year not later than 2 years	82,018,199	32,731,757
Later than 2 years not later than 5 y ears	162,475,819	205,279,794
Later than 5 years	229,595,369	247,674,126
	630,446,249	632,453,458

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:

27. Borrowings (cont'd)

	Group 2009 %	Group 2008 %
Bank overdrafts	7.05	8.25
Revolving credits	4.34	4.07
Term loans	6.50	5.65
MCP/MMTN	5.02	4.40
Sukuk Ijarah MTN	4.34	4.92

Bank overdrafts:

The secured bank overdrafts of the Group are secured by deposits with licensed banks of the Group as disclosed in Note 22.

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.

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 4.58% to 5.63% per annum (2008: 4.46% to 5.63% per annum).

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

	Group and Company 2009 RM	Group and Company 2008 RM
MCP/MMTN		
Nominal value	100,000,000	100,000,000
Less: Discount	(4,714,547)	(4,714,547)
Net proceeds from issuance of MCP/MMTN	95,285,453	95,285,453
Amortisation of discount	1,477,670	1,184,766
Total amount included within borrowings	96,763,123	96,470,219

Other information on financial risks of borrowings are disclosed in Note 36.

28. Hire purchase and finance lease liabilities

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Future minimum lease payments:				
Not later than 1 year	854,915	445,248	34,704	34,704
Later than 1 year and not later than 2 years	1,162,453	445,248	34,704	34,704
Later than 2 years and not later than 5 years	1,129,390	1,154,097	104,112	69,408
Later than 5 years	10,318,998	1,038,775	23,138	92,545
Total future minimum lease payments	13,465,756	3,083,368	196,658	231,361
Less: Future finance charges	(466,408)	(462,763)	(24,853)	(34,319)
Present value of finance lease liabilities (Note 27)	12,999,348	2,620,605	171,805	197,042
Analysis of present value of finance lease liabilities:				
Not later than 1 year	710,018	324,121	26,762	25,238
Later than 1 year and not later than 2 years	1,008,220	335,059	28,287	26,762
Later than 2 years and not later than 5 years	989,922	967,759	94,010	58,099
Later than 5 years	10,291,188	993,666	22,746	86,943
	12,999,348	2,620,605	171,805	197,042
Less: Amount due within 12 months (Note 27)	(710,018)	(324,121)	(26,762)	(25,238)
Amount due after 12 months (Note 27)	12,289,330	2,296,484	145,043	171,804

The Group's and the Company's hire purchase and finance lease liabilities bears weighted average effective interest rates of 8.45% (2008: 7.67%) per annum and 7.44% (2008: 8.24%) respectively.

Other information on financial risks of hire purchase and finance lease liabilities are disclosed in Note 36.

29. Deferred taxation

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
At 1 January	66,396,703	47,998,292	-	4,333
Acquisition of a subsidiary (Note 14(a))	-	(5,550)	-	-
Recognised in income statement (Note 8)	11,109,147	18,403,744	-	(4,333)
Exchange differences	5,271	217	-	-
At 31 December	77,511,121	66,396,703	-	-
Presented after appropriate offsetting as follows:				
Deferred tax liabilities	77,511,121	66,396,703	-	-

29. Deferred taxation (cont'd)

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 2009	71,610,177
Recognised in income statement	8,901,727
Exchange differences	8,074
At 31 December 2009	80,519,978
At 1 January 2008	54,037,294
Recognised in income statement	17,572,348
Exchange differences	535
At 31 December 2008	71,610,177

Deferred tax assets of the Group:

	Provision for doubtful debts RM	Unutilised tax losses and unabsorbed capital allowances RM	Total RM
At 1 January 2009	(126,042)	(5,087,432)	(5,213,474)
Recognised in income statement	(1,485,414)	3,666,541	2,181,127
Exchange differences	(112)	(2,691)	(2,803)
At 31 December 2009	(1,611,568)	(1,423,582)	(3,035,150)
At 1 January 2008	(2,185,320)	(3,853,682)	(6,039,002)
Acquisition of a subsidiary (Note 14(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)

Deferred tax liabilities of the Company:

	Accelarated capital allowances RM
At 1 January 2009	-
Recognised in income statement	-
At 31 December 2009	-
At 1 January 2008	4,333
Recognised in income statement	(4,333)
At 31 December 2008	-

29. Deferred taxation (cont'd)

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

	Group	
	2009 RM	2008 RM
Unutilised tax losses	78,278	26,643

The unutilised tax losses of the Group 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. Deferred tax assets is not recognised in respect of these losses as they arise in Group companies with a history of losses.

