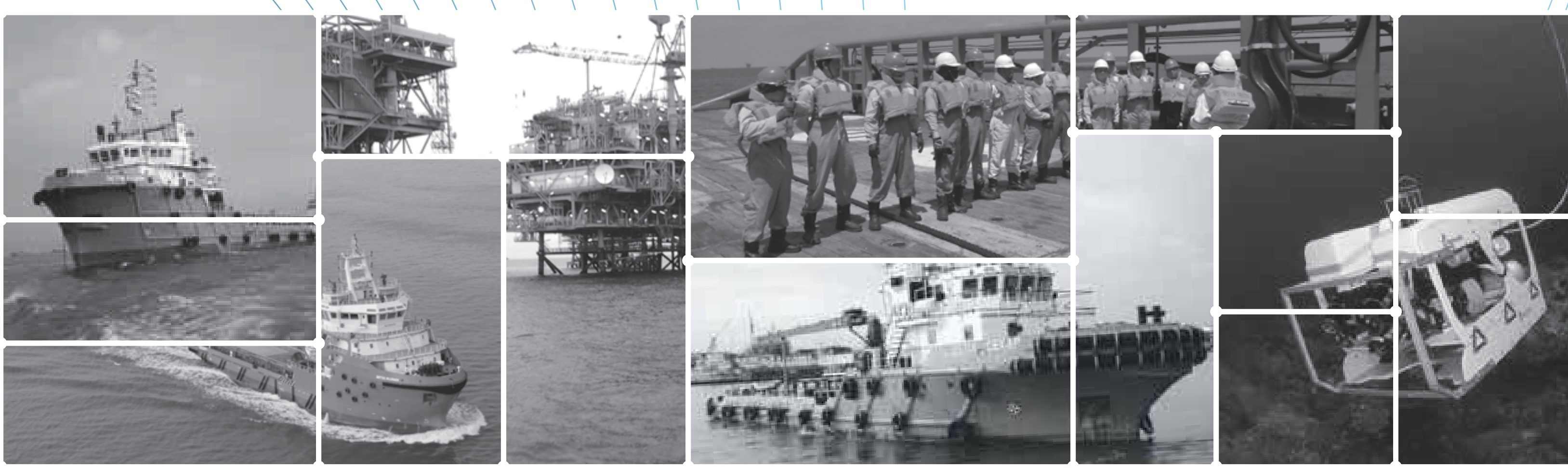
OPTIMIZING
SYNERGISTIC VALUE
ANNUAL REPORT 2014



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

VISION

To Be The Preferred Offshore Services
Partner In Oil & Gas Industry

MISSION STATEMENT

- Promoting Health, Safety, Environment and Security Practises
- Developing Human Capital Capabilities
- Delivering Operational Excellence
- Practising Good Corporate Governance
- Maximising Stakeholders' Value

SHARED VALUES

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

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

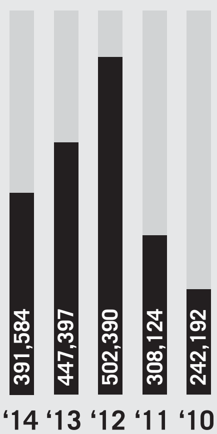
TEAMWORK
Work closely and effectively together for common purposes. Collections of strong individuals with different backgrounds but have a healthy sense of collegiality, mutual trust and respect for each other’s performance.

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

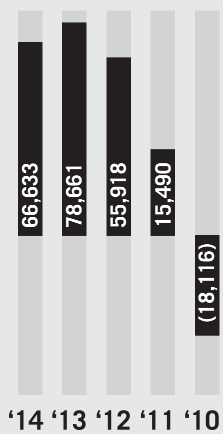
TRANSPARENCY
Clear, open and frank in all undertakings.

contents

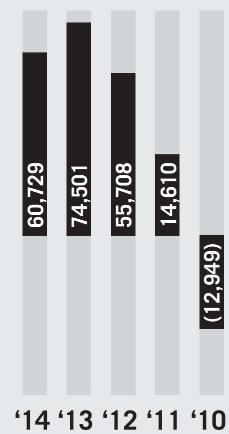
5-YEAR GROUP FINANCIAL HIGHLIGHTS



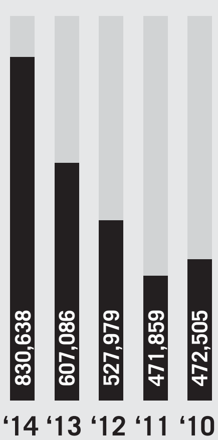
REVENUE (RM'000)



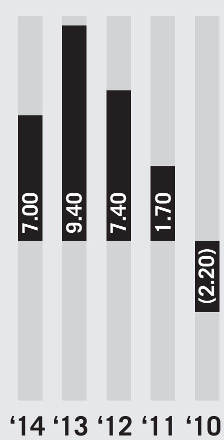
PROFIT/(LOSS) BEFORE TAXATION (RM'000)



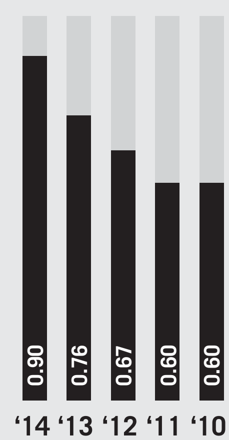
PROFIT/(LOSS) AFTER TAXATION (RM'000)



NET ASSETS (RM'000)



BASIC EARNINGS/ (LOSS) PER SHARE (SEN)



NET ASSETS PER SHARE (RM)

REVENUE BREAKDOWN FOR FINANCIAL YEAR 2014

* ALL IN RM'000

REVENUE BREAKDOWN
FOR FINANCIAL YEAR 2014

RM 391,584

CHARTER HIRE

46%
RM 178,188

OFFSHORE
INSTALLATION & CONSTRUCTION

12%
RM 45,914

DIVING AND SUBSEA SERVICES

20%
RM 79,564

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

OTHER SHIPPING RELATED INCOME

8%
RM 33,045

VESSEL'S MANAGEMENT FEES

3%
RM 11,916

SHIP CATERING

2%
RM 7,738

RENTAL OF EQUIPMENT

9%
RM 35,219

Our Fleet

1MAS-300
Type: Pipe-lay Accommodation Work Barge
Length X Breath X Depth (in metre): 111.56 X 31.7 X 7.31
Accommodations Capacity: 300 berths
Year Built: 2010 Class: ABS BHP: N/A.

SETIA STATION 1
Type: Accommodation Work Barge
Length X Breath X Depth (in metre): 105.58 X 31.7 X 7.31
Accommodations Capacity: 300 berths
Year Built: 2009 Class: BV BHP: N/A.

SETIA STATION 2
Type: Accommodation Work Barge
Length X Breath X Depth (in metre): 111.56 X 31.7 X 7.31
Accommodations Capacity: 402 berths
Year Built: 2009 Class: BV BHP: N/A.

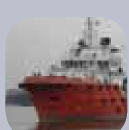
MV SETIA AMAN
Type: Accomodation Vessel / Workboat
Length X Breath X Depth (in metre): 78 X 20 X 6.5
Accommodations Capacity: 174 berths
Year Built: 2009 Class: BV BHP: 5,220

MV SETIA SAKTI
Type: Accomodation Vessel (DP2)
Length X Breath X Depth (in metre): 76 X 20 X 6.1
Accommodations Capacity: 134 berths
Year Built: 2008 Class: BV BHP: 5,150

MV SETIA ULUNG
Type: Accomodation Vessel / Workboat
Length X Breath X Depth (in metre): 78 X 20 X 6.5
Accommodations Capacity: 174 berths
Year Built: 2009 Class: BV BHP: 5,220

MV SETIA HIJRAH
Type: Anchor Handling Tug Supply Vessel (DP 2)
Length X Breath X Depth (in metre): 76 X 18 X 8.0
Accommodations Capacity: 50 berths
Year Built: 2013 Class: ABS BHP: 12,240

MV SETIA JIHAD
Type: Anchor Handling Tug Supply Vessel (DP 2)
Length X Breath X Depth (in metre): 76 X 18 X 8.0
Accommodations Capacity: 50 berths
Year Built: 2013 Class: ABS BHP: 12,240



MV SETIA JAGUH
Type: Anchor Handling Tug Supply Vessel
Length X Breath X Depth (in metre): 64 X 15 X 6.8
Accommodations Capacity: 31 berths
Year Built: 1999 Class: BV BHP: 8,920

MV SETIA ERAT
Type: Anchor Handling Tug Supply Vessel (DP 1)
Length X Breath X Depth (in metre): 58.7 X 14.6 X 5.5
Accommodations Capacity: 42 berths
Year Built: 2010 Class: BV BHP: 5,150

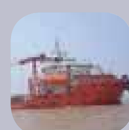
MV SETIA IMAN
Type: Anchor Handling Tug Supply Vessel (DP 1)
Length X Breath X Depth (in metre): 59.25 X 14.95 X 6.10
Accommodations Capacity: 42 berths
Year Built: 2010 Class: BV BHP: 5,150

MV SETIA LUHUR
Type: Anchor Handling Tug Supply Vessel (DP 1)
Length X Breath X Depth (in metre): 59.25 X 14.95 X 6.10
Accommodations Capacity: 42 berths
Year Built: 2010 Class: BV BHP: 5,150

MV SETIA QASEH
Type: Anchor Handling Tug Supply Vessel (DP 1)
Length X Breath X Depth (in metre): 58.70 X 14.6 X 5.5
Accommodations Capacity: 42 berths
Year Built: 2010 Class: BV BHP: 5,150

MV SETIA TEGUH
Type: Anchor Handling Tug Supply Vessel (DP 1)
Length X Breath X Depth (in metre): 59.25 X 14.95 X 4.95
Accommodations Capacity: 42 berths
Year Built: 2008 Class: BV BHP: 5,150

MV SETIA WANGSA
Type: Anchor Handling Tug Supply Vessel
Length X Breath X Depth (in metre): 59.25 X 14.95 X 4.95
Accommodations Capacity: 42 berths
Year Built: 2007 Class: BV BHP: 5,150



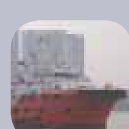
MV SETIA FAJAR
Type: Anchor Handling Tug Supply Vessel
Length X Breath X Depth (in metre): 58.7 X 14.6 X 5.5
Accommodations Capacity: 42 berths
Year Built: 2005 Class: BV BHP: 5,150

MV SETIA NURANI
Type: Anchor Handling Tug Supply Vessel
Length X Breath X Depth (in metre): 59 X 14.6 X 5.5
Accommodations Capacity: 42 berths
Year Built: 2004 Class: BV BHP: 5,150

MV SETIA PADU
Type: Anchor Handling Tug Supply Vessel
Length X Breath X Depth (in metre): 58.7 X 14.6 X 5.5
Accommodations Capacity: 42 berths
Year Built: 2007 Class: BV BHP: 5,150

MV SETIA RENTAS
Type: Anchor Handling Tug Supply Vessel
Length X Breath X Depth (in metre): 58.7 X 14.6 X 5.5
Accommodations Capacity: 42 berths
Year Built: 2006 Class: BV BHP: 5,150

MV SETIA TANGKAS
Type: Anchor Handling Tug Supply Vessel
Length X Breath X Depth (in metre): 58.7 X 14.6 X 5.5
Accommodations Capacity: 42 berths
Year Built: 2007 Class: BV BHP: 5,150



MV SETIA UNGGUL
Type: Anchor Handling Tug Supply Vessel
Length X Breath X Depth (in metre): 58.7 X 14.6 X 5.5
Accommodations Capacity: 42 berths
Year Built: 2007 Class: BV BHP: 5,150

MV SETIA HEBAT
Type: Anchor Handling Tug Supply Vessel (DP1)
Length X Breath X Depth (in metre): 58.7 X 14.6 X 5.5
Accommodations Capacity: 50 berths
Year Built: 2008 Class: BV BHP: 5,000

Our Fleet

MV SETIA TEGAP
Type: Anchor Handling Tug Supply Vessel
Length X Breath X Depth (in metre): 58.7 X 14.6 X 5.5
Accommodations Capacity: 42 berths
Year Built: 2008 Class: BV BHP: 5,000

MV SETIA EMAS
Type: Anchor Handling Tug
Length X Breath X Depth (in metre): 48 X 13.2 X 5.2
Accommodations Capacity: 24 berths
Year Built: 2004 Class: BV BHP: 4,750

MV BROMPTON SUN
Type: Multipurpose Supply Vessel
Length X Breath X Depth (in metre): 50.25 X 9.1 x 3.86
Accommodations Capacity: 200 pax seating
Year Built: 2000 Class: ABS BHP: 9,500

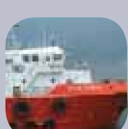
MV SETIA DERAS
Type: Crew / Utility Vessel
Length X Breath X Depth (in metre): 40.38 X 7.80 X 3.40
Accommodations Capacity: 80 pax seating
Year Built: 2009 Class: BV BHP: 4,200

MV SETIA KILAS
Type: Crew Utility Vessel
Length X Breath X Depth (in metre): 40.38 X 7.80 X 3.40
Accommodations Capacity: 80 pax seating
Year Built: 2009 Class: BV BHP: 4,200

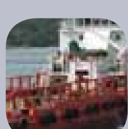
MV SETIA GIGIH
Type: Supply / Towing Tug
Length X Breath X Depth (in metre): 60 X 13.3 X 6.0
Accommodations Capacity: 46 berths
Year Built: 2009 Class: BV BHP: 5,220

MV SETIA KENTAL
Type: Supply / Towing Tug
Length X Breath X Depth (in metre): 60 X 13.3 X 6.0
Accommodations Capacity: 46 berths
Year Built: 2009 Class: BV BHP: 5,220

MV SETIA INDAH
Type: Supply Vessel
Length X Breath X Depth (in metre): 57.5 X 13.8 X 5.5
Accommodations Capacity: 42 berths
Year Built: 2005 Class: BV BHP: 4,750



MV SETIA GAGAH
Type:Supply Vessel / Towing Tug
Length X Breath X Depth (in metre): 60 X 13.3 X 6.0
Accommodations Capacity: 23 berths
Year Built: 2003 Class: NKK BHP: 4,750

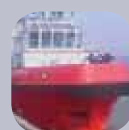


MV SETIA KASTURI
Type: Supply Towing Tug
Length X Breath X Depth (in metre):60 X 13.3 X 6.0
Accommodations Capacity: 24 berths
Year Built: 2005 Class: NKK BHP: 4,750

MV SETIA LESTARI
Type: Anchor Handling Tug Supply Vessel
Length X Breath X Depth (in metre): 58.7 X 14.6 X 5.5
Accommodations Capacity: 42 berths
Year Built: 2005 Class: BV BHP: 4,750

MV SETIA CEKAL
Type: Workboat / Diving Support Vessel
Length X Breath X Depth (in metre): 57.38 X 12.8 X 4.88
Accommodations Capacity: 63 berths
Year Built: 1974 Class: SCM BHP: 4,400
Year Converted: 1996

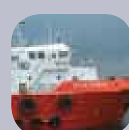
MV SETIA AZAM
Type: Tug / Utility Vessel
Length X Breath X Depth (in metre): 45 X 11.8 X 4.6
Accommodations Capacity: 20 berths
Year Built: 2007 Class: NKK BHP: 3,880



MV SETIA WIRA
Type: Tug / Utility Vessel
Length X Breath X Depth (in metre): 48 X 11.8 X 4.6
Accommodations Capacity: 28 berths
Year Built: 2007 Class: BV BHP: 3,500

MV SETIA CEKAP
Type: Tug / Utility Vessel
Length X Breath X Depth (in metre): 45 X 11 X 4.0
Accommodations Capacity: 20 berths
Year Built: 2005 Class: BV BHP: 3,500

MV SETIA YAKIN
Type: Tug / Utility Vessel
Length X Breath X Depth (in metre): 45 X 11 X 4.0
Accommodations Capacity: 28 berths
Year Built: 2008 Class: NKK BHP: 3,200



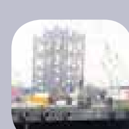
MV SETIA HANDAL
Type: Supply / Towing Tug
Length X Breath X Depth (in metre): 50 X 11.58 X 4.2
Accommodations Capacity: 22 berths
Year Built: 2003 Class: BV BHP: 3,000

MV SETIA BUDI
Type: Tug / Utility Vessel
Length X Breath X Depth (in metre): 40 X 11.8 X 4.6
Accommodations Capacity: 20 berths
Year Built: 2008 Class: NKK BHP: 2,400

MV SETIA ZAMAN
Type: Tug / Utility Vessel
Length X Breath X Depth (in metre): 40 X 11.8 X 4.6
Accommodations Capacity: 26 berths
Year Built: 2008 Class: NKK BHP: 2,400

ALAM 281
Type: 280 ft Deck Cargo Barge
Length X Breath X Depth (in metre): 85.38 X 24.38 X 4.88
Accommodations Capacity: N.A.
Year Built: 2006 Class: BV BHP: N/A.