30. 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 (2008: 30 to 60 days).

31. Other payables

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Amount due to related parties:				
- Jointly controlled entities	18,929,903	12,436,948	-	-
- Associates	54,883,579	76,243,113	-	-
	73,813,482	88,680,061	-	-
Due to vendors of vessels	24,133,830	14,511,000	-	-
Accrued expenses	16,233,538	14,654,180	11,713,192	11,610,330
Deposits from customers	1,445,145	13,204,033	-	-
Sundry payables	1,421,112	3,831,455	5,000	22,110
	117,047,107	134,880,729	11,718,192	11,632,440

Other information on financial risks of other payables are disclosed in Note 36.

32. Operating lease arrangements

(a) The Group as lessee

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:

	2009 RM	2008 RM
Future rental payments:		
Not later than 1 year	1,939,047	1,757,845
Later than 1 year and not later than 5 years	470,845	44,304
	2,409,892	1,802,149

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

32. Operating lease arrangements (cont'd)

(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 13 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:

	2009 RM	2008 RM
Not later than 1 year	96,243,398	143,221,102
Later than 1 year and not later than 5 years	155,055,965	213,535,232
Later than 5 years	68,593,138	104,331,564
	319,892,501	461,087,898

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

33. Capital commitments

	Group	
	2009 RM	2008 RM
Capital expenditure		
Approved and contracted for		
Purchase of vessels	271,104,680	380,592,800
Purchase of diving equipment	11,531,709	23,136,894
Purchase of land	-	8,405,987

34. Contingent liabilities

	Company	
	2009 RM	2008 RM
Unsecured:		
Corporate guarantees given to banks for credit facilities granted to subsidiaries	159,148,500	176,304,800

35. 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	2009 RM	2008 RM
Group			
Jointly controlled entities:			
Charter hire of vessels	(i)	-	31,718,285
Mobilisation fees of vessels	(i)	-	2,277,077
Vessel management fees from jointly controlled entities	(ii)	7,467,320	1,966,785
Associates:			
Vessel management fees from associates		6,265,441	-
Transfer of vessels to associates		124,646,000	45,230,252

35. Related party disclosures (cont'd)

	Note	2009 RM	2008 RM
Company			
Subsidiaries:			
Dividend income from subsidiaries		1,713,250	9,007,750
ESOS costs charged to subsidiaries		2,210,220	1,911,717

(i) The charter hire expense and mobilisation fees paid to 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 2009 are disclosed in Note 17.

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	
	2009 RM	2008 RM	2009 RM	2008 RM
Short term employee benefits	7,697,513	8,747,618	242,828	4,495,496
Contributions to defined contribution plan - EPF	684,496	600,651	-	217,206

Included in the total key management personnel compensation are:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Directors' remuneration (Note 5)	3,803,878	4,369,616	233,928	4,352,236

In aggregate, Executive directors of the Group and the Company and other members of key management have been granted number of options under the ESOS as follows:

	Group and Company	
	2009 RM	2008 RM
At 1 January	38,627,275	42,653,637
Granted	450,000	1,340,000
Exercised	(10,714,962)	(5,366,362)
At 31 December	28,362,313	38,627,275

The share options were granted on the same terms and conditions as those offered to\ other employees of the Group (Note 23).

36. 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 27. 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:

Functional currencies of Group Companies	Net Financial Assets/(Liabilities) Held in Non-Functional Currencies		
	United States Dollars RM	Singapore Dollars RM	Euro RM
At 31 December 2009			
Ringgit Malaysia	(9,913,288)	(1,443,547)	(160,737)
Singapore Dollars	(1,043,523)	-	-
	(10,956,811)	(1,443,547)	(160,737)
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)

(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.

(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.

36. Financial instruments (cont'd)

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.