ALAM 251
Type: 250 ft Deck Cargo Barge
Length X Breath X Depth (in metre): 76.20 X 24.38 X 4.88
Accommodations Capacity: N/A
Year Built: 2010 Class: ABS BHP: N/A.



ALAM 252
Type: 250 ft Deck Cargo Barge
Length X Breath X Depth (in metre): 76.30 X 24.38 X 4.88
Accommodations Capacity: N/A
Year Built: 2010 Class: ABS BHP: N/A.

UNDERWATER ASSETS

JERUNG SERIES (3000 MSW) C/W
160HP Work-Class ROV

Type
3,000m (TMS)

Dimensions
Length x Width x Height
3,100mm x 1,600mm x 2,000mm

TMS Diameter x Height
1800mm x 2,000mm

Weight in Air
2,400kg

TMS
2,400kg

TETHER MANAGEMENT SYSTEM (TMS)

Performance
Forward 700kgf 2.5 knots
Lateral 550kgf 2.5 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

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 2.5 knots
Lateral 550kgf 2.5 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

KINGFISHER
Inspection and Light Work-Class ROV

Type
300 meters

Dimension
Length x Width x Height
1,400mm x 900mm x 1,100mm

Weight in Air
500kgs

Performance
Forward 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

Underwater Assets

50M AIR/MIXED GAS DIVING SYSTEM

General Specification

The IMCA D023 DESIGN compliant air/mixed gas diving system comprises of three 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 compression chamber.

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

C. Launching and Recovery System - a skid mounted complete with a 2 tonne A-Frame, a dive stage, clump weight, man riding winch.

Underwater Assets

50M AIR/MIXED GAS DIVING ABS CLASS SYSTEM

Dive Control Container

Classed Dive Spread (Air/Mixed Gas) System is offered in a standard 20FT ABS/DNV 2.7-1 Container Completes with Offshore Lifting Pad eyes and DNV certified 4 legged lifting slings with master link

- Insulated inside to 50mm with metal finishing
- Power rating 220V, 32 amp
- Contained 3 men air/mixed gas Dive Panel complete with Analox 101D2 Oxygen analyzer.
- Contained Amron Dive radios and Commax Master station with six slave station communications
- Contained 1 unit of CCTV/underwaterTV System complete with Flat 19" Flat Screen Monitors, 250 GB DVD Recorder, Quad splitter and Weather Proof Surveillance Camera
- Contained 2 units of 18000 BTU220V 50/60Hz Recessed air-con split unit
- Contained safety features such as DP alarm/light, first aid kit & fire emergency safety equipment.

Deck Decompression Chamber Container

Classed Dive Spread (Air/Mixed Gas) System is offered in a standard 20FT ABS/DNV 2.7-1 Container Completes with Offshore Lifting Pad eyes and DNV certified 4 legged lifting slings with master link

- Insulated inside to 50mm with metal finishing
- Power rating 220V, 32 amp
- Contained 1 unit of 60" Twin Lock Deck Decompression Chamber with Double Medical Lock and interlocking complied with ABS, ASME VIII, PVHO code.
- Contained Deck Decompression Chamber Panel complete with Analox 101D2 Oxygen Analyzer
- Contained 1 unit of Commax Slave station
- Contained 2 unit of 18000 BTU220V 50/60Hz Recessed air-con split unit
- Contained safety features such as DMAC 15 kit, first aid kit & fire emergency safety equipment.

Underwater Assets

Machinery Container

Launching And Recovery System (LARS) - 2 unit

Classed Dive Spread (Air/Mixed Gas) System is offered in a standard 20FT ABS/DNV 2.7-1 Container Completes with Offshore Lifting Pad eyes and DNV certified 4 legged lifting slings with master link

- Container comes with 440v Electrical junction box, 440v/220v Step Down Transformer, Exhaust Ventilation Fan, First Aid Kit, and Fire Emergency safety equipment
- Contained 2 units of 440v 50/60Hz electrical driven Quincy 5120 LP Compressor with 120 gallons volume tank and Hankison Filters
- Contained 2 units of 440v 50/60Hz Electric driven Bauer Mariner 320 HP Compressor with output capacity of 11.3 cfm
- Contained 1 unit electric driven tooling hydraulic power pack with capacity of 18-20 GPM

This unit comprised of a steel base skid with flush mounted grating, a hydraulically operated A-frame with sheaves mounted on the cross bar complete with DNV certified 4 legged lifting slings with master link

- Contained A-Frame complete with 2 unit of hydraulic cylinder for A-Frame operation
- Contained Diving stage with ABS approved Engineering Design for main & secondary lifting pad eyes complete with certified 1.5 meter secondary recovery strops, 2 unit of 50 liters air cylinder with content indication as per IMCA D023, manifold and regulators.
- Contained 2 units of Man Riding Winch with capacity of 1.4 ton SWL complete with 160/100m non rotating wire (Galv Grade 1960 MPa)
- Contained 1 unit electric driven weather proof hydraulic power pack complete with 42 gallons steel tank and accumulator

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Alam Maritim Resources Berhad ("AMRB" or "the Group"), I present to you the annual report and consolidated financial statements for the financial year ("FY") ended December 31, 2014.

Chairman's Statement

FY2014 certainly proved to be a challenging year for the oil and gas industry. As oil prices plummeted from a high of USD120 per barrel to half of that amount in 3-6 months, the entire industry was caught by surprise and the ensuing reaction had a deep impact on the entire value chain. In FY2014, contract awards in the domestic upstream segment had decreased significantly compared to the previous financial years as oil and gas majors cut back on exploration and production activities. This resulted in lower demand for support services such as Offshore Support Vessels ("OSVs") and thus saw reduced vessel utilisation for all players, AMRB included.

Given the difficult operating environment, the Group registered a lower revenue and profit performance. For the year under review, Group revenue was RM396.68 million while Group profit before tax ("PBT") was recorded at RM60.57 million. This is a 12% and 8% decrease in revenue and PBT respectively compared to the previous financial year.

Despite the challenges faced, AMRB continued to register positive highlights including winning several key contracts that have built-up our order book to RM1.5 billion. These contract wins will contribute positively in earnings and net tangible assets to the Group in FY2015 and subsequent financial years.

During the financial year, we also received two new shareholders holding substantial interests. Tan Sri Quek and Paul Poh need no introduction having established themselves as renowned captains of industry in the Malaysian and international business arena. Their decision to acquire an equity stake in the Group is a further sign of confidence in our business and the long-term prospects for the oil and gas business sector. We are also able to leverage on the business acumen and international network of both these proven business leaders to tap opportunities for the Group.

DIVIDEND

Due to the prevailing economic conditions and business environment, the Board of Directors do not recommend a dividend for the financial year ended December 31, 2014.

GOING FORWARD

Given the Group's sound business fundamentals and its healthy fiscal position, we are of the view that AMRB is well positioned to weather the current scenario. The depressed oil prices are expected to be a temporary development with recovery expected by the later part of FY2015.

AMRB is no stranger to facing external business challenges, having done so successfully in the past. We have shown resilience and innovativeness to continue delivering value to our stakeholders.

We remain in a healthy position financially – with a growing cash reserve, a burgeoning order book and we continue to actively tender for new projects. From an operational perspective, we have the business capability, industry know-how and experience to execute our projects and serve effectively as a partner to the oil and gas majors.

Through our strategy of synergy for business sustainability, we will seek ways to further strengthen and consolidate our operations. This will be achieved via asset optimisation, increasing business development activities, venturing into new markets both locally and abroad and improving our cost structure. We will also continue to further improve our Health, Safety and Environmental ("HSE") record as part of our long-term business objective to achieve sustainability.

Ultimately, we remain on track to becoming a first-tier offshore service provider to the oil and gas majors.

ACKNOWLEDGEMENTS

On behalf of the Board, I wish to thank the dedicated staff and management of Alam Maritim Resources Berhad for their continued professionalism and exemplary service during a challenging year. I also extend my appreciation to the relevant board Committees for their professionalism; our business partners, clients, regulatory and government authorities for their support and last but not least, our shareholders for their continued confidence and belief in us during the year under review.

FINA NORHIZAH BINTI HAJI BAHARU ZAMAN
CHAIRMAN

OPERATIONAL REVIEW

Operational Review

In FY2014, the global economy was sluggish with marginal GDP growth registered. Despite the US economy showing signs of a recovery, Asian giants China and India continued to underperform as did the European Union whose progress was disrupted by various financial and geo-political issues such as the Greek economic crisis and tensions in Crimea, Ukraine.

Demand for crude oil was lower than expected on a global scale. Coupled with excess supply due to increased production, oil prices plummeted from highs of USD120 to USD50 per barrel on average. In response, oil and gas majors decreased or ceased exploration and production activities. In Malaysia, PETRONAS announced significant reductions in capital expenditure ("capex") and operational expenditure ("opex") respectively. The impact was felt throughout the supply chain with all players bearing the brunt of these unavoidable developments.

Apart from the environmental factors, the lack of an umbrella contract as well as a higher number of the Group's vessels undergoing mandatory dry docking impacted our business performance. Vessel utilisation had also decreased due to lower demand from the oil and gas sector on the back of reduced crude oil prices. Despite these challenges, Alam Maritim continued to register its 4th consecutive year of profits, albeit with reduced earnings and turnover.

	2014	**2013**
Group revenue (RM'000)	396,681	447,397
Group profit before tax (PBT) (RM'000)	60,567	74,501
Order book (RM'000)	989,000	1,064,000
Vessel utilisation	71%	79%
Charter rates/bhp	USD1.6 – USD 2.2	USD1.6 – USD 2.2

POSITIVES DURING A CHALLENGING YEAR

Despite the challenging operating environment, the Group continued to win contracts in FY2014. Of the jobs secured, 81% are for marine charters for vessels that are either wholly-owned, under Joint Venture agreements (JVs) or from third parties.

One of these wins is the Group's first long-term contract (3+1 years), awarded by Talisman Energy, valued at RM182 million. The contract entails provision of Subsea Inspection, Maintenance and Repair ("IMR") Services, which has long been a target for the Group. The contract involves not just typical IMR works, but also provision of supporting vessels and services for subsea works and other related works. This allows the Group to better utilise its assets.

The Pedu Dam contract valued at RM10 million marked another positive development for Alam Maritim. It is the first time that we have ventured into dam diving operations. The contract entails maintenance works on the dam structure and spools installation. It is something different from our traditional oil and gas business but offers considerable potential given the limited number of players with the skills to execute such jobs. Dam diving allows us to leverage on existing skills and assets to diversify our income stream. Going forward, we will certainly consider such jobs in the future if the opportunity presents itself.

Other notable contracts wins for the year under review are:

- RM9.92 million: Tapis EOR Brownfield Modifications and Retrofits project by Exxon Mobil Exploration and Production Malaysia Inc. ("EMEPMI") for the provision of an accommodation work barge.
- RM10 million: Letter of Award ("LOA") from government agency, Muda Agricultural Development Authority ("MADA") for the provision of air / saturation diving services for an inshore repair and maintenance contract in Kedah, Malaysia.
- RM75.2 million: Vessel Charter Contract Extension by EMEPMI. Extension of existing charter contract for the provision of an anchor handling tug and accommodation barge with a long-term charter period of two years (going into FY2016).
- RM31.7 million: awarded by MISC Bhd for the demobilisation of a floating storage facility.
- Spot Charter for Marine Vessels by PETRONAS Carigali. Awarded seven of the eight packages for the provision of marine vessels for anchor handling tug supply, straight supply vessel, fast crew boat, workboat, work barge, general purpose / utility vessel and platform supply vessel on a call-out basis.

Ranging from short term (1-3 months) to longer term tenures (1-3 years), these contracts will contribute positively to the Group's financial performance in FY2015 and beyond.

Operational Review

DIVISIONAL HIGHLIGHTS

	2014 (RM'000)	2013 (RM'000)	%
OSV			
Revenue	271,545	285,815	-5
Cost	58,473	73,552	-20.5
Subsea / OIC			
Revenue	117,638	158,233	-26
Cost	8,402	13,765	-39

Offshore Support Vessel ("OSV")

Alam Maritim is one of few OSV players in Malaysia that owns and operates its own vessels. Vessels include anchor handling, tug supply, tug / utility, straight supply, diving support, workboat and multipurpose support vessels and pipelay barges. The OSV division continued to be the biggest contributor to the group – accounting for 80% of the Group's overall business. The division essentially provides vessels either on contract or call-out basis (spot charter) to support the requirements of oil and gas players, particularly for the upstream segment of the industry. The OSV division is able to provide vessel support for development, exploration, appraisal, decommissioning, production, operations and maintenance jobs.

During the financial year, the OSV division was impacted due to higher dry docking activities which resulted in a decrease in the Group's vessel utilisation rate.

Subsea

Subsea services accounted for some 18% of contracts. The division handles offshore subsea works, underwater & engineering services. This includes provision of various diving services, remotely operated vehicles ("ROV"), saturation systems and other related systems.

The subsea division in FY2014 did not perform as well as expected, registering an adverse of 26% in revenue and 39% in profit contributions to the Group. The division had undertaken considerable diving and ROV activities during the financial year. In addition, various measures taken during the course of the year to improve management and workflow had boosted productivity while reducing operational risk and costs. These included but were not limited to strategising work methods & execution, cost control via improved procurement processes, policies and procedures as well as managing cost of manpower supply by sourcing for divers within the South East Asian region.

In addition, extension of work days in existing contracts by clients further increased revenue. The key highlight for the division was the maiden Pedu dam diving project.

The Group has acquired additional assets to support its activities going forward. These acquisitions help to further strengthen our offerings of subsea services to the oil and gas industry. It will provide Alam Maritim Group with better leverage to bid for local and international contracts. The division intends to maintain if not improve on its performance from FY2014, and continue to pursue projects that will enable it to fully tap and grow its capabilities going forward.

Offshore Installation & Construction ("OIC")

The OIC division is responsible for heavy lifting works as well as provision of pipeline laying services for both offshore and onshore requirements. It also focusses on mooring & subsea facilities.

The lack of a major win after missing out on the Pan Malaysian umbrella contract had impacted the OIC division. However, the division managed to still achieve a reasonable revenue and profit for FY2014 based on various "spillover" projects from the preceding year.

The recently awarded Cendor project and the RM248 million transport and installation contract secured with Malaysia Marine and Heavy Engineer Holdings Berhad and Technip will contribute to the division's earnings going forward.

Operational Review

INTERNAL HIGHLIGHTS

Internally, the Group continued to focus on unlocking synergy – progressively tapping the integrated expertise and strengths of our business segments to compete more effectively and to better serve the oil and gas majors.

The oil and gas industry is a fast-evolving sector with increasingly demanding benchmarks for compliance. Coupled with the current challenging operating environment, it is imperative that we constantly seek to not just make marginal improvements to our operations, but to deliver more value.

The key to this is moving from typical silo like operations to offer integrated solutions and services throughout the value chain. This will further enhance our competiveness and ability to adapt to a fast changing environment.

For the year under review, emphasis was placed on reducing idle and turnaround time of vessels, to improve our agility to market developments and to boost capacity and capability in tendering for more projects.

We continued to develop our people – the Group's most precious asset towards improving competency and maintained our commitment to QHSE. We continued to follow our programmed maintenance schedule which stringently adheres to the International Safety Management ("ISM") Standards in maintaining performance and seaworthiness of all vessels in our fleet.

Specific information on both our human capital and QHSE initiatives are detailed under the Sustainability section of this Annual Report.

Asset Acquisition

During the year under review, Alam Maritim acquired eight (8) units of ABS Class Air Diving Systems of which four (4) units have already been delivered to our Telok Kalong yard. The other four (4) units are to be received on schedule in the later part FY2015.

We also acquired a diving support vessel for USD60 million to support our existing subsea contract awarded by an independent oil and gas exploration and production company. The vessel is being fitted and is expected to be ready for operations by the 2nd Quarter of 2015. The newly fitted DSV with built-in SAT / Air Diving Spread further strengthens our ability to venture into the global market.

Operational Review

Strategic Partnerships

In October 2014, Alam Maritim had entered into partnership with Wasco Energy Ltd ("WASCO"), a subsidary of Wah Seong Corporation Berhad. WASCO had signed a share sale agreement with CIMB-PE where WASCO had agreed to acquire from CIMB-PE a 49% stake in Alam-PE Holdings (L) Inc. Subsequently, Alam Maritim acquired a 2% stake from CIMB-PE, thereby increasing its stake to 51%. This new partnership would extract more synergy which eventually would tap new areas in the oil and gas industry.

In November 2014, Alam Maritim partnered with Singapore listed Vallianz Holdings Ltd ("Vallianz") for the incorporation of a new joint venture company known as Deepsea Leader Venture (L) Inc. As an established international maritime oil and gas player, Vallianz had an extensive fleet portfolio comprises of AHTS, DSV, PSV and etc.

Under the partnership, Alam Maritim holds a 51% equity stake in Deepsea Leader Venture (L) Inc with the latter being involved in ship management and operation, ship owning, ship maintenance and marine consultancy.

The partnership is a strategic move to increase vessel utilisation rates as idle ships can be used to service jobs outside of Malaysia, given the current slowdown in the local oil and gas sector.

PROSPECTS & OUTLOOK

Despite the US economy showing signs of an imminent recovery, market sentiments still point to a long road ahead for solid economic growth. The continued sluggish performance of key markets such as India and China will further contribute to the conservative global outlook.

Oil prices are expected to remain depressed for the most part of FY2015 despite having recovered slightly. In Malaysia, PETRONAS has announced a reduction of 10%-15% in capex and 30% in opex as it rationalises its cost structure. Contract rates for vessels and other services are expected to be lower – putting pressure on earned margins.

However, there are positives in the year ahead. Further decline in oil prices are unlikely with a recovery expected by the 4th quarter of FY2015. Global production has eased off with shale oil producers having largely retreated from the market. Market indicators already show reduced crude oil inventories across the world and recent geo-political factors, particularly in the Middle East have contributed to stronger oil prices, albeit still far from the USD100 per barrel mark.

While we are aware that the upcoming financial year will not be plain sailing, the Group has the financial strength, the technical capability and the business experience to weather the storm.

Meanwhile, we can draw a measure of confidence from the strength of our order book, which at present, stands at a healthy

Operational Review

RM1.5 billion. The size of our order book will keep Alam Maritim busy for the next 2-3 years.

Meanwhile, we are also actively tendering for new projects with our tender book currently standing at approximately RM5 billion. We have maintained a success rate of 20%-25% in winning tender bids over the past several years. Our strategy will be to bid for both large contracts as well as smaller ones but with higher chances of success.

As before, we will continue to seek opportunities to expand beyond Malaysia. Thailand, Indonesia and Myanmar are exciting markets and if given the opportunity, the Gulf and other regions. Operating in these markets afford several advantages including gaining valuable international exposure as well as currency exchange benefits from US dollar denominated contracts.

We will consider establishing our own fabrication facilities within Malaysia. This will improve vessel turnaround time, reduce idle time for vessels and allow us to better optimise our assets. It is also part of becoming a tier-1, integrated solutions provider, capable of better meeting the requirements of the oil and gas majors.

Holding fast to our business strategy of sustainability and synergy, we will continue to strengthen our fundamentals, pursue new opportunities and grow the business to new heights.

DATUK AZMI AHMAD
Group Managing Director/Group CEO

IN TRIBUTE
MOHAMAD IZHAM BIN CHE ARIFF

"Sorely missed, fondly remembered, always held in our hearts"

In Loving Memory of
Mohamad Izham bin Che Ariff
15th December 1967- 20 September 2014

The year under review saw the passing of a dedicated company factotum and a leading professional of the Malaysian maritime industry.

In a successful 26-year career, Mohamad Izham Bin Che Ariff built a sterling track record of excellence and professionalism that is well remembered and continued to be emulated both within the company and the industry.

In 1989, a young man launched his career in the local maritime industry. Having graduated with a Diploma in Marine Technology from UTM, Mohamad Izham joined Malaysian International Shipping Corporation (MISC) as a Marine Engineer. He served for a good 10 years before making his way to other companies and ultimately joining Alam Maritim in 2005.

During his career with the Group, he served in various capacities including Technical Manager, Assistant General Manager, Head of Fleet Management Division, Head of Training and ultimately General Manager, Corporate HSE.

While there were many achievements during his time with Alam Maritim, perhaps his best legacy were his contributions in the area of HSE. It is by no co-incidence that during his tenure as Head of Corporate HSE, Alam Maritim had achieved its 5 million man-hours without LTI benchmark in 2013.

Considering the challenging nature of HSE in our particular industry, 5 million man-hours without LTI and the many other HSE achievements realised are significant accomplishments. Today, we are one of Malaysia's top maritime companies with regard to HSE; even earning the recognition of our clients and peers. One of his recognised contribution is evidenced by achieving certificate of appreciation for most active contributor presented by Exxon Mobil in 2013. While the success is due to the contributions of everyone in the Group, certainly the leadership and guidance of our HSE Champion was instrumental in our successful HSE journey.

In retrospect, it is not surprising to hear of clients seeking his advice on HSE matters. Such was his reputation as a subject matter expert. Mohamad Izham will also be remembered for his contributions as Secretary of Institusi Kelautan Malaysia or the Malaysia Maritime Institute (IKMA) and as a commitee member of NOSS

In Tribute - Mohamad Izham Bin Che Ariff

But professional contributions aside, Mohamad Izham will be fondly remembered for his friendship, guidance and care for others and most of all, his positive attitude to life. His energy and drive were tireless, his enthusiasm infectious. He had a burning desire to pursue excellence and deliver the best in everything he did, even in the smallest of things. He was the perfect example of continuous improvement, having re-invented himself from a career in fleet management to excel in HSE. Equally important, he was a good Muslim who lived by the tenets of his faith. There was nary a dull moment with him around. His penchant for jokes and his friendly, booming voice would bring smiles to even the most serious of characters.

But just as he was serious about his work, he was the perfect example of work life balance; to work well yet enjoy life to the fullest; to be serious about work, yet not take life too seriously. To always exemplify professionalism in everything you do, but it can come with a smile and a sense of optimism and friendliness that inspires others to follow.

Unbeknown to many except those close to him, Mohamad Izham had a great love for the outdoors, especially when it involved riding on two wheels – motorbikes and bicycles. If there was a bigger love in his life, it was his family and his bonds of friendship forged with colleagues and those outside of the office.

Over 26 years, he had distinguished himself with a fine career that serves as an example for all; that with hard work, diligence and perseverance, with application of self, one could achieve anything. As long as you are moving forward then you are moving in the right direction.

Friend, mentor, colleague, husband, father; gentleman and leader, he will continue to live in our hearts and minds through the many warm memories we have of him. May he rest in peace. May Allah have mercy on him.

"Oh Allah, forgive and have mercy upon him, excuse him and pardon him, make honourable his reception, expand his entry, and purify his sin as a white robe is purified of filth. Exchange his home for better home, and his family for a better family, and his spouse for better spouse, admit him into the garden, protect him for the punishment of the grave and torment of the Fire"

May Allah bless his soul and reward him with a high place in Jannah, Ameen.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Fina Norhizah binti Haji Baharu Zaman
Chairman/Independent Non-Executive Director
(Appointed as Chairman w.e.f. 21.08.2014)

Datuk Azmi bin Ahmad
Group Managing Director/
Group Chief Executive Officer/
Non-Independent Executive Director

Shaharuddin bin Warno @ Rahmad
Group Chief Operating Officer/
Non-Independent Executive Director

Ahmad Hassanudin bin Ahmad Kamaluddin
Non-Independent Executive Director

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

Ainul Azhar bin Ainul Jamal
Independent Non-Executive Director
(Appointed w.e.f. 01.10.2014)

Mohd Abd Rahman bin Mohd Hashim
Non-Independent Non-Executive Director
(Resigned w.e.f. 05.12.2014)

BOARD AUDIT COMMITTEE

Dato' Haji Ab Wahab bin Haji Ibrahim
(Chairman)

Fina Norhizah binti Haji Baharu Zaman

Ainul Azhar bin Ainul Jamal
(Appointed w.e.f. 01.10.2014)

Mohd Abd Rahman bin Mohd Hashim
(Resigned w.e.f. 05.12.2014)

BOARD RISK MANAGEMENT COMMITTEE ("BRMC")

Ainul Azhar bin Ainul Jamal
(Appointed as Member of BRMC on 01.10.2014)
(Appointed as Chairman of BRMC on 01.03.2015)

Fina Norhizah binti Haji Baharu Zaman
(Resigned as Chairman of BRMC w.e.f. 01.03.2015)
(remain as Member)

Dato' Haji Ab Wahab bin Haji Ibrahim

Shaharuddin bin Warno @ Rahmad

Ahmad Hassanudin bin Ahmad Kamaluddin

Datuk Azmi bin Ahmad
(alternate member to Shaharuddin Warno @ Rahmad)

BOARD NOMINATION & REMUNERATION COMMITTEE

Fina Norhizah binti Haji Baharu Zaman
(Chairman)

Dato' Haji Ab Wahab bin Haji Ibrahim

Datuk Azmi bin Ahmad

Shaharuddin bin Warno @ Rahmad

Ainul Azhar bin Ainul Jamal
(Appointed w.e.f. 01.10.2014)

Mohd Abd Rahman bin Mohd Hashim
(Resigned w.e.f. 05.12.2014)

COMPANY SECRETARY

Fatan Hamamah binti Khalid, ACIS
(MAICSA No.7039265)

REGISTERED OFFICE AND CORRESPONDENCE ADDRESS

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Fax : + 603 - 9059 6845
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Email : info@alam-maritim.com.my

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Pusat Bandar Damansara
50490 Kuala Lumpur
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LEGAL ADVISOR

Zul Rafique & Partners
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50480 Kuala Lumpur
MALAYSIA
Tel : + 603 - 6209 8228

PRINCIPAL BANKERS

- Malayan Banking Berhad
- Maybank International (L) Ltd
- CIMB Bank Berhad
- AmBank (M) Berhad
- Bank Muamalat Malaysia Berhad
- HSBC Amanah Berhad

STOCK EXCHANGE LISTING

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

CORPORATE PHILOSOPHY

INTEGRATED MANAGEMENT SYSTEM POLICY

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

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

In order to realise this, we shall provide optimum resources to adopt the Integrated Management System (IMS) approach while not neglecting in addressing any potential adverse impact on human health, safety and environment in all aspects of our activities and promoting continuous improvement as ALAM way of life.

We shall ensure that this policy is communicated and inculcated throughout the organisation and to the stakeholders.

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

DRUG AND ALCOHOL POLICY

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

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

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

STOP WORK POLICY

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

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

1 When work activities are imposing an Immediate Danger To Life and Health [IDLH] to our personnel during adverse weather conditions or during hazardous or critical work operations;

2 When action by an Individual or a Team is in non-compliance with the set standards and procedures for performing the job tasks;

3 When work to be performed is not in accordance with the agreed Job Method Statement and the approved Job Hazards/Safety Analysis [JHA/JSA] thus imposing unnecessary risks to the tasks performer.

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

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

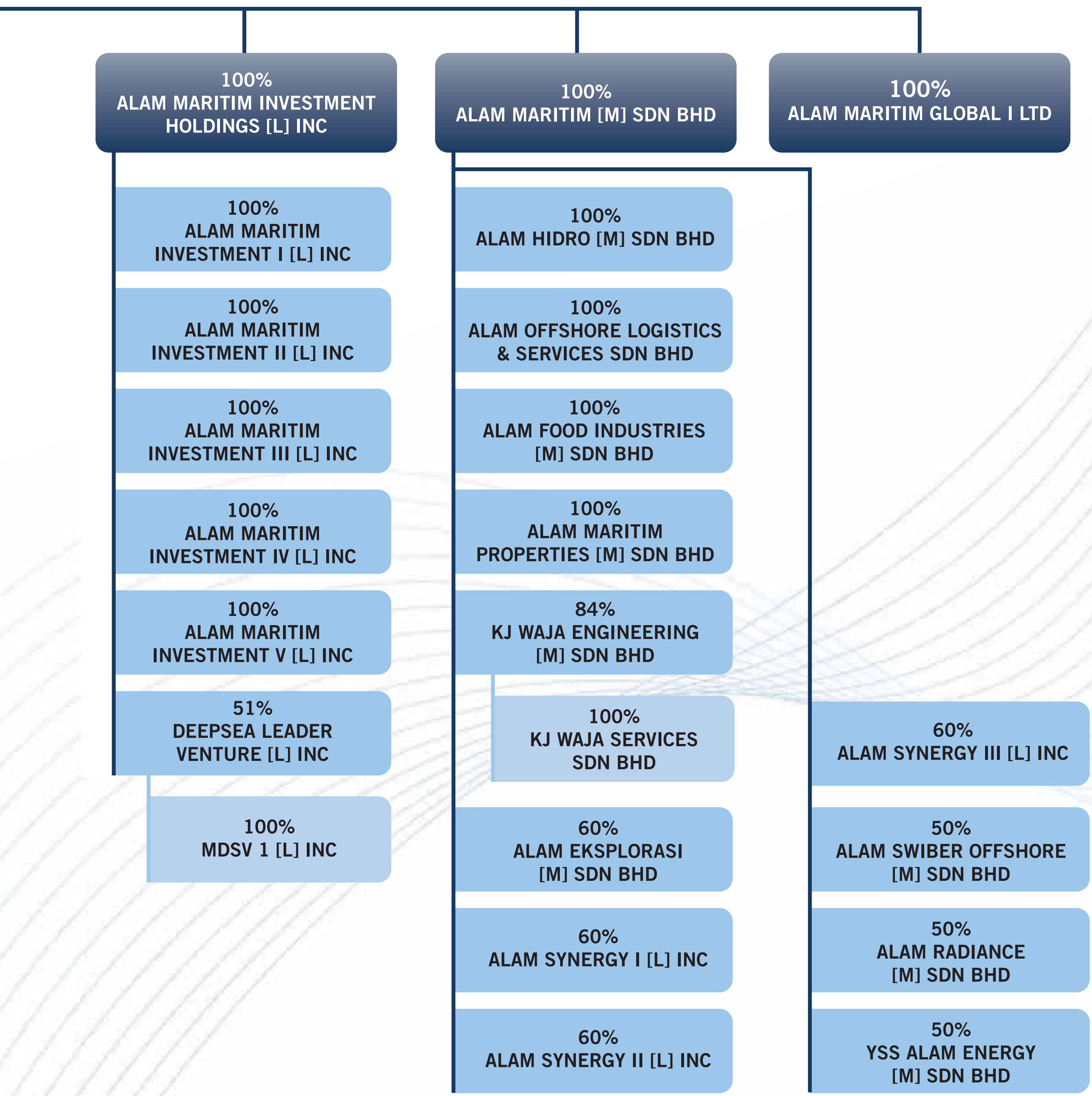
CORPORATE STRUCTURE

as at 30 April 2015

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

- 100% ALAM MARITIM [L] INC
  - 75% EASTAR OFFSHORE PTE LTD
    - 100% ALAM SUBSEA PTE LTD
  - 60% WORKBOAT INTERNATIONAL DMCCO
  - 60% ALAM FAST BOATS [L] INC
  - 51% ALAM BROMPTON [L] INC
  - 51% ALAM RADIANCE [L] INC
  - 51% ALAM SWIBER DLB 1 [L] INC
  - 50% TH ALAM MANAGEMENT [M] SDN BHD
  - 49% TH ALAM HOLDINGS [L] INC
    - 100% ALAM-JV DP 1 [L] INC
    - 100% ALAM-JV DP 2 [L] INC
  - 51% ALAM-PE HOLDINGS [L] INC
    - 100% ALAM-PE I [L] INC
    - 100% ALAM-PE II [L] INC
    - 100% ALAM-PE III [L] INC
    - 100% ALAM-PE IV [L] INC
    - 100% ALAM-PE V [L] INC
    - 100% ALAM-PE HOLDINGS SDN BHD
  - 40% GLOBE ALAM MARINE SERVICES CO
- 100% ALAM JV HOLDINGS [L] INC
  - 50% WIDE GLOBAL [L] INC