(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 following:

	2009		2008	
Group	**Carrying amount RM**	**Fair value RM**	**Carrying amount RM**	**Fair value RM**
Financial Liabilities				
Term loans (Note 27)	29,089,387	25,858,550	10,685,677	10,402,383
Hire purchase and finance lease liabilities (Note 28)	12,227,055	11,763,334	2,296,484	2,117,972
Company				
Financial liabilities				
Hire purchase and finance lease liabilities (Note 28)	145,043	136,476	171,804	156,698

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.

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.

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.

37. 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.

37. Segmental information (cont'd)

(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.

	Offshore support vessel and services RM	Underwater services RM	Others RM	Eliminations RM	Total RM
31 December 2009					
Revenue					
Sales to external customers	215,256,189	131,795,575	1,865,368	-	348,917,132
Inter segment sales	7,935,358	15,157,071	1,713,250	(24,805,679)	-
Total revenue	223,191,547	146,952,646	3,578,618	(24,805,679)	348,917,132
Results					
Segment results	103,410,476	22,937,778	(11,578)	(14,432,206)	111,904,470
Finance costs	(24,425,576)	(1,427,464)	(21,797)	-	(25,874,837)
Share of results of associates	3,283,674	-	-	-	3,283,674
Share of results of jointly controlled entities	23,211,091	-	-	-	23,211,091
Profit before tax					112,524,398
Income tax expense					(17,157,646)
Profit for the year					95,366,752
31 December 2009					
Assets					
Segment assets	721,338,964	58,426,440	407,842	8,642,516	788,815,762
Investment in associates	24,894,933	-	-	(2,668,986)	22,225,947
Investment in jointly controlled entities	14,066,252	-	-	31,534,462	45,600,714
Intangible assets	-	427,910	-	1,422,263	1,850,173
Unallocated assets	520,094,321	93,342,864	703,227,408	(820,741,709)	495,922,884
Total assets	1,280,394,470	152,197,214	703,635,250	(781,811,454)	1,354,415,480

37. Segmental information (cont'd)

	Offshore support vessel and services RM	Underwater services RM	Others RM	Eliminations RM	Total RM
Liabilities					
Segment liabilities	103,371,960	11,823,233	445,355,714	3,276,656	563,827,563
Unallocated liabilities	876,929,990	109,192,416	140,057,929	(819,354,657)	306,825,678
Total liabilities	980,301,950	121,015,649	585,413,643	(816,078,001)	870,653,241
Other segment information:					
Capital expenditure	732,770,823	62,094,711	513,856	10,026,285	805,405,674
Depreciation	27,206,527	3,938,904	55,586	679,524	31,880,541
Other significant non-cash expenses:					
Provision for doubtful debts	5,955,676	3,079,857	-	-	9,035,533
Share options granted under ESOS	1,830,053	273,969	198,126	-	2,302,148
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	53,054,697	2,357,292	495,382,476	3,584,399	554,378,864
Unallocated liabilities	966,113,770	82,682,621	108,878,680	(834,969,431)	322,705,640
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

Analysis of Shareholdings

DIRECTORS' SHAREHOLDINGS AS AT 30 APRIL 2010

	Name of Directors	Total Shareholdings	%
1.	Dato' Capt Ahmad Sufian @ Qurnain Bin Abdul Rashid	200,000	0.040
2.	Azmi Bin Ahmad	100	0.000
	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Azmi Bin Ahmad (MY0354)	22,074	0.004
3.	Shaharuddin Bin Warno @ Rahmad	676,999	0.133
4.	Mohd Abd Rahman Bin Mohd Hashim	-	-
5.	Ab Razak Bin Hashim	75	0.000
6.	Dato' Mohamad Idris Bin Mansor	-	-
	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Dato' Mohamad Idris Bin Mansor (MH0471)	300,000	0.059
7.	Dato' Haji Ab Wahab Bin Haji Ibrahim	1,000	0.000
8.	Ahmad Hassanudin Bin Ahmad Kamaluddin	-	-
	Cimsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ahmad Hassanudin Ahmad Kamaluddin	1,250	0.000
9.	Siti Zubaidah Binti Abdul Ghani	153,750	0.030
10.	Safiah Binti Samat	82,500	0.016
11.	Suffriana Binti Ahmad Sufian @ Qurnain	-	-
	Total	**1,437,748**	**0.282**