Corporate Structure



Corporate Structure

No.	Company	Date & Place of Incorporated	Issued And Fully Paid-Up Share Capital	Effective Equity Interest (%)	Principal Activity
1	Alam Maritim (M) Sdn Bhd (AMSB)	15.07.1996 Malaysia	RM20,000,000.00	100%	Ship owning, ship managing, hiring, chartering and other related services
2	Alam Maritim (L) Inc (AMLI)	14.06.2004 F.T Labuan, Malaysia	USD8,940,100.00	100%	Investment holding and ship owning
3	Alam Hidro (M) Sdn Bhd (AHSB)	05.02.1999 Malaysia	RM500,000.00	100%	Offshore facilities construction and installation and subsea services
4	Alam Offshore Logistics & Services Sdn Bhd (AOLS)	20.09.2000 Malaysia	RM100,000.00	100%	Transportation, ship forwarding, shipping agency, ship chandelling and other related services
5	Alam Food Industries (M) Sdn Bhd (AFI)	14.04.2008 Malaysia	RM100,000.00	100%	Catering and messing services
6	Alam Maritim Properties (M) Sdn Bhd	04.09.2012 Malaysia	RM100,000.00	100%	Property owner and management
7	KJ Waja Engineering (M) Sdn Bhd (KJ Waja)	16.11.2000 Malaysia	RM1,500,000.00	84%	Ship repair and maintenance, ship spare supply and other related services
8	KJ Waja Services Sdn Bhd (KJWS)	21.07.2005 Malaysia	RM100,000.00	84%	Supply of ship spares and other related services
9	Alam Subsea Pte Ltd (ASPL)	01.01.2008 Singapore	SGD500,000.00	75%	Rental of ROV and providing ROV services
10	Eastar Offshore Pte Ltd (Eastar Offshore)	01.03.2006 Singapore	SGD628,203.00	75%	Designing, manufacturing and operating of remotely operated vehicle (ROV's)
11	Alam Eksplorasi (M) Sdn Bhd (AESB)	21.11.2000 Malaysia	RM300,000.00	60%	Ship owning, ship operating and chartering
12	Alam Synergy I (L) Inc (AS I)	18.09.2006 F.T Labuan, Malaysia	USD1,050,000.00	60%	Ship owning, operating and chartering
13	Alam Synergy II (L) Inc (AS II)	18.09.2006 F.T Labuan, Malaysia	USD1,050,000.00 (OS)* & USD603,227.00 (RPS)*	60%	Ship owning, operating and chartering
14	Alam Synergy III (L) Inc (AS III)	18.09.2006 F.T Labuan, Malaysia	USD2,795,000.00 (OS)* & USD2,500,000.00 (RPS)*	60%	Ship owning, operating and chartering
15	Workboat International DMCCO (WBI)	03.05.2005 United Arab Emirates	AED1,000,000.00	60%	Ship management and operation, ship owning, ship maintainance and marine consultancy
16	Alam Fast Boats (L) Inc. (AFBLI)	26.08.2008 F.T Labuan, Malaysia	USD100.00	60%	Ship owning, operating and chartering
17	Alam Brompton (L) Inc ("ABLI")	15.06.2007 F.T Labuan, Malaysia	USD1,350,000.00	51%	Ship management & operation, ship owning, ship maintenance and marine consultancy.

Corporate Structure

No.	Company	Date & Place of Incorporated	Issued And Fully Paid-Up Share Capital	Effective Equity Interest (%)	Principal Activity
18	Alam Radiance (L) Inc. (“ARLI”)	30.11.2004 F.T Labuan, Malaysia	USD3,500,000.00	51%	Ship owning, ship management, ship operation.
19	Alam Swiber DLB 1 (L) Inc (“ASDLB1”)	14.09.2009 F.T Labuan, Malaysia	USD10,250,000.00	51%	Ship owning and ship chartering
20	YSS Alam Energy (M) Sdn Bhd (“YSS”)	25.05.2011 Malaysia	RM500,000.00	50%	Ship management & operation, offshore facilities, installation,subsea engineering and underwater services and other related services.
21	Alam Radiance (M) Sdn Bhd (“ARSB”)	30.11.2004 Malaysia	RM2.00	50%	Ship owning, ship management, ship operation, maintenance and consultancy.
22	Alam Swiber Offshore (M) Sdn Bhd (“ASOSB”)	07.12.2009 Malaysia	RM4,392,962.00	50%	Ship operator
23	TH Alam Management (M) Sdn Bhd (“THAM”)	04.05.2010 Malaysia	RM2.00	50%	Transportation, installation and commissioning of offshore pipelines, structure and subsea equipment
24	Alam-PE Holdings (L) Inc. (APEHL“)	17.10.2008 F.T Labuan, Malaysia	USD14,000,000.00	51%	Investment holding
25	Alam-PE I (L) Inc (“Alam-PE I”)	21.8.2008 F.T Labuan, Malaysia	USD100.00	51%	Ship owning, ship operating services & chartering
26	Alam-PE II (L) Inc (“Alam-PE II”)	21.8.2008 F.T Labuan, Malaysia	USD100.00	51%	Ship owning, ship operating services & chartering
27	Alam-PE III (L) Inc (“Alam-PE III”)	21.8.2008 F.T Labuan, Malaysia	USD100.00	51%	Ship owning, ship operating and chartering
28	Alam-PE IV (L) Inc (“Alam-PE IV”)	21.8.2008 F.T Labuan, Malaysia	USD100.00	51%	Ship owning, ship operating services & chartering
29	Alam-PE V (L) Inc (“Alam-PE V”)	21.8.2008 F.T Labuan, Malaysia	USD100.00	51%	Ship owning, ship operating services & chartering
30	Alam-PE Holdings Sdn Bhd (“APEHSB”)	16.09.2008 Malaysia	RM2.00	51%	Ship Management
31	TH-Alam Holdings (L) Inc (“THAL”)	30.12.2009 F.T Labuan, Malaysia	USD17,759,995.00	49%	Investment holding
32	Alam-JV DP1 (L) Inc (“AJVDP1”)	02.07.2009 F.T Labuan, Malaysia	USD100.00	49%	Ship owning
33	Alam-JV DP2 (L) Inc (“AJVDP2”)	02.07.2009 F.T Labuan, Malaysia	USD100.00	49%	Ship owning
34	Globe Alam Marine Services Services Co (“Globe Alam”)	06.12.2011 Kingdom of Saudi Arabia	SR500,000	40%	Ship management & operation, offshore facilities, installation, subsea engineering and underwater services and other related services

Corporate Structure

No.	Company	Date & Place of Incorporated	Issued And Fully Paid-Up Share Capital	Effective Equity Interest (%)	Principal Activity
35	ALAM MARITIM INVESTMENT HOLDINGS [L] INC	26.11.2014 F.T Labuan, Malaysia	USD 100.00	100%	Investment holding and ship owning
36	ALAM MARITIM INVESTMENT I [L] INC	27.11.2014 F.T Labuan, Malaysia	USD 100.00	100%	Ship owning, operating and chartering
37	ALAM MARITIM INVESTMENT II [L] INC	27.11.2014 F.T Labuan, Malaysia	USD 100.00	100%	Ship owning, operating and chartering
38	ALAM MARITIM INVESTMENT III [L] INC	27.11.2014 F.T Labuan, Malaysia	USD 100.00	100%	Ship owning, operating and chartering
39	ALAM MARITIM INVESTMENT IV [L] INC	27.11.2014 F.T Labuan, Malaysia	USD 100.00	100%	Ship owning, operating and chartering
40	ALAM MARITIM INVESTMENT V [L] INC	27.11.2014 F.T Labuan, Malaysia	USD 100.00	100%	Ship owning, operating and chartering
41	DEEPSEA LEADER VENTURE [L] INC	14.11.2014 F.T Labuan, Malaysia	USD 100.00	51%	Ship management and operation, ship owning, ship maintenance and marine consultancy
42	MDSV 1 [L] INC	14.11.2014 F.T Labuan, Malaysia	USD 100.00	51%	Ship owning, ship operating and chartering
43	ALAM JV HOLDINGS [L] INC	26.12.2014 F.T Labuan, Malaysia	USD 100.00	100%	Investment holding and ship owning
44	WIDE GLOBAL [L] INC	11.11.2014 F.T Labuan, Malaysia	USD 100.00	50%	Investment holding and ship owning
45	ALAM MARITIM GLOBAL I LTD	29.12.2014 British Virgin Islands	USD 100.00	100%	Investment Holding

ADVANCING WITH

SUPERIOR TECHNOLOGY

We invest in state-of-the-art equipment to meet our customers’ needs.
Our proactive attitude enables us gain the trust and respect of our clientele.

PROFILE OF DIRECTORS

FINA NORHIZAH BINTI HAJI BAHARU ZAMAN

Independent Non-Executive Director, Aged 58, Malaysian

Puan Fina Norhizah binti Haji Baharu Zaman was appointed to the Board of Alam Maritim Resources Berhad on 22 October 2010 and was appointed as Chairman of the Board of ALAM Maritim Resources Berhad on 21 August 2014.

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

She obtained her Bachelor of Law degree from the University of Malaya in 1980 and began her legal career with the Malaysian Attorney General's Chambers, where she had served as a Senior Federal Counsel and as Legal Advisor to the Ministry of Transport. In 1986, she was admitted as an Advocate and Solicitor of the High Court of Malaya.

She obtained her Masters in Law (specialising in maritime and shipping) from the London School of Economics, University of London and subsequently joined the International Islamic University, Malaysia in 1984 as a lecturer in the Kulliyah of Law.

In 1990, she joined PETRONAS and served the Legal Department in various capacities. This includes, as the Head/General Manager (Legal) of the Logistics and Maritime Business for PETRONAS in 2000 and as General Manager of the Legal and Corporate Secretarial Affairs Division of MISC Berhad.

Her last appointment was as the Head/Senior General Manager of the Legal and Corporate Secretarial Affairs Division and the Company Secretary of MISC Berhad in 2004 until her retirement in 2007.

She is also an Independent Non-Executive Director of UMW Oil & Gas Berhad.

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

Profile of Directors

DATUK AZMI BIN AHMAD

*Group Managing Director/
Group Chief Executive Officer,
Non-Independent Executive Director,
Aged 56, Malaysian*

Datuk Azmi bin Ahmad was appointed as Group Managing Director/Group Chief Executive Officer of Alam Maritim Resources Berhad on 2 May 2006.

He is also the Chairman of the ESOS Committee, a member of Board Nomination and Remuneration Committee and alternate member to Shaharuddin bin Warno @ Rahmad in the Board Risk Management Committee.

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

Datuk Azmi initially served in the military as a Leftenan Udara with the Royal Malaysian Airforce in 1978 to 1984. In 1992, Datuk Azmi joined Bank Bumiputera Berhad as the Manager of its Corporate Banking Division. His move into the maritime industry came in 1994 when he joined Nepline Berhad, a shipping company providing tanker services. Datuk Azmi served as Nepline's General Manager of the Finance Administration and Human Resources Division until 1999 before co-founding 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.

Profile of Directors

SHAHARUDDIN BIN WARNO @ RAHMAD

Group Chief Operating Officer,
Non-Independent Executive Director,
Aged 47, Malaysian

Encik Shaharuddin bin Warno @ Rahmad was appointed as a Director of Alam Maritim Resources Berhad on 2 May 2006.

He is also the Group Chief Operating Officer and is a member of three Board Committees. These are the Board Risk Management, Board Nomination and Remuneration and ESOS Committees.

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 professional career in 1988 as a Trainee with Mayban Finance Berhad before joining Faber Group Berhad as an Internal Auditor in 1990. In 1991, he moved to Petronas as an Accounts and Costing Supervisor in the International Marketing Division before assuming the role of Finance Manager in Maritime (M) Sdn Bhd in 1995. It was during his time with the shipping company that he began shaping his expertise and know-how of the maritime industry, in particular the operational and commercial aspects of the offshore support vessel industry. He is also one of the co-founders of Alam Maritim (M) Sdn Bhd.

In 2007, Encik Shaharuddin was selected as one of the top three finalists for 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.

Profile of Directors

AHMAD HASSANUDIN BIN AHMAD KAMALUDDIN

Non-Independent Executive Director, Aged 69, Malaysian

Encik Ahmad Hassanudin bin Ahmad Kamaluddin, was appointed as a Director of Alam Maritim Resources Berhad on 6 December 2006. He is also a member of the Board Risk Management Committee.

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

Within the oil and gas industry, he has served for almost 30 years primarily with national oil company, Petronas. Throughout his career he has served in both the Downstream and Upstream business sectors in various capacities. His tenure has seen him hold various senior management and key strategic positions. These includes 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.

His career has also seen him hold other positions such as 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.

He was also appointed to the Board of various Petronas subsidiaries and held an honorary position as Vice President of International Fertilizer Association of East Asia in 2003.

Prior to his retirement in 2003, he was the CEO of ASEAN Bintulu Fertiliser Sdn Bhd, a joint venture company between PETRONAS (representing Malaysia) and Indonesia, Thailand, Philippines and Singapore. In 2004, he joined 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.

Profile of Directors

DATO' HAJI AB WAHAB BIN HAJI IBRAHIM

Independent Non-Executive Director, Aged 64, Malaysian

Dato' Haji Ab Wahab bin Haji Ibrahim was appointed to the Board of Alam Maritim Resources Berhad on 2 May 2006.

He is the Chairman of the Board Audit Committee, a member of the Board Risk Management Committee and Board Nomination & Remuneration Committee. He is a Chartered Accountant by profession and is a member of the Malaysia Institute of Accountants.

Dato' Haji Ab Wahab obtained his Diploma and Degree in Accountancy 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. During the same year, he also received an Honorary Doctorate Degree in Public Services by the Irish International University.

Dato' Haji Ab Wahab's professional career began with PETRONAS in 1978 as a Management Executive before eventually becoming 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. During his tenure, Dato' Haji Ab Wahab served as Senior Manager and Joint Company Secretary.

In 1996, he was appointed as the Head of Finance Division for OGP Technical Services Sdn Bhd, another subsidiary of PETRONAS, where he served until March 2004.

Dato' Haji Ab Wahab currently serves as an Independent Non-Executive Director on the Board of Tanjung Offshore Berhad as well as Chairman of Audit Committee of Tanjung Offshore Berhad and Uzma Berhad.

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

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.

Profile of Directors

AINUL AZHAR BIN AINUL JAMAL

Independent Non-Executive Director
Aged 55, Malaysian

Encik Ainul Azhar bin Ainul Jamal was appointed as Independent Non-Executive Director of Alam Maritim Resources Berhad on 1 October 2014. He is the member of the Board Audit Committee, Board Risk Management Committee and the Board Nomination and Remuneration Committee. On 1 March 2015, he was appointed as the Chairman of the Board Risk Management Committee.

Encik Jamal holds a Bachelor's Degree in Electrical Engineering from the University of Sussex, UK in 1983. He is also a graduate of Daniel's Business School, University of Denver, USA as well as the IMD Business School in Switzerland in 2007.

He is a member of the Institute of Electrical and Electronic Engineers, UK, the Malaysian Institute of Electrical Engineers and the Society of Petroleum Engineers.