Analysis of Shareholdings
(cont'd)

ANALYSIS BY SIZE OF HOLDINGS AS AT 30 APRIL 2010

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	72	3.234	3,504	0.000
100 - 1,000	325	14.600	282,175	0.055
1,001 - 10,000	1,328	59.658	5,872,589	1.155
10,001 - 100,000	387	17.385	11,429,090	2.248
100,001 - 25,416,325 (*)	111	4.986	187,586,475	36.902
25,416,326 AND ABOVE (**)	3	0.134	303,152,690	59.637
Total	**2,226**	**100.000**	**508,326,523**	**100.000**

Remark : * - Less than 5% of Issued Shares
** - 5% and above of Issued Shares

INFORMATION ON SUBSTANTIAL HOLDERS' HOLDINGS AS AT 30 APRIL 2010

No.	Account No.	Name	Investor Id & Old Investor Id	Nationality/ Country Of Incorporation	Holdings	%
1	056-058-044421790	SAR Venture Holdings (M) Sdn. Bhd.	437215U	Malaysian Malaysia	179,907,264	35.392
2	065-001-046670568	SAR Venture Holdings (M) Sdn. Bhd.	437215U	Malaysian Malaysia	74,870,826	14.728
3	258-001-037482247	Lembaga Tabung Haji	ACT5351995	Malaysian Malaysia	48,374,600	9.516
Total					**303,152,670**	**59.637**

Analysis of Shareholdings
(cont'd)

LIST OF TOP 30 HOLDERS AS AT 30/04/2010
(Without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Account No.	Name	Investor Id & Old Investor Id	Nationality/ Country Of Incorporation	Holdings	%
1.	056-058-044421790	SAR VENTURE HOLDINGS (M) SDN BHD	437215U	MALAYSIAN MALAYSIA	179,907,264	35.392
2.	065-001-046670568	SAR VENTURE HOLDINGS (M) SDN BHD	437215U	MALAYSIAN MALAYSIA	74,870,826	14.728
3.	258-001-037482247	LEMBAGA TABUNG HAJI	ACT5351995	MALAYSIAN MALAYSIA	48,374,600	9.516
4.	262-001-050188010	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM WAWASAN 2020	766894T	MALAYSIAN MALAYSIA	21,694,800	4.267
5.	262-001-050187954	AMANAHRAYA TRUSTEES BERHAD SKIM AMANAH SAHAM BUMIPUTERA	766894T	MALAYSIAN MALAYSIA	20,050,700	3.944
6.	206-001-047624069	HSBC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-TEMP)	258854D	MALAYSIAN MALAYSIA	19,654,982	3.866
7.	207-001-047774344	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AMERICAN INTERNATIONAL ASSURANCE BERHAD	267011M	MALAYSIAN MALAYSIA	9,491,276	1.867
8.	262-001-050188085	AMANAHRAYA TRUSTEES BERHAD SEKIM AMANAH SAHAM NASIONAL	766894T	MALAYSIAN MALAYSIA	9,461,600	1.861
9 .	262-001-050188127	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA	766894T	MALAYSIAN MALAYSIA	8,973,900	1.765
10.	262-001-050188507	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC OPPORTUNITIES FUND	766894T	MALAYSIAN MALAYSIA	7,549,600	1.485
11.	205-001-028784668	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (DR)	6193K	MALAYSIAN MALAYSIA	6,509,524	1.280
12.	262-001-050187806	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC SELECT TREASURES FUND	766894T	MALAYSIAN MALAYSIA	6,475,300	1.273
13.	262-001-050187947	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC BALANCED FUND	766894T	MALAYSIAN MALAYSIA	5,702,250	1.121
14.	205-001-028784684	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD	6193K	MALAYSIAN MALAYSIA	5,016,524	0.986
15.	205-001-034421388	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	6193K	MALAYSIAN MALAYSIA	4,754,724	0.935
16.	262-001-050188150	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM DIDIK	766894T	MALAYSIAN MALAYSIA	4,269,600	0.839

Analysis of Shareholdings
(cont'd)