Encik Jamal initially served in the military camps as a team member and then as lead Engineer responsible for radar installations with the Malaysian Armed Forces at the Jabatan Kerja Raya, Cawangan Tentera in 1983 to 1984.

Subsequently, he has held various positions with Schlumberger, which includes field engineering on land-based and offshore rigs in Australia, New Zealand and Indonesia from 1984 to 1989. He also served as Training Instructor for junior engineers in the Schlumberger Indonesia Training Center, Country Manager for Malaysia, Technical Engineer in France and General Manager in Canada from 1990 to 1999.

Thereafter, among the positions that Encik Jamal has held in Schlumberger are Managing Director for Schlumberger South East Asia between 1999 and 2004, Global HR Director for Schlumberger's seismic business, WesterGeco and Group HR Director based in London, UK from 2004 to 2009. He was the Vice President of Global Accounts in Asia from 2009 to 2010.

Presently, Encik Jamal is the Chairman of Schlumberger Malaysia based in Kuala Lumpur. He is also the Executive Director at Hirex Petroleum Sdn Bhd, an oil and gas exploration & production company. Encik Jamal is a member of the Students Development Advisory Council of the Universiti Teknologi Petronas (UTP), the Oil & Gas Advisory Council for InvestKL and the board of directors of iCEP (www.icep.com.my).

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.

SENIOR MANAGEMENT TEAM

2 1 3

1 DATUK AZMI BIN AHMAD
Group Managing Director/
Group Chief Executive Officer,
Alam Maritim Group

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

3 AHMAD HASSANUDIN BIN AHMAD KAMALUDDIN
Executive Director,
Alam Maritim Group Director,
Group Corporate QHSE,
Executive Chairman,
Alam Hidro (M) Sdn Bhd

Senior Management Team

4 **MD NASIR BIN NOH**
Group Chief Financial Officer,
Alam Maritim Group

5 **FATAN HAMAMAH BINTI KHALID**
Group Company Secretary,
Alam Maritim Group

6 **KAMARUL ZAMAN BIN JANTAN**
Managing Director, KJ Waja

7 **AZMAN BIN ABBAS**
Chief Executive Officer,
TH Alam Group

8 **CAPTAIN ZAINOL ABIDDIN BIN JOHARI**
Managing Director/
Chief Executive Officer,
Wide Global (L) Inc

9 **BADROL R AZMI BIN MD. YUNAN**
Chief Operating Officer,
Alam Swiber Group

10 **NOOR AMRAN BIN ABD MANAN**
General Manager, Alam Hidro

11 **CAPTAIN MOHD NUHAIRI BIN MOHAMMAD**
Chief Operating Officer,
Offshore Support Vessel
Business Operation

12 **MOHD NOOR BIN OSMAN**
Head, Group Human
Resource Management

13 **ANAS BIN SULAIMAN**
Head, Internal Auditor,
Group Internal Audit &
Risk Management

14 **MUHAMAD ZAIRUL BIN ISMAIL**
Head, Group QHSE

15 **ALINAH BINTI ALIMIN**
Head, Corporate Legal

Not in Photo:

SAMUAEL BERNARD SASSOON
Executive Director,
Eastar Offshore

WU QIONG
Managing Director,
Eastar Offshore

JOHN D'LIMA
Managing Director,
Workboat International

CORPORATE SUSTAINABILITY

ALAM MARITIM GROUP SUSTAINABILITY REPORT 2014

In ensuring the long-term growth and continued success of Alam Maritim, the Group has developed its business on the principles of business sustainability and synergy.

In essence, sustainability is defined as developing a robust Alam Maritim Group capable of providing positive business returns and growth on a consistent basis while operating in a sustainable manner. This will be achieved via an unwavering focus on people, planet and profit (3Ps), with each component serving as the foundation for strategy and policy development. In an industry where sustainability continues to be of growing importance, the Group is of the view that greater growth and profitability must be viewed within the context of people, planet and profit.

The 3Ps are supported by the following but not limited to account operational excellence, assets integrity and reliability, risk management, quality, health, safety and the environment (QHSE), human resource development and Corporate Social Responsibility (CSR). Through this approach, the Group is better positioned to deliver continuous return on investment (ROI); reinforces its credibility as a responsible and ethical organisation, meets industry expectations while ensuring a better tomorrow for all stakeholders.

The following sections explain in greater detail the various sustainability initiatives undertaken by the organisation.

QHSE

While the Group has acquitted itself well in the area of QHSE, constant vigilance and continuous improvement are required. With QHSE effectively being the Group's license to operate, we must always seek to better our track record.

The QHSE culture begins with Management who leads by example and then cascades the philosophy across the Group via internal policies, systems and processes. These are designed to not just disseminate information, but to also engage staff, solicit their input and feedback and to create greater ownership and involvement among all levels of employees that translates to greater traction for QHSE initiatives.

Corporate Sustainability

A QUALITY ORIENTED ORGANISATION

Within Alam Maritim, the Group QHSE Policy is supported by the Integrated Management System – ISO 9001:2008 / ISO 14001:2004 & OHSAS 18001:2007 with one of the core objectives being to strengthen HSE governance within the Group.

The IMS has been in place since 2011 with certification successfully achieved in 2012 via Bureau Veritas, a classification body accredited by IRCA (International Register of Certified Auditors). The Group IMS encompasses clear requirements on safety, environment and health for consistent and effective Group wide implementation. Key HSE focus areas include operational safety, project HSE and HSE capability development.

IMS implementation and maintenance are guided by the IMS Manual which describes the elements and mechanism for complying with IMS policies and its associated objectives and targets. It also provides an outline of supporting elements such as organisation structures, responsibilities, authorities and other fundamental elements required for systematic and effective implementation and maintenance.

The Manual was developed in accordance with the requirements of the ISO 9001 (Quality Management), ISO 14001 (Environmental Management) and OHSAS 18001 (Occupational Health & Safety Management) standards.

In FY2014, Alam Maritim marked its second year of maintaining its IMS certification, having successfully passed the Group wide surveillance audit conducted in September 2014 by Bureau Veritas.

Corporate Sustainability

In addition, the audit team recommended, based on the results and the prevailing system's development and maturity, that the IMS certification be continued and extended to our other business units, TH Alam Management (M) Sdn Bhd ("TH Alam") and Alam Subsea Ptd Ltd. ("Subsea").

A slew of other quality oriented events and activities were held throughout the year:

QUALITY RELATED PROGRAMS & ACTIVITIES

No.	Month	Activities & Event	Detail
1	June 2014 – April 2015	External partnership program.	Worked closely with external parties with regard to latest updates of the Management System and Standards as well as to tap or share new ideas that will improve current IMS implementation. The external parties included: 1. Protagsoft – Local Software Database provider / Recommended by BV Malaysia / HRDF Claimable Training package 2. Neville Clarke – Training Provider in specialized / customized for IMS Procedures and Guidelines 3. Danaos SA Greece – Software Database Proposal 4. Lloyds Register – Technical Leadership Program
2	July 2014 – March 2015	Training Courses	Various training Courses were conducted by the Quality Department which included: 1. IMS Awareness in July 2014. 2. IMS Internal Auditor in August 2014. 3. Effective Department Processes in October 2014. 4. HIRADC and EAIA Review Workshop in December 2014. 5. Integral Learning and Change in March 2015.
3	Feb 2015	Quality Day	In conjunction with Quality Day 2015, a half day event, a briefing was conducted by Bureau Veritas on the new ISO 9001:2015 protocol. The event also saw Protagsoft Malaysia sharing on the IMS database system to promote greater staff awareness.
4	July – Dec 2014	Department Cost Saving Initiative, ("DCSI").	Launch of the DCSI campaign with the aim of enabling all departments and business units to support the company's business optomisation and cost saving agenda, notably in ways they can achieve both in their respective areas of operation.
5	June – Dec 2014	Updates and Info Sharing of IMS through Quality Teasers and Awareness Briefings.	Regular updates of IMS key elements and quality standards

Corporate Sustainability

No.	Month	Activities & Event	Detail
6	August – October 2014	Procedures Review and Revision Exercise.	Departmental & business unit review on the procedures for each of the following: 1. Procurement 2. HSE 3. Technical 4. TH Alam 5. Alam Subsea 6. Alam Food Industries (M) Sdn Bhd
7	August 2014	Formation of Cost of Non-Conformance ("CNOC") Committee.	A committee was established in tandem with the introduction of CNOC guidelines.
8	August 2014	IMS Pre-Surveillance Audit.	Pre Surveillance Audit covering departments including AMSB Procurement & Technical Departments, Business Units: TH Alam & Alam Subsea.
9	August 2014	IMS Documents reformat and transformation to e-copy version.	Prepared and provided electronic copies of IMS documents to all vessels & departments and introduced new procedures for the following: 1. Cost of Non Conformance 2. Business Continuity Plan 3. Journey Management Plan Improvements made to current procedures & guidelines: 1. Manual 2. Permit to Work 3. Schedule Waste Management 4. PPE Management 5. Operations & Maintenance of Alam Subsea.

In tandem with the above initiatives, a Quality Commitee consisting of Head of Departments was formed recently to monitor and supervise the development and progress of all the above Quality initiatives. The objective is to systematically develop Quality culture in the organisation. New initiatives by collaborating with Malaysia Productivity Corporation ("MPC") have been introduced and started in April 2015.

Corporate Sustainability

HSE

HSE assurance is carried out to provide independent assurance on the effectiveness of HSE controls. The assurance reports are presented to the HSE Working and Steering Committees. The Working Committee meets on a monthly basis to oversee operational matters while the Steering Committee, which meets every quarter, is responsible for policy-making and major decisions governing HSE. Group HSE performance is regularly presented to the Alam Maritim Board of Directors for oversight of HSE direction and performance.

QHSE CAMPAIGNS

Several QHSE campaigns were implemented during the year under review. One of which was the highly successful "Stop and Think Safe" campaign. The campaign guided company navigators to ensure effective Stop Work implementation whenever they encountered unsafe work conditions that could compromise vessel safety or when faced with danger to human life, property and the environment.

The positive results of the Stop and Think safe campaign were evident when during a recent HSE Engagement session, PETRONAS CARIGALI awarded an appreciation plaque to Alam Maritim vessel, MV Setia Zaman, in recognition of their timely Stop Work Policy implementation. The recognition earned from our clients is testament of the effectiveness of the campaign and affirmed the excellence of our overall QHSE standards.

Another campaign unique to Alam Maritim is the Mentor-Mentee program which serves both as a staff welfare and QHSE initiative. The program allows active involvement and information sharing between shore teams and vessel crews especially in the vessels' day-to-day operations and crew affairs.

The program helps maintain continuous communication with vessels while promoting HSE awareness and compliance. A number of scheduled visits to vessels were made during the year under review. The Program has certainly inculcated positive HSE behaviour on board operating vessels in various aspects:

- Greater appreciation of hazard hunt exercises to identify and rectify unsafe practices and conditions
- A greater sense of responsibility and accountability in reporting Unsafe Acts Unsafe Conditions (UAUC)
- Greater sharing of information and closer communication and rapport established between offshore and onshore personnel which is vital for QHSE
- Development of an environment of greater disclosure and transparency for staff to share information regarding matters of QHSE matters
- An improved sense of ownership and belonging among crews to the Group and their vessels

In FY2014, nine Mentor-Mentee visits were conducted. The visiting mentor teams comprised of heads of departments, senior executives and executives from various departments in line with having a multi-disciplinary team going offshore.

The Group also held various other QHSE campaigns and programmes throughout the year. These consisted of company level initiatives as well as those specific to business units with the support of Management.

Corporate Sustainability

ALAM MARITIM QUARTERLY SAFETY AND HEALTH CAMPAIGNS AND PROGRAMS:
CAMPAIGN AND PROGRAM LAUNCHED
Q1 SAFETY CAMPAIGN : I'm A Safety Leader by Corporate HSE To encourage everyone to become a safety leader by: • Developing a safety mindset i.e. safety is everyone's responsibility • Motivating people to become safety leaders and supporters rather than being uninvolved • Further embedding the safety culture throughout the organisation **RISK Campaign** launched by Alam Swiber to support the Group's HSE Campaign; to promote awareness on the following: • **R** – Recognise • **I** – Inform • **S** – Secure • **K** – Know
Group Policies Acknowledgement Exercise Via Alam Maritim Staff Portal The exercise was held to encourage staff to familiarise themselves with Group policies via the Alam Maritim staff portal. It is part of the cascading effort to make information easily available to staff. **Launch of Right Tools, Right Job by KJ Waja** • To create awareness among all staff on the importance of identifying and selecting the right tool for the right job. **Launch of Stop and Intervene by TH Alam** • To cultivate stronger awareness and mutual understanding when executing high-risk jobs • To encourage all Alam Maritim Group employees to be more cautious in their actions during execution and completion of high-risk jobs while always thinking of their loved ones waiting for them to come home safely. **Emergency Drill Exercise** In collaboration with the Civil Defence Department of Malaysia (Jabatan Pertahanan Awam Malaysia or JPAM), Alam Maritim conducted an emergency drill at HQ to evaluate the effectiveness of the location's Emergency Response Plan (ERP). **Emergency Drill with Clients** In line with client's requirements, Alam Maritim conducted emergency drills on vessels to ascertain the level of readiness in the event of emergencies. **HSE Day 2014 & Launching of Q2 Group HSE Campaign 'Kick the Unsafe Habits'** • Launching of Biggest Loser Season 2 • HSE Appreciation Awards to marine crew • Talk by invited speaker Amin Idris on Unsafe Habits • Free Health Screening by Kuantan Specialist Centre • Blood Donation drive in support of Hospital Kemaman • Dental check by Pusat Pergigian Kemaman • Educational talk to Chakna & Al Hijrah students **Green The Earth Program in collaboration with Forestry Department of Malaysia at Pantai Penunjuk Kijal, Kemaman** • Planted 50 Rhu trees and cleaned up the beach area

Corporate Sustainability

Management Engagement Session with Marine Crews focusing on 'Safe and Reliable Operations'
Biggest Loser Program Season 2 • Health talk for staff by iHeal Medical Center on keeping your heart healthy • Health talk on diet and exercise during the fasting month by FHR Get Fit • Weekly tai-chi class • Let's Get Fit exercise programme by Jom Kurus 1 Malaysia trainer • Monthly measurements to monitor Biggest Loser participants' progress
Continuous review and selection of Best Weekly UAUC, IPO, BOT and JHA submissions to improve reporting quality. This process also served to identify hazards towards implementing a thorough risk assessment prior to job execution.
Multiple Management HSE Visits to vessels as part of reaching out to offshore crews. A total of 60 visits were made in 2014 with 13 shore management staff involved.
Stop and Think SAFE Campaign comprising of: **S**pot the Hazard • **A**ssess & Analyze • **F**ind Mitigation • **E**ffective Communication • Encourage all employees to implement a Stop Work order if they believed that a hazardous situation existed and would likely to endanger them and / or others • Enhance the understanding on Stop Work Policy among employees • Measure the effectiveness of Stop Work implementation
Conducted random drug and alcohol test for shore staff in HQ as part of compliance with Group Drug and Alcohol Policy - Results found all staff to be negative in financial year 2014.
Participated in KL Car Free Morning Event hosted by DBKL and Tourism Malaysia. KL Car Free Morning is an international green initiative to get the public, even if it is only for a day, to leave their cars at home in support of reduced usage of fossil-fuel based vehicles.
Issuance of QHSE Newsletter to all staff and vessels. The quarterly Group wide QHSE Newsletter is one of the tactical communication initiatives employed by Alam Maritim to deliver information on QHSE and to engage staff. It also helps different hierarchical levels to stay informed of new and upcoming HSE programs and initiatives by the Group Corporate HSE Department. Each Business Unit is required to share on their respective developments, updates, activities and highlights. Through the newsletter, staff have an official organ to receive authoritative news on QHSE while staying abreast with the various QHSE programs.
The Newsletter is now produced in an electronic format to reduce paper usage. The electronic version offers several advantages including verification of staff download as well as easy access, anytime and anywhere.

Corporate Sustainability

Weekly HSE Awareness Talk:

Alam Maritim holds weekly HSE Awareness Talk session to share with staff on HSE matters. Selected staff are called upon to share on a rotational basis.