No.	Account No.	Name	Investor Id & Old Investor Id	Nationality/ Country Of Incorporation	No. of Shares Held	%
17.	202-001-047214721	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD AMTRUSTEE BERHAD FOR CIMB ISLAMIC DALI EQUITY THEME FUND	274740T	MALAYSIAN MALAYSIA	3,154,400	0.620
18.	068-001-044167583	HDM NOMINEES (ASING) SDN BHD PHILLIP SECURITIES PTE LTD FOR HING YIH PEIR	278474A	MALAYSIAN MALAYSIA	3,000,000	0.590
19.	215-001-000917468	PERMODALAN NASIONAL BERHAD	038218X	MALAYSIAN MALAYSIA	3,000,000	0.590
20.	262-001-050188119	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC OPTIMAL GROWTH FUND	766894T	MALAYSIAN MALAYSIA	2,027,200	0.398
21.	206-001-049583800	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (NORGES BK NLEND)	4381U	MALAYSIAN MALAYSIA	1,947,700	0.383
22.	205-001-043647023	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LSF)	6193K	MALAYSIAN MALAYSIA	1,875,000	0.368
23.	065-001-041726449	KOPERASI PERMODALAN FELDA BERHAD	KOOP39	MALAYSIAN MALAYSIA	1,800,000	0.354
24.	201-001-040644692	MAYBAN NOMINEES (TEMPATAN) SDN BHD MAYBAN TRUSTEES BERHAD FOR CIMB-PRINCIPAL SMALL CAP FUND (240218)	258939H	MALAYSIAN MALAYSIA	1,488,200	0.292
25.	202-001-041253584	SBB NOMINEES (TEMPATAN) SDN. BHD. KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	22016H	MALAYSIAN MALAYSIA	1,403,400	0.276
26.	262-001-050191287	AMANAHRAYA TRUSTEES BERHAD AFFIN ISLAMIC EQUITY FUND	766894T	MALAYSIAN MALAYSIA	1,337,050	0.263
27.	262-001-050191469	AMANAHRAYA TRUSTEES BERHAD DANA ISLAMIAH AFFIN	766894T	MALAYSIAN MALAYSIA	1,323,950	0.260
28.	024-001-015757149	BANK KERJASAMA RAKYAT MALAYSIA BERHAD AS BENEFICIAL OWNER	ACT91949	MALAYSIAN MALAYSIA	1,312,800	0.258
29.	065-001-047323381	FORUM VEST SDN. BHD.	677678H	MALAYSIAN MALAYSIA	1,294,300	0.254
30.	201-001-042712422	MAYBAN NOMINEES (TEMPATAN) SDN BHD MAYBAN TRUSTEES BERHAD FOR AVENUE TACTICALEXTRA FUND (250082)	258939H	MALAYSIAN MALAYSIA	1,150,000	0.226
Total					**458,871,470**	**90.271**

Corporate Directory

Company	Telephone	Fax	Business Address
• Alam Maritim Resources Berhad • Alam Maritim (M) Sdn Bhd • Alam Eksplorasi (M) Sdn Bhd • Alam Hidro (M) Sdn Bhd • Alam Maritim (L) Inc • Alam Synergy I (L) Inc • Alam Synergy II (L) Inc • Alam Synergy III (L) Inc • Alam Brompton (L) Inc	+603 9058 2244	+603 9059 6845	No. 38F, Level 2, 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	+971 4336 6121 +971 4336 6124	+971 4336 6127	Office 203, Mata Al Tayer Building Al Karama, P.O Box 119181 Dubai, UNITED ARAB EMIRATES
• Eastar Offshore Pte Ltd	+65-666 55322	+65-66650889	2035 Bukit Batok Street 23 #01-308 Singapore 659540
• Alam Offshore Logistics & Services Sdn Bhd (Warehouse)	+609 862 3503	+609 862 3502	Lot 935, Telok Kalong, Telaga Simpul, 24007 Kemaman, Terengganu Darul Iman, MALAYSIA
• Alam Offshore Logistics & Services Sdn Bhd	+609 8503650	+609 8503652	1st Floor, PT 6869 Bukit Kuang, Business Centre 2, Jalan Kemunting, 24000 Kemaman, Terengganu.
• KJ Waja Engineering (M) Sdn Bhd	+606 3841895	+606 384 3985	MT 1962, Taman Sri Aman, 78300 Masjid Tanah, Melaka MALAYSIA
• Alam Food Industry (M) Sdn Bhd	+609 8503557	+609 8593543	Ground Floor, PT 6869 Bukit Kuang, Business Centre 2, Jalan Kemunting, 24000 Kemaman, Terengganu.