Going forward, the Group is considering inviting external subject matter experts to facilitate the sessions to enable greater learning and knowledge sharing for staff i.e. industry best practices, professional medical advice and various other HSE relevant subjects.

QHSE TRAINING SESSIONS

MONTH	LIST OF TRAINING CONDUCTED
20 - 21January 2014	Developing Effective HSE Committee Meeting : Session 01
25 - 26 February 2014	Safety Supervisory and Leadership to Marine Crew and Shore staff : Session 01
20 - 21 March 2014	Safety Supervisory and Leadership to Marine Crew and Shore staff : Session 02
13, 14 - 15 July 2014	PCSB Permit to Work awareness
21 August 2014	Risk Assessment Workshop – HIRADC & EAIA
08 - 09 September 2014	Managing and Handling of Scheduled Waste Management : Session 01
18 September 2014	Basic First Aid
19 September 2014	Basic Fire Fighting
20 September 2014	Emergency Response Plan and Preparedness
29 - 30 October 2014	Safety Supervisory and Leadership to Marine Crew and Shore staff : Session 03
11 - 13 November 2014	Fire safety course (PKK) for all Floor Safety Managers and Assistant Floor Safety Managers at Balai Bomba Cawangan Seputeh
11 - 12 November 2014	Basic Incident Investigation and Reporting using Tripod Beta Method : Session 02
19 - 20 November 2014	Managing and Handling of Scheduled Waste Management : Session 02
24 & 25 November 2014	Developing Effective HSE Committee Meeting : Session 02

In addition, external parties such as business partners and vendors were roped in to support Alam Maritim's commitment to QHSE.

Corporate Sustainability

QHSE Activities Involving External Parties

PROGRAM
Marine Contractor Performance Assessment by Carigali Hess to measure and improve Ship Owner / Manager on safety management systems.
Contractor HSE Management Assessment by Talisman

QHSE PERFORMANCE

In FY2014, Alam Maritim recorded one of the lowest figures for property/equipment damage incidents in its recent history for QHSE cases. For the year under review, QHSE cases had reduced by a significant 34% based on the Group's FY2011 baseline.

With regard to man hours without LTI, the Group has reset its previous LTI free record of 5 million man-hours after an incident was reported on 30th July 2014.

Since then, as at April 2015, the Group has already accumulated 3.091 million man hours without LTI and barring unforeseen circumstances, is on track to meet or better its previous 5 million without LTI benchmark by end FY2015 or early FY2016.

We also received recognition and awards from our Business Partners who recognised Alam Maritim for its excellent HSE performance:

RECOGNITION AND AWARDS
Recognition and awards; • Marine Business Partner in Recognition of Safety Reliable Operations by ExxonMobil. • 2013 Safety Awards for Excellence (S.A.F.E) Silver Category by Carigali Hess • 2013 PERSONAL SAFETY AWARD IN FEBRUARY 2013 awarded by ExxonMobil to Puan Siti Aisyah binti Shahroom • 2013 SAFETY RELIABLE OPERATIONS awarded by ExxonMobil to Mohamad Izham Che Ariff
Recognition received during HSE Engagement Session With Marine Services Providers organized by PETRONAS CARIGALI awarded to MV Setia Zaman Master on its proactive action to Stop Work during personnel transfer operation.
IMS Accreditation to Alam Subsea, TH Alam Management (M) Sdn Bhd and Alam Swiber (M) Sdn Bhd on ISO 9001, ISO 14001 and OHSAS 18001 Celebration of 1 Million Man hours Without LTI achievement for Underwater Activities by Alam Hidro accumulated since Sept 2011 until Oct 2014.

ENVIRONMENT

The Group is fully committed to operating within set environmental parameters while minimising its carbon footprint. All business plans and actions taken by the Group are implemented with considerations for the environment.

The Group's overall operation complies with the statutory rules and requirements related to environment protection, including those under the International Maritime Organization and International Safety Management (ISM) Code and the Integrated Management Systems (ISO 14001:2004).

Corporate Sustainability

During the year, several key initiatives relating to environment were undertaken. These included implementation of continuous monitoring of the Ship Energy Efficiency Management Plan (SEEMP) for all fleet vessels in compliance to the International Convention for the Prevention of Pollution from Ships (MARPOL) Regulation on SEEMP. SEEMP has been established to improve the energy efficiency of vessels in a cost-effective approach.

Through partnership with one of our Clients, Talisman Malaysia Limited (TML), Alam Maritim continued to be involved in the Petroleum Industry of Malaysia Mutual Aid Group, (PIMMAG) Oil Spill Response and Recovery. PIMMAG is a non-profit organisation formed in December 1993. It was established to enhance the protection of the environment through the provision of pooled resources in responding to oil spill contingencies arising in Malaysia and Malaysian waters, including within the Exclusive Economic Zone (EEZ).

RISK

Since 2008, Alam Maritim has initiated a clear Risk Management framework to assess and mitigate risk and to reduce exposure to risk. Managing risks is a shared responsibility and is integrated within Alam Maritim Group's governance, business processes and operations.

Risk is addressed at all levels from the Board of Directors and Management, right to the working levels with a comprehensive reporting structure in place. This framework provides a consistent approach to risk mitigation while facilitating a reasonably accurate perception of acceptable risk by the company.

Risks associated to the Group are commercial and operational risks. The former are risk associated with contracts while the latter includes accidents, unexpected breakdown of vessels, delays due to human, mechanical and logistic factors as well as weather conditions.

On a continuing basis, the Independent Audit & Risk Management department co-ordinates with all risks owners to regularly review and update the group risk register. Potential major risks, mitigation plans and actions taken were discussed at Group Risk Management Working Committee (GRMWC) and reported to the Board Risk Committee (BRC) and the Board of Directors (BOD).

Board Risk Management Committee & Risk Management Working Committee meetings were held throughout the financial year. The Risk Committee assessed and evaluated any proposal before advising the Board on the considerations to proceed or to seek alternatives.

With regards to vessel operational risk, the Group developed a programmed maintenance schedule under the International Safety Management (ISM) standards to maintain performance and seaworthiness of all vessels. This also provides for what is acceptable risk to employees that may arise from day-to-day operations and the best practices to mitigate and reduce such risks.

In addition, the Group continued to adhere to the Malaysian Code of Corporate Governance 2012 to ensure the highest standards and best practices towards managing risk. The Group has also drawn its Board Charter to set the roles and responsibilities of the Board of Alam Maritim Group.

In addition, a well-defined financial limit of authority on all financial commitments for each level of management within the Group and clearly documented internal policies, standards and procedures have been put in place. These are regularly reviewed and updated to reflect changing risks or to resolve operational deficiencies.

The Group adheres to Shariah compliant business principles as part of its business ethics and is of the belief that this further reduces exposure to risk.

Corporate Sustainability

TRAINING & PEOPLE DEVELOPMENT

The Group views human capital as of vital importance to business sustainability and has initiated a comprehensive talent development programme for recruiting, training, retaining and rewarding staff at all levels of the organisation. Talent is regarded as a key competitive differentiator, more so in the oil and gas industry where there is an acute shortage of skilled professionals throughout the value chain.

In FY2014, the Group focussed more on developing its internal talent by providing opportunities for skills development, job promotion, career progression and training.

The Company's policy with regard to filling vacancies is to source internally for suitable candidates before looking externally, including highly specialised positions. With regard to training, over 120 staff were sent for various programs and courses during the financial year. The selection of staff for training is based on several factors. These include employment need, as a form of incentive and job motivation and based on 360-degree feedback involving immediate supervisory levels, peer recommendation and the Human Resources Department.

Training is geared towards the particular employee's skills requirements. It is to a certain extent, customised and can consist of internal training courses or external programmes.

In developing its leadership bench, Alam Maritim, continued to hold specialised leadership programs and succession planning for managers and all general executives were organized to enhance their leadership attitude, skills and knowledge. This is on top of the normal training interventions carried out based on the training needs analysis identified under the annual staff performance management exercise.

With regards to remuneration, the Group continued to compensate its employees competitively based on present industry benchmarks as well as job performance and competency. Above and beyond financial compensation, the Group strives to deliver a conducive working experience and environment for all staff. This includes non-financial incentives and various other benefits.

STAFF WELFARE

Alam Maritim believes in looking after the welfare of its staff defined as caring for their physical, emotional and spiritual needs. In FY2014, the Group continued with various staff welfare initiatives. This included the sailing imam.

The sailing imam is a unique initiative by Alam Maritim to have an imam or religious leader to minister the crews of the Group's 44-strong fleet. The imam does not just fulfil their spiritual needs, but also serves as a neutral, unbiased third party, whom crews can speak to on personal and professional matters, effectively functioning as a counsellor.

The sailing imam is a most welcome sight for crews as he is a welcome break from the monotony of being at sea.

Another unique initiative continued in FY2014 was the mentor-mentee programme. The Mentor-Mentee programme comprised of onshore staff (mentor) at HQ serving as a mentor for a particular vessel and its crew (mentees).

These sessions can allows onshore staff to better understand the offshore working environment such as the challenges faced, as well as how each group better support the other.

Alam Maritim also conducted Crew Engagement sessions – divided into three levels: C-level visits, Managers' visits and Supervisors' visits. A monthly townhall is also held for staff by the Group Managing Director to share the latest company developments. These sessions, be it visits or townhalls are conducted in a transparent manner, enabling all involved to share their feedback, experiences and input to develop a safer and more productive working environment.

CORPORATE SOCIAL RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In playing its role as a responsible corporate citizen, Alam Maritim believes in the importance of giving back to the community. While we maintain a strong profit motive, it is also crucial to share the rewards of our progress with others. Giving back and supporting local stakeholders has its own rewards. These include building the Group's reputation, improving its branding image and also serving as an avenue for employee involvement in societal initiatives.

Following are some of the activities held during the year under review:

Staff Bowling Event
The Group held its much anticipated Staff Bowling tournament, which is a major highlight on the Alam Maritim social calendar. The event proved to be a fun-filled affair as staff got to mingle and spend time together outside of the work environment.

Charity Shopping (Shopping Amal)
Staff of Alam Maritim took the initiative to collect funds and brought underprivileged kids from various homes shopping in conjunction with the upcoming Hari Raya festive season. It was a great pleasure to put smiles on their little ones' faces and to bring some much needed cheer into their lives.

Majalah Islam & Kasih Ramadhan
In conjunction with the holy month of Ramadhan, Alam Maritim hosted a TV crew and journalists who wanted to record experiences of life at sea. The Group obliged by giving the media access to "Accommodation Barge Setia Station 1" based in Labuan. It was a heart-warming initiative to involve the crew and to let them share their stories while giving the general public a glimpse of what it's like to live on a ship for a prolonged period. Importantly, it lets the crew feel that they were not forgotten and were much thought of as they went about their duties at sea.

Corporate Social Responsibility

Alam Maritim Iftar Event
The Group held its annual Iftar (Breaking Fast) dinner for staff, which served as an excellent platform to build stronger bonds and encourage more interaction among employees. It also was an opportunity to network with business partners who were invited to the yearly event.

Sahur with the Needy
Staff of Alam maritime sponsored various needy members of the community to a sahur meal during the month of Ramadhan. The event proved to be a resounding success with active participation from staff and served as a welcome break from the usual work routine.

Donation of a Dialysis Machine to Persatuan Pesakit Buah Pinggang Terengganu (PPBPT)
In a joint donation effort with OCBC Bank, Alam Maritim contributed a haemodialysis machine worth RM50,000 to the above Association. It is a life-saving difference that we have made with this significant contribution. Through this joint effort, it is hoped that many more lives can be saved and the quality of life for kidney patients in the state will be greatly improved, especially those who cannot afford medical treatment.

In Support of PYAKIM
Reaching out to orphans, Alam Maritim lent a helping hand to Pertubuhan Kebajikan Anak-anak Yatim Islam Muar (PYAKIM).

Aidilfitri Celebrations (Jamuan Aidilfitri)
In ushering the month of Syawal, Alam Maritim held its Company Hari Raya Aidilfitri celebrations. The event was celebrated with much fanfare with special activities for attendees. This included the main highlight: the selection of the King and Queen of the Day based on the highest vote count by staff.

Corporate Social Responsibility

Assistance Provided to Single Mothers

The Alam Maritim Sports & Recreational Club made a two-day visit to Kampung Paloh, Gua Musang, Kelantan, where they donated funds to single and needy mothers from the village.

During the event, club members had the opportunity to stay overnight in the village to truly experience the "kampong lifestyle" while gaining a better understanding of the residents there. The event proved to be an eye-opener for many with further such initiatives expected to be planned for FY2015.

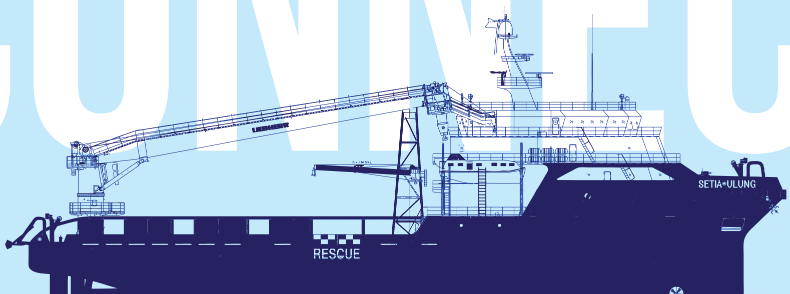
1 Alam Kita Bantu

As floods devastated many parts of the East Coast, Alam Maritim staff rose to the occasion to help victims. The team's relief efforts were centred on the Kemaman area, one of the hardest-hit areas which bore the full brunt of the disaster. Coming together as one, the team responded quickly – collecting emergency supplies and other forms of aid for the victims. Following which, they made their way to the affected areas to distribute the aid, to victims.

Football Tournament

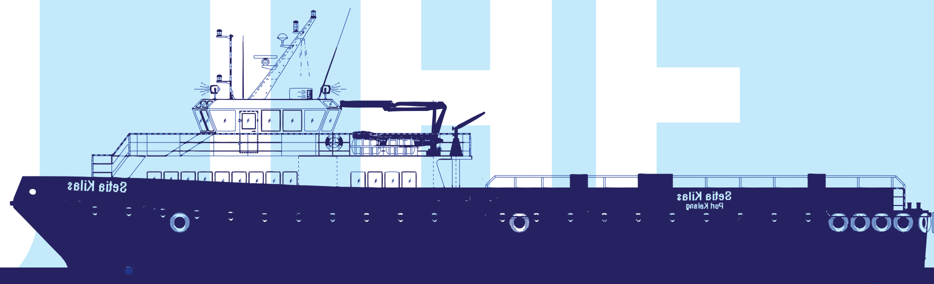
The Group participated in the PETRONAS-NGLTECH Annual Oil & Gas Football Tournament, where our team has won third place.

CONNECTED



FUTURE

TO THE



By embracing the latest innovations, we are ready to stay at the forefront of our industry well into the future. We intend to lead the way to be a better tomorrow for our stakeholders.