Notice of Fifth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fifth Annual General Meeting of Alam Maritim Resources Berhad will be held on Friday, 25 June 2010 at 10.00 a.m., at Ballroom 3, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur, for the transaction of the following business:

AGENDA

ORDINARY BUSINESS

1. To receive the audited Financial Statements for the financial year ended 31 December 2009 and the Reports of the Directors and Auditors thereon. **(Resolution 1)**

2. To approve the payment of a final dividend of 3% equivalent to 0.75 sen per share less 25% taxation for the financial year ended 31 December 2009 as recommended by the Directors. **(Resolution 2)**

3. To re-elect the following Directors who retire by rotation in accordance with Article 94 of the Company's Articles of Association and who being eligible offer themselves for re-election:

   i. Dato' Captain Ahmad Sufian @ Qurnain bin Abdul Rashid; **(Resolution 3)**
   ii. Azmi bin Ahmad; and **(Resolution 4)**
   iii. Mohd Abd Rahman bin Mohd Hashim. **(Resolution 5)**

4. To appoint Messrs Ernst & Young as Auditors of the Company for the financial year ending 31 December 2010 and to authorise the Directors to determine their remuneration. **(Resolution 6)**

SPECIAL BUSINESS

To consider and if thought fit, pass the following resolutions:

5. Proposed amendment to the Articles of Association of the Company. *(Special Resolution)* **(Resolution 7)**

   "THAT the existing Articles 85 and 159 of the Articles of Association of the Company be amended as follows:

   New Article 85

   A proxy need not be a member. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. The provisions of Section 147 (1) (a) and (b) of the Act shall not apply to the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

   New Article 159

   Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder who is named on the register of members or the Record of Depositors (as the case may be) or by directly crediting the dividend entitlements into the holder's bank account as provided to the Central Depository from time to time or, in the case of joint holders, to such person and to such address or to such bank account as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent, and the payment of any such cheque or warrant or the direct crediting to the bank account shall operate as a good discharge to the Company in respect of the dividend represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged. Every such cheque or warrant shall be sent or directly credited at the risk of the person entitled to the money thereby represented. Where the member has provided to the Central Depository the relevant contact details for purpose of electronic notification, the Company must notify the member electronically once the Company has paid the cash dividends out of its account."

6. Authority for the Directors to issue shares pursuant to Section 132D of the Companies Act 1965 ("the Act"). *(Ordinary Resolution)* **(Resolution 8)**

   "THAT pursuant to Section 132D of the Act, the Articles of Association of the Company and subject to the approvals of the relevant regulatory authorities, the Directors of the company be and are hereby empowered to issue shares of the Company from time to time until the conclusion of the next Annual General Meeting, upon such terms and conditions and for such purposes 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 10% of the issued and paid-up share capital of the Company for the time being.

   AND THAT the Directors be empowered to take all steps as they may deem necessary or expedient in order to implement, finalise and give full effect to the aforesaid authority."

7. Proposed Bonus Issue of up to 272,478,675 new ordinary shares of RM0.25 each in the Company ("Bonus share(s)") on the basis of one (1) bonus share for every two (2) existing ordinary shares of RM0.25 each held in the Company ("Share(s)") on date to be determined and announced later ("Proposed Bonus Issue"). *(Ordinary Resolution)* **(Resolution 9)**

   "THAT subject to approval of Bursa Malaysia Securities Berhad for the listing and quotation of the new Shares to be issued hereunder and other relevent authorities (if any) being obtained, the Directors of the Company be authorised to capitalise and apply such a sum of up to RM68,119,669 from the share premium and/or retained earnings of the Company based on the latest audited financial statements of the Company as at 31 December 2009 and as set out in the Circular to shareholders dated 2 June 2010 and to issue at par, of up to 272,478,675 new Bonus Shares to be credited as fully paid-up on the basis of one (1) Bonus Share for every two (2) existing Shares held by the entitled shareholders of the Company as at the close of business on an entitlement date to be determined and announced later.

   THAT such Bonus Shares shall, upon allotment and issue, rank *pari passu* in all respects with the existing Shares in the Company, save and except that the Bonus Shares will not be entitled to any dividends, rights, allotments and/or distributions, made or paid to shareholders, of which the entitlement date is prior to the date of allotment of the Bonus Shares.

   THAT the Directors of the Company be empowered and authorised to deal with any fractional entitlements, and fractions of new Shares that may arise from the Proposed Bonus Issue in such manner as the Directors of the Company in their absolute discretion deem fit and expedient in order to minimise the incidence of odd lots and in the interest of the Company.

   AND THAT the Directors of the Company be authorised to take all such steps, do all acts and deeds as may be required to give full effect to the aforesaid proposals with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by any relevant authorities and to deal with all matters relating thereto."

8. Proposed renewal of authority for the Company to purchase its own ordinary shares of up to 10% of the issued and paid-up capital of the Company. *(Ordinary Resolution)* **(Resolution 10)**

   "THAT subject to Section 67A of the Companies Act 1965 ("the Act") and Part IIIA of the Companies Regulations 1966, the provisions of the Memorandum and Articles of Associations of the Company, the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia Securities"), and the approvals of the relevant regulatory authorities, the Directors of the Company be and are hereby authorised to make purchase(s) of ordinary shares of RM0.25 each in the Company's issued and paid-up share capital on Bursa Malaysia Securities subject to the following:

i. the maximum number of shares which may be purchased and/or held by the Company shall be equivalent to 10% of the issued and paid-up share capital of the Company ("Shares") for the time being;

ii. the maximum fund to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the aggregate retained profits and share premium account of the Company;

iii. the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and, unless renewed by an ordinary resolution passed by the shareholders of the Company in general meeting, will expire:

(a) at the conclusion of the next Annual General Meeting ("AGM") of the Company, unless earlier revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting; or

(b) upon the expiration of the period within which the next AGM is required by the law to be held;

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the MMLR of Bursa Malaysia Securities or any other relevant authority; and

iv. upon completion of the purchase(s) of the Shares by the Company, the Directors of the Company be and are hereby authorised to deal with the Shares in the following manner:

(a) cancel the Shares so purchased; or

(b) retain the Shares so purchased as treasury shares; or

(c) retain part of the Shares so purchased as treasury shares and cancel the remainder; or

(d) distribute the treasury shares as share dividends to shareholders and/or resell them on Bursa Malaysia Securities and/or cancel all or part of them; or

in any other manner as prescribed by the Act, rules, regulations and guidelines pursuant to the Act and the requirements of Bursa Malaysia Securities and any other relevant authority for the time being in force;

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to effect the purchase(s) of the Shares with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect to the aforesaid authority."

9. To transact any other business of which due notice shall be given in accordance with the the Companies Act 1965 and the Company's Articles of Association.

BY ORDER OF THE BOARD

Haniza binti Sabaran MAICSA 7032233
Company Secretary

Kuala Lumpur
2 June 2010

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:-*

   i. *Proposed Amendments to the Articles of Association of the Company*

      The proposed Special Resolution, if passed, is to amend the existing Article 85 and Article 159 of the Company's Articles of Association. Article 85 is in relation to the requirement of appointing proxies to attend and vote at the shareholders' meeting(s) of the Company, whereas the amendment on Article 159 is in line with the Listing Requirements of Bursa Malaysia Securities Berhad in relation to e-Dividend.

   ii. *Authority to issue shares pursuant to Section 132D of the Companies Act 1965*

      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 10% of the total issued share 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.

   iii. *Proposed Bonus Issue*

      The proposed Ordinary Resolution, if passed will give Directors of the Company, authority to implement the Proposed Bonus Issue which is intended to reward the existing shareholders for their continued support to the Group.