AWARDS & RECOGNITIONS

YEAR	CERTIFICATE TITLE	AWARDED BY
2001	**Contractor Safety Award Program:** Certificate of Recognition in Recognition of Excellent Safety Performance In 2001	EXXONMOBIL EXPLORATION AND PRODUCTION MALAYSIA INC.
2002	**Contractor Safety Award Program:** Certificate of Recognition of Safety Excellent In 2002	EXXONMOBIL EXPLORATION AND PRODUCTION MALAYSIA INC.
2003	Certificate of Achievement 2.4 Million Man-hours without Loss Time Injury	TLO
2003/ 2004	**Contractor Safety Recognition:** "Gold Award": In Recognition of Safety Excellence in 2003/2004	EXXONMOBIL EXPLORATION AND PRODUCTION MALAYSIA INC.
2004	**Contractor Safety Recognition:** "Gold Award": In Recognition of Safety Excellence in 2004	EXXONMOBIL EXPLORATION AND PRODUCTION MALAYSIA INC.
2004/ 2005	**"Gold Award":** In Recognition of Excellence HSE Performance for FY 2004/2005	PCSB,PMO
2006	**PMO HSE Award 2006-Contractor HSE Award:** In Recognition of Excellence Achievement by Alam Maritim (M) Sdn Bhd	PCSB,PMO
2006	**Contractor Safety Recognition:** **"Gold Award":** In Recognition of Safety Excellence in 2006	EXXONMOBIL EXPLORATION AND PRODUCTION MALAYSIA INC.
2007	Certificate of Appreciation for the Contribution and Commitment Demonstrated Towards Achieving Excellent HSE Performance For 2007	PCSB,PMO
2007	**HSE Awarded 2007:** Certificate of Recognition of Excellent Performance "ZERO TRCF" in Executing PCSB Project	PCSB CONSTRUCTION ENGINEERING
2008	ISO 9001:2000 Certification by Bureau Veritas to Alam Maritim Resources Berhad, Alam Maritim (M) Sdn Bhd , Alam Hidro (M) Sdn Bhd Offshore Logistics & Services Sdn Bhd	BUREAU VERITAS
2008	Safety Recognition Awarded to Alam Maritim by Exxonmobil Exploration and Production Malaysia Inc.	EXXONMOBIL EXPLORATION AND PRODUCTION MALAYSIA INC.
2009	Contractor's Safety Recognition by Exxonmobil – Injury Free For Contractor Recording up to 100,000 Man Hours	EXXONMOBIL EXPLORATION AND PRODUCTION MALAYSIA INC.

Awards & Recognitions

YEAR	CERTIFICATE TITLE	AWARDED BY
2009	Recognition by Carigali Hess for Mv Setia Wangsa – Completion of 1 Year Contract Without Any Loss Time Injury (LTI)	CARIGALI HESS
2008/ 2009	Petronas Group HSE & Sustainability Awards FY 2008/2009 Major Contractor Safety Category Merit Award in Recognition to Project of “HSE Mentor Mentee Program in Alam Maritim”	PETRONAS GROUP
2010	HSE Special Award to Alam Maritim Resources Berhad in Recognition of 250 Days Free of Total Recordable Case (TRC)	PETRONAS DRILLING DEPARTMENT DEVELOPMENT DIVISION PETRONAS CARIGALI SDN BHD
2010/ 2011	HSE Achievement Award (Environment Category) – Gold Award Recognition of HSE Achievement Awarded to Alam Maritim Resources Berhad for the HSE Initiative Of “Green The Earth”	PETRONAS CARIGALI SDN BHD PENINSULAR MALAYSIA OPERATION
2011	Petronas Carigali Sdn Bhd Peninsular Malaysia Operations Presented to MV Setia Budi of Alam Maritim (M) Sdn Bhd in Appreciation for Assisting Tiong Platform During FWP Incident 26th-- October 2010	PETRONAS CARIGALI SDN BHD PENINSULAR MALAYSIA OPERATION
2011	**Contractor Safety Award Program:** Marine Contractor of the Quarter Award 1Q 2011 in Recognition of Outstanding Contribution to Safety	EXXONMOBIL EXPLORATION AND PRODUCTION MALAYSIA INC.
2011	**Contractors Safety Award Program:** Vessel of the Quarter Award 4Q 2010 in Recognition of Outstanding Contribution in Safety Awarded to MV Setia Teguh of Alam Maritim (M) Sdn Bhd	AWARDED BY: EXXONMOBIL EXPLORATION AND PRODUCTION MALAYSIA INC.
2011	**Contractor Safety Award Program:** Vessel of the Quarter Award 4Q 2010 in Recognition of Outstanding Contribution in Safety Awarded to MV Setia Teguh of Alam Maritim (M) Sdn Bhd	EXXONMOBIL EXPLORATION AND PRODUCTION MALAYSIA INC.
2011	**Contractor Safety Award Program:** Vessel of the Quarter Award 1Q 2011 in Recognition of Outstanding Contribution in Safety Awarded to MV Setia Fajar of Alam Maritim (M) Sdn Bhd	EXXONMOBIL EXPLORATION AND PRODUCTION MALAYSIA INC.
2011	**PCSB DD Contractors HSE Conference:** Annual Award for PCSB DD Contractors HSE Performance FY2010/2011 Certificate Of Appreciation For Hosting a PCSB DD Contractors HSE Conference and Making Excellent Efforts to Share and Promote the HSE Standards among PCSB DD Contractors for the FY2010/2011	PETRONAS DRILLING DEPARTMENT DEVELOPMENT DIVISION PETRONAS CARIGALI SDN BHD

Awards & Recognitions

YEAR	CERTIFICATE TITLE	AWARDED BY
2011	2010 Contractor's Safety Recognition by Exxonmobil - Hurt Free Operation < 100,000 Man Hours	EXXONMOBIL EXPLORATION AND PRODUCTION MALAYSIA INC.
2012	2011 Contractor's Safety Recognition by Exxonmobil - Hurt Free Operation < 100,000 Man Hours	EXXONMOBIL EXPLORATION AND PRODUCTION MALAYSIA INC.
2012	2011 Safety Award for Excellence (S.A.F.E) - Silver Category Presented to Alam Maritim (M) Sdn Bhd for MV Setia Wangsa - One Year without any recordable Incidents	CARIGALI HESS
2012	Achievement of One Million Manhours Without LTI and Zero Total Recordable Case Frequency for KNPG-B MSF & Modules Installation and SKP Pipeline Replacement Project	TL OFFSHORE (M) SDN BHD
2012	2011 Contractor's Safety Recognition by Talisman Energy - Marine HSSE & Operational Excellence for MV Setia Handal	TALISMAN ENERGY
2012	MS certification ISO 9001:2008 ;OHSAS 18001:2007;ISO 14001:2004 by Bureau Veritas to Alam Maritim Resources Berhad, Alam Maritim (M) Sdn Bhd, Alam Hidro (M) Sdn Bhd; Alam Offshore Logistics & Services Sdn Bhd; Alam Food Industries (M) Sdn Bhd; KJ Waja Engineering (M) Sdn Bhd	BUREAU VERITAS
2013	365 HSE Perfect Days	TALISMAN ENERGY
2013	1.5 Million Safe Manhours In Appreciation of Management & Employees's Full Support & Commitment Towards the Successful of Booster Compression Brownfield Project (BCBF)	CARIGALI HESS
2013	Achievements of 2.5 Million Safe Manhours Without LTI for Tapis Enhanced Oil Recovery (EOR) Brownfield Modifications Retrofits Project for Setia Station 2	EXXONMOBIL
2013	AHTS MV SETIA IMAN In Recognition Of Her Outstanding Service And Significant Contribution To The Brownfield Booster Compression Project	CARIGALI HESS
2013	PERSONAL SAFETY AWARD IN FEBRUARY 2013 Award: Puan Siti Aisyah binti Shahroom	EXXONMOBIL EXPLORATION AND PRODUCTION MALAYSIA INC.
2013	SAFETY RELIABLE OPERATIONS Award: Mohamad Izham Che Ariff	EXXONMOBIL EXPLORATION AND PRODUCTION MALAYSIA INC.
2014	1st Quarter 2014 Marine Business Partner in Recognition of Safety Reliable Operations	EXXONMOBIL EXPLORATION AND PRODUCTION MALAYSIA INC.
2014	In appreciation of Management & Employees full support & commitment towards the successful of Booster Compression Brownfield Project (BCBF)	CARIGALI HESS
2014	Presented to MV Setia Zaman in appreciation for vessel's Master commitment in implementing Stop Work Policy	PETRONAS CARIGALI
2014	IMS certification ISO 9001:2008;OHSAS 18001:2007;ISO 14001:2004 by Bureau Veritas to TH Alam Management (M) Sdn Bhd & Alam Subsea Pte Ltd.	BUREAU VERITAS

FINANCIAL CALENDAR

15 MAY '14
Notice of Extraordinary General Meeting.

27 MAY '14
First Quarter report on consolidated results for the financial period ended 31 March 2014.

2 JUNE '14
1. Notice of Ninth Annual General Meeting.
2. Extraordinary General Meeting.
3. Annual Report 2013.

27 JUNE '14
Ninth Annual General Meeting.

21 AUG '14
Second Quarter report on consolidated results for the financial period ended 30 June 2014.

20 NOV '14
Third Quarter report on consolidated results for the financial period ended 30 September 2014.

27 FEB '15
Fourth Quarter report on consolidated results for the financial period ended 31 December 2014.

29 APR '15
Annual Audited Accounts for the year ended 31 December 2014.

Board Audit Committee Report

MEMBERSHIP AND MEETINGS

The Board Audit Committee (BAC) members and the record of their attendance at the Audit Committee meetings held during the Financial Year 2014 are as follows:

Member	Number of Meetings Attended
Dato' Haji Ab Wahab bin Haji Ibrahim Chairman *(Independent Non-Executive Director and a Certified Accountant)*	5/5
Fina Norhizah binti Haji Baharu Zaman *(Independent Non-Executive Director)*	5/5
Mohd Abd Rahmad bin Mohd Hashim *(Non-Independent Non-Executive Director – Resigned w.e.f. 5 December 2014)*	3/5
Ainul Azhar bin Ainul Jamal *(Independent Non-Executive Director – Appointed w.e.f. 1 October 2014)*	1/1

Composition

Conforming to the requirements of the Malaysian Code on Corporate Governance 2012 (MCCG 2012), majority of the BAC members are Independent Non-Executive Directors.

The BAC Chairman, Dato' Haji Ab Wahab bin Haji Ibrahim is a member of the Malaysian Institute of Accountants (MIA) thereby complying with paragraph 15.09(1)(c)(i) of the Listing Requirements that requires at least one (1) member of the Audit Committee must be a qualified accountant.

Attendance

In terms of attendance at the BAC meetings, the quorum requirement for all five meetings held during FY2014 as indicated in the table above was fulfilled. Upon invitation by the BAC, the Executive Directors, Group Chief Financial Controller, Head Group Internal Audit and Risk Management and representatives of the External Auditors attended all the meetings. Time was also set aside for the External Auditors to have private discussions with the BAC in the absence of management. Two separate sessions were held between the BAC and the External Auditors. Prior to the BAC Meetings, private sessions were also held between the Chairman and the Head Group Internal Audit.

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.

Board Audit Committee Report

TERMS OF REFERENCE OF AUDIT COMMITTEE

The BAC shall be established to assist the Board in fulfilling its oversight responsibilities. The BAC shall review and ensure that the process of assessing risk, control and governance, including operational and financial controls, business ethics and compliance, are properly managed and monitored.

(a) Composition

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

All members of the BAC shall be financially literate and have the ability:

- To read and understand financial statements, including a company's statement of financial position, statement of comprehensive income and statement of cash flows;
- To analyse financial statements and ask pertinent questions about the company's operations against internal controls and risk factors; and
- To understand and interpret the application of approved accounting standards.

At least one (1) member of the BAC shall be a member of the Malaysian Institute of Accountant or shall fulfill such other requirements as prescribed in the Bursa Malaysia Listing Requirements.

No alternate director shall be appointed as a member of the BAC. The Board shall review the terms of office and performance of the members of the BAC at least once every three (3) 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 BAC resulting in the non-compliance of subparagraph 15.09(1) of the Bursa Malaysia Listing Requirements, the Board shall fill the vacancy within three (3) months from the date of the vacancy.

(b) Chairman

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

(c) Meetings and Minutes

The BAC shall meet at least four times annually. However, at least twice a year, the BAC shall meet with the External Auditors without the Executive Directors being present.

The Group Chief Financial Officer and Head Group Internal Audit & Risk Management 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 BAC.

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

Board Audit Committee Report

(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 BAC is authorised by the Board to review any activity within the BAC's terms of reference.

The BAC is authorised to seek any information the BAC 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 BAC.

The BAC 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 BAC 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 BAC.

The BAC 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 BAC 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 regulatory requirements; and
    - the going concern assumption.

(b) Related Party Transactions

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

(c) Audit Reports

- To prepare the annual BAC report to the Board which includes the composition of the BAC, its terms of reference, number of meetings held, a summary of its activities and the existence of an Internal Audit department 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 MCCG 2012 for inclusion in the Annual Report.

Board Audit Committee Report

(d) Risk Management and Internal Control

- To consider annually the Risk Management Framework adopted within the Group and to be satisfied that the methodology employed allows the identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will allow the Group to 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 BAC 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 department within the Group has the proper resources and standing to enable them to complete their mandates and approved audit plans;
  - To review status reports from Internal Audit and ensure that appropriate actions have been taken to implement the audit recommendations.
  - To recommend any broader reviews deemed necessary as a consequence of the issues or concerns identified;
  - To review any appraisal or assessment of the performance of the members of the Internal Audit, approve any appointment or termination of senior staff members of Internal Audit and inform itself of any resignations of staff of Internal Audit and reasons thereof;
  - To ensure Internal Audit has full, free and unrestricted access to all activities, records, property and personnel necessary to perform its duties; and
  - To request and review any special audit which it deems necessary.

(f) External Audit

- To review the External Auditors' audit plan, nature and scope of the audit plan, audit report, evaluation of internal controls and co-ordination of the External Auditors. The BAC 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 Risk Management and Internal Control of the Group for inclusion in the Annual Report;
- To review any matters concerning the appointment and re-appointment, audit fee and any questions of resignation or dismissal of the External Auditors;
- 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.

Board Audit Committee Report

SUMMARY OF ACTIVITIES

During the year, the BAC carried out its duties in accordance with its terms of reference. Other main issues reviewed by the BAC were summarized 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 financial results 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 BAC Report, Statement on Risk Management and Internal Control and Corporate Governance Statement prior to their inclusion in the Company's Annual Report; and
- Review and verified the allocation of options pursuant to the Company's Employees' Share Option scheme.

STATEMENT ON INTERNAL AUDIT FUNCTION

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

The Head, Group Internal Audit and Risk Management reports directly to the BAC on functional basis and to the Managing Director administratively. 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 BAC.

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

The Head, Group Internal Audit and Risk Management is assisted by two internal audit staff which is made up of one audit manager and one audit executive. The BAC approves the Group Internal Audit's annual audit plan, financial budget and human resource requirements to ensure the function is adequately resourced by competent and proficient internal auditors.

During the FY2014, a total of approximately RM496,000 was incurred as part of resource allocation for the GIARM, covering mainly on manpower and incidental costs such as travelling and training costs.

The GIARM 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 internal control systems.

Board Audit Committee Report

The main activities performed by the GIARM are as follows:

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

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

This report is made in accordance with a resolution of the Board dated 28 April 2015.

Statement of Corporate Governance

The Board of Directors of Alam Maritim Resources Berhad (“Company”) (“Board”) is committed to ensuring that the highest standards of corporate governance are practiced throughout organisation as a fundamental duty of discharging its responsibilities to protect and enhance shareholders’ value and financial performance of Alam Maritim Group.

Pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, (“MMLR of Bursa Securities”), the Board is pleased to present the Company's Statement of Corporate Governance for the financial year ended 31 December 2014, in respect of the Company's corporate and business conducts in line with the principles, recommendations and commentaries contained in the Malaysian Code of Corporate Governance 2012 (“MCCG 2012”).

THE BOARD OF DIRECTORS

Board Responsibilities

The Board of Directors is responsible for driving the corporate governance initiatives in the Company. It provides insight towards the establishment of effective governance framework and monitoring system that will facilitate the achievement of the Company's vision and mission.

The Board is also responsible for setting Alam Maritim Group’s strategic goals and direction as well as overseeing the performance and management of the business and affairs of Alam Maritim Group.

The roles and responsibilities of the Board are clearly set out in the Board Charter. The duties, responsibilities, powers and functions of the Board are governed by the Articles of Association of the Company (“Articles”), the Companies Act, 1965 and Companies (Amendment) Act 2007 (collectively the “Companies Act”), the MMLR of Bursa Securities and other relevant laws, rules and regulatory guidelines that are in force.

The functions and power delegated by the Board to the Management to manage the daily business and operations of the Company are spelt out in the Financial Limits of Authority (“FLOA”) adopted throughout Alam Maritim Group. The schedule of matters reserved for the collective decision of the Board is also enshrined in the FLOA.

In accordance with the FLOA, operational issues are delegated to the Group Chief Executive Officer (“GCEO”). Further delegation is cascaded by the GCEO to the senior management team of Alam Maritim Group. At the senior management level, various working committees such as HSE Steering & Working Committees, Management Committee, Quality Commitee, Group Risk Management Working Committee, Credit Control Committee and Human Resources Policy Committee are established to assist the Board and Board Committees in the Company’s decision making process, implementation and control.

The Chairman, an Independent Non-Executive Director, is responsible for ensuring the integrity and effectiveness of the governance process of the Board and acts as a facilitator and consults the Board promptly over any matter that gives her cause for concern. The Chairman of the Board is responsible for representing the Board to the shareholders. The Chairman acts as a facilitator at Board meetings to ensure that no Board member, whether executive or non-executive, dominates the discussion. The Chairman also ensures that appropriate discussions take place and that relevant opinions among Board members are forthcoming. The Chairman further ensures that discussions result in logical and understandable outcomes, which will lead to appropriate and considered decisions by the Board.

The GCEO is accountable to the Board for the overall organisation, management and staffing of the Group and for its procedures in financial and operational matters, including conduct and discipline. The GCEO supported by the Management Team, implements the Group’s FLOA as adopted by the Board of Directors, overseeing the operations as well as developing, coordinating and implementing business and corporate strategies. The GCEO is responsible for the stewardship of the Group’s direction and the day-to-day management of the Group.

Statement of Corporate Governance

Board Charter

The Board had adopted its Board Charter which sets out the roles and responsibilities of the Board not only in accordance with applicable rules and regulations but also guided by the MCCG 2012 and best practices. The Board Charter covers inter-alia, the objectives of the Board, duties and responsibilities, powers, roles of the Chairman, GCEO and Non-Executive Directors. It will be reviewed from time to time to ensure that it remains not only consistent with the corporate governance standards but also relevant to the Board's objectives and responsibilities.

The Charter is published on the Company's corporate website at www.alam-maritim.com.my.

Board Balance and Composition

There was a change to the Board during 2014 with a view to strengthening independence and subsequently on 1 October 2014, the Board appointed Encik Ainul Azhar bin Ainul Jamal as an additional Independent Director.

For new appointments of Independent Director, the assessment on the independence of the proposed director, which is carried out prior to the appointment, is ascertained in accordance with the criteria set out in the MMLR of Bursa Securities.

Article 93 of the Company's Articles of Association states that the total number of Directors shall not be less than two (2) and not more than twelve (12) Directors. The Board currently consists of six (6) members, comprising of three (3) Non-Independent Executive Directors and three (3) Independent Non-Executive Directors. The Company has complied with the Paragraph 15.02 of the MMLR of Bursa Securities, whereby currently 50% of its Board members are Independent Non-Executive Directors.

The three (3) Independent Non-Executive Directors of the Company, namely Puan Fina Norhizah binti Haji Baharu Zaman, Dato' Haji Ab Wahab bin Haji Ibrahim and Encik Ainul Azhar bin Ainul Jamal are independent from Management and are able to exercise independent judgement and participate positively in all the Board's deliberations. They also play a pivotal role in corporate accountabilities as they provide unbiased and independent views, advice, opinions and judgement at Board and Board Committees deliberations as well as safeguard the interests of other parties such as minority shareholders and other stakeholders.

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

The Independent Non-Executive Directors, in the course of delivering their duties are expected to represent the shareholders' and stakeholders' interests and expectation in the following areas:-

Strategy	- constructively challenge and help develop proposals on strategy;
Performance	- scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
Risk	- be satisfied with the accuracy of financial information and that financial controls and systems of risk management are robust and defensible;
People	- be responsible in determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing Executive Directors;
Committee	- serve on any committee(s) of the Board as required from time to time and attend meetings of any such committee(s);
Compliance	- at all times comply with the Memorandum and Articles of Association of the Company and all required laws, rules and regulations governing the Company;

Statement of Corporate Governance

Fiduciary	-	abide by the fiduciary duties as a director of the Company;
Diligent	-	diligently perform the duties and use best endeavours to promote, protect, develop and expand the business of the Company; and
Report	-	immediately report any wrongdoing or proposed wrongdoing of any other employee or director of the Company to the Chairman.

The Board is of the view that the current composition is a mix of knowledge, skills and expertise relevant to the Company's operations which provides strong and effective leadership, strategic direction and necessary governance to Alam Maritim Group. The profiles of the respective Directors are set out on pages 28 to 33 of this Annual Report.

Independence of the Board of Directors

During the financial year under review, the Board of Directors assessed the independence of its Independent Non-Executive Directors based on criteria set out in Paragraph 1.01 of the MMLR of Bursa Securities.

The Board has taken note on the MCCG 2012's recommendations on the tenure of an independent director that should not exceed a cumulative term of nine (9) years. However, an Independent Non-Executive Director may continue to serve the Board of Directors upon reaching the nine (9) year limit subject to the Independent Non-Executive Director's re-designation as a Non-Independent Non-Executive Director. In the event the Board of Directors intends to retain the Director as Independent after the latter has served a cumulative term of nine (9) years, the Board of Directors must justify the decision and seek shareholders' approval at general meeting.

In justifying the decision, the Board Nomination and Remuneration Committee ("BNRC") is entrusted to assess the candidate's suitability to continue as an Independent Non-Executive Director based on the criteria on independence.

At the coming Annual General Meeting 2014, the Company will seek its shareholders' mandate to retain Dato' Haji Ab Wahab bin Haji Ibrahim as an Independent Non-Executive Director of the Company. He has served the Company as an Independent Non-Executive Director since 2 May 2006, for a cumulative period of over nine (9) years.

The BNRC has made the necessary assessment and recommended to the Board of Directors that Dato' Haji Ab Wahab be retained as an Independent Director of the Company based on his ability to maintain his independence of judgment and to express and maintain unbiased views without any influence. Dato' Haji Ab Wahab has a good understanding of the Company's business, the challenges faced by the Company and the environment in which the Company operates. The Board values his contribution to the Company and he is also committed in performing his functions and duties as the Chairman of the Board Audit Committee, including but not limited to attendance at Board and Board Committees' meetings. This proposed resolution is in line with the recommendation under the MCCG 2012 and this would allow him to continue to serve as Chairman of the Board Audit Committee, pursuant to the requirement of Paragraph 15.10 of the MMLR of Bursa Securities.

The BNRC will continue, on an annual basis, to assess the independence of Independent Non-Executive Directors.

Statement of Corporate Governance

Board Meetings

The Company Secretary pre-schedule at least five (5) board meetings in a year to enable the Board to deliberate and consider pertinent strategic matters including review on quarterly financial results, corporate plans and annual budget, risk assessment, debtors' analysis & controls and other corporate matters reserved for the Board's decisions. The Board Members have no issue regarding their time commitment and attention to the affairs of the Company. They have successfully attended most of the meetings during the financial year. The attendance of the members of Board at the Board meetings held during the financial year ended 31 December 2014, details of which are set out as below:-

Board of Directors	Designation	Meeting Attendance
Fina Norhizah binti Haji Baharu Zaman *(Appointed as Chairman on 21 August 2014)*	Independent Non-Executive Director	5/5
Datuk Azmi Bin Ahmad	Non-Independent Executive Director	5/5
Shaharuddin Bin Warno @ Rahmad	Non-Independent Executive Director	5/5
Ahmad Hassanudin Bin Ahmad Kamaluddin	Non-Independent Executive Director	5/5
Dato' Haji Ab Wahab bin Haji Ibrahim	Independent Non-Executive Director	5/5
Ainul Azhar bin Ainul Jamal *(Appointed as Board Member on 1 October 2014)*	Independent Non-Executive Director	1/1
Mohd Abd Rahman bin Mohd Hashim *(Resigned as Board Member on 5 December 2014)*	Non-Independent Non-Executive Director	3/5

The current board members have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated by the MMLR of Bursa Securities.

The schedule of meeting calendar which provide the tentative schedule dates for meetings of the Board, Committees and Annual General Meeting is circulated to Directors before the beginning of each calendar year.

Board Gender Diversity

The presence of Puan Fina Norhizah binti Haji Baharu Zaman on the Board since the year 2011, sends the message that the gender diversity is welcomed and appreciated by the Board. The Board strongly feels that appropriate diversities shall enhance efficiency and effectiveness of the Board and welcomes any forms of positive diversity that brings on synergy, including ethnic and religion.

Board Assessment

In respect of 2014, the Board adopted an internally developed criteria and templates for assessment on the effectiveness of the Board as a whole, Board Committees, contribution of each individual director and independence of Independent Directors, as recommended by the BNRC. Based on the findings of the assessment, the Board will be continuing to discuss on the contribution and performance of Directors on their competency, time commitment, integrity and experience in meeting the needs of the Group and suggestions to enhance Board effectiveness. The evaluation process involved a peer and self-review assessment, where Directors assessed their own and also their fellow Directors' performance and was led by the Chairman of the BNRC and supported by the Company Secretary. All assessments and evaluations carried out by the BNRC in discharge of its functions were properly documented. From the results of the assessment, which include the mix of skills and experience possessed by the Directors, the Board considers the recommendations on the re-election and re-appointment of Directors.

Statement of Corporate Governance

Re-Appointment and Re-election of Directors

Pursuant to Section 129(2) of the Companies Act, 1965, directors who are over 70 years of age may be re-appointed as a Director to serve until the end of the next Annual General Meeting ("AGM"). Currently, all of the Directors are below 70 years of age.

In accordance with Article 100 of the Company's Articles, newly appointed Directors during the year must offer themselves to the shareholders for re-election at the first AGM following their appointment. Article 94 states that one-third (1/3) of the Board of Directors for the time being, are subject to retirement by rotation at every AGM but shall be eligible for re-election. The Directors to retire each year are the Directors who have been longest in office since their appointment or re-election.

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

The Directors standing for re-election/re-appointment at the forthcoming AGM of the Company are as follows:-

Name	Designation	Articles of Association
Puan Fina Norhizah binti Haji Baharu Zaman	Independent Non-Executive Director	94
Dato' Haji Ab Wahab bin Haji Ibrahim	Independent Non-Executive Director	94
Encik Ainul Azhar bin Ainul Jamal	Independent Non-Executive Director	100

Information of each Director standing for re-election is set out on pages 28, 32 and 33 of the Annual Report.

Directors' Training

The Board of Directors of the Company understood the dynamics of the oil and gas services industry. It is mindful that continuous learning is a matter of concern in order to keep abreast with changes and developments in the market place and the corporate regulatory framework. The Directors have attended training programmes and seminars to keep abreast with relevant developments in the business environment as well as new regulatory requirements on continuous basis in compliance with Paragraph 15.08 of the MMLR of Bursa Securities.

Any Director appointed to the Board of Directors is required to complete the Mandatory Accreditation Programme ("MAP") within four (4) months from the date of appointment. Encik Ainul Azhar, being a new Director, appointed in October 2014, has attended and completed the MAP training on 14 to 15 January 2015.

During the financial year 2014, the training programmes, seminars and briefings attended by the Directors were as follows:-

1. 6th Annual Corporate Governance Summit
2. GST – What It's All About and How To Go About
3. Internal Audit Conference
4. Advocacy Session for Corporate Disclosure

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

Statement of Corporate Governance

Supply of Information

The Board recognises that the decision making process is highly contingent on the quality of information furnished. As such, the members of the Board in the course of performing their duties, have unlimited access to all information about the Group's business affairs, advice and services of the Company Secretary and Senior Management. If necessary, the Board may seek independent professional advice on the affairs of the Group, including that of External Auditors.

Beyond the main responsibility of maximising shareholders' value, the Board has taken into consideration the interests and values of its business partners and other stakeholders. The Board in ensuring sustainability of the business has been supportive towards initiatives of the Government and business partners in promoting ethical business conducts and creating a business environment that is free from elements of corruption. The Board urges that the Group's integrity is maintained in all business conducts and interactions with its business partners, including the Government.

The Board also emphasises on the importance of health, safety and employees' sustainability by ensuring that priority and sufficient resources are given to address their interests in addition to the focus on the bottom line figures. Further, the Board with full commitment towards promoting the Health, Safety and Environment in the Group's operations and business activities ensures that compliance to laws and regulations in relation to environmental protection is one of the items of review at the Board Risk Management Committee. A more detailed report on the Group's Corporate Sustainability and Corporate Social Responsibility initiatives, involvements and activities is set out on page 36 to 49 of this Annual Report.

BOARD COMMITTEES

In ensuring the effectiveness of the Board's function in shaping the Company's strategic direction and providing advice to management, the Board has delegated specific responsibilities to three (3) Board's Committees, namely Board Audit Committee, Board Nomination and Remuneration Committee and Board Risk Management Committee.

These committees have clear defined terms of reference 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) Board Audit Committee ("BAC")

The objective of the BAC is to assist the Board to review the adequacy and integrity of the Company's and Group's internal control systems and management information systems. The composition, summary of activities and terms of reference of the BAC can be found in the Report from the BAC on pages 56 to 61 of this Annual Report.

(ii) Board Nomination and Remuneration Committee ("BNRC")

- To identify and recommend new nominees of the Board and recommend the compensation packages for these appointments;
- To assist the Board in reviewing the required mix of skills, experience and other qualities, including the competencies that the non-executive directors should bring to the Board;
- To review, assess, determine and recommend the level and make-up of the overall remuneration packages of the Executive Directors;
- To carry out a 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 chief operating officer; and
- To document and report to the Board the result of assessment for the Board's proper evaluation and identification of relevant action programmes.

Statement of Corporate Governance

The BNRC ensures that prospective candidate has the required set of personal qualities and competencies to carry out duties and responsibilities as a director. The incumbent's professionalism, integrity, skills and expertise must be seen to contribute and complement the Board existing strengths. For a good corporate governance practice, the BNRC agreed each committee to be chaired by different independent director.

The members of the BNRC are as follows:

Fina Norhizah binti Haji Baharu Zaman
Independent Non-Executive Director
(Chairman of BNRC)

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

Ainul Azhar bin Ainul Jamal
Independent Non-Executive Director
(Appointed as Member with effect from 1 October 2014)

Datuk Azmi bin Ahmad
Non-Independent Executive Director

Shaharuddin bin Warno @ Rahmad
Non-Independent Executive Director

Mohd Abd Rahman bin Mohd Hashim
Non-Independent Non-Executive Director
(Resigned as Member with effect from 5 December 2014)

The BNRC met once during the financial year ended 2014.

(iii) Board Risk Management Committee (“BRMC”)

In the Group, risk management is dealt with at two (2) levels. At the Board level, the BRMC is chaired by Encik Ainul Azhar bin Ainul Jamal, Independent Non-Executive Director and at the working level, Group Risk Management Working Committee (“GRMWC”) is chaired by Encik Ahmad Hassanudin bin Ahmad Kamaluddin, Executive Director.

The BRMC is set to meet quarterly to review the effectiveness of the Group's Risk Management System.

The terms of reference of the BRMC are as follows:

- 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.

Statement of Corporate Governance

The members of the BRMC are as follows:

Name of Directors	Designation	Meeting Attendance
Ainul Azhar bin Ainul Jamal *(Appointed as Member on 1 October 2014 and BRMC Chairman on 1 March 2015)*	Independent Non-Executive Director	1/1
Fina Norhizah binti Haji Baharu Zaman *(Resigned as BRMC Chairman on 1 March 2015 but remained as Member)*	Independent Non-Executive Director	4/4
Dato' Haji Ab Wahab bin Haji Ibrahim	Independent Non-Executive Director	4/4
Shaharuddin Bin Warno @ Rahmad	Non-Independent Executive Director	3/4
Datuk Azmi Bin Ahmad *(Alternate Member to Shaharuddin bin Warno @ Rahmad)*	Non-Independent Executive Director	3/4
Ahmad Hassanudin Bin Ahmad Kamaluddin	Non-Independent Executive Director	4/4

The BRMC works closely with the GRMWC to deliberate most of the corporate and operational risks of the Group. The GRMWC implements the Risk Management Framework and Policy for the Group, assesses potential risks and monitors the risk register and reports the summary of risk management issues and initiatives to the BRMC. The half yearly