      Further information on the proposed Ordinary Resolution is set out in the Circular to shareholders dated 2 June 2010, circulated together with the Company's 2009 Annual Report.

   iv. *Proposed renewal of authority for the Company to purchase its own shares*

      The proposed Ordinary Resolution, if passed, is to empower the Directors of the company to purchase the Company's shares of up to 10% of the issued and paid-up capital of the Company by utilising the retained profits and the share premium reserve of the Company.

      Further information on the proposed Ordinary Resolution is set out in the Statement to shareholders dated 2 June 2010, circulated together with the Company's 2009 Annual Report.

6. *In the Fifth AGM, the resolution on ordinary business in respect of the approval on payment of Directors' fees will not be tabled since the necessary approval for payment of Directors' fees not exceeding RM300,000 for ensuing financial year(s) were duly obtained in the Fourth AGM. Kindly refer to the Audited Financial Statements for the year ended 31 December 2009 for details on Directors' fees.*

Statement Accompanying Notice of Annual General Meeting

Pursuant to Paragraph 8.27 (2) of the Listing Requirements of Bursa Malaysia Securities Berhad

The details of Directors who are standing for re-election are as set out on pages 16 to 17 of this Annual Report and the Directors' interest in the securities of the Company or its subsidiaries are disclosed on page 53 of this Annual Report.

Notice of Dividend Entitlement

FURTHER NOTICE IS HEREBY GIVEN THAT a final dividend of 3% equivalent to 0.75 sen less 25% taxation per share in respect of the financial year ended 31 December 2009, if so approved at the Fifth Annual General Meeting, will be paid on 8 July 2010 to the shareholders' whose names appear in the Records of Depositors at the close of business on 30 June 2010.

A depositor shall qualify for entitlement only in respect of;

(a) securities transferred into their securities account before 4.00 p.m on 30 June 2010 for transfers; and

(b) securities bought to Bursa Malaysia Securities on a cum entitlement basis according to the Rules of Bursa Malaysia Securities.

BY ORDER OF THE BOARD

Haniza binti Sabaran MAICSA 7032233
Company Secretary

Kuala Lumpur
2 June 2010

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

Form of Proxy

No. of Shares
CDS Account No.
NRIC/Company No.
Tel & Fax No.

I/We ....

(Block 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	....	100	

THE CHAIRMAN OF THE MEETING as my/our* proxy(ies) to vote for me/us* and on my/our* behalf at the Fifth Annual General Meeting of the Company to be held at 10.00 a.m. on Friday, 25 June 2010 at Ballroom 3, Sime Darby Convention Centre,1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur, and at any adjournment thereof, in the manner indicated below:

No	Resolutions	For	Against
1	To receive the Audited Financial Statement for the financial year ended 31 December 2009 and the Reports of Directors and Auditors thereon.		
2	To approve the payment of a final dividend of 3% equivalent to 0.75 sen per share less 25% taxation for the financial year ended 31 December 2009.		
3	To re-elect Dato' Captain Ahmad Sufian @ Qurnain bin Abdul Rashid pursuant to Article 94.		
4	To re-elect Azmi bin Ahmad pursuant to Article 94.		
5	To re-elect Mohd Abd Rahman bin Mohd Hashim pursuant to Article 94.		
6	To appoint Messrs Ernst & Young as Auditors of the Company for the financial year ending 31 December 2010.		
7	To approve the Special Resolution on amendment to the Articles of Association of the Company.		
8	To approve the Ordinary Resolution pursuant to Section 132D of the Companies Act 1965.		
9	To approve the Ordinary Resolution in relation to proposed bonus issue.		
10	To approve the Ordinary Resolution on proposed renewal of authority for the Company to purchase its own shares.		

Please indicate with a check mark ("✓") in the appropriate box against the resolution how you wish your proxy to vote. In the absence of specific instructions, the proxy will vote or abstain at his/her discretion.

The proportion of my/our* holding to be represented by my/our* proxy (ies) are as follows:

Date

Signature/Common Seal of Shareholder

Notes:

1. *Proxy(ies) must be member(s) 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.*

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STAMP

THE COMPANY SECRETARY
ALAM MARITIM RESOURCES BERHAD
38F, Level 2, Jalan Radin Anum
Bandar Baru Sri Petaling
57000 Kuala Lumpur
MALAYSIA

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Alam Maritim Resources Berhad
(700849-K)

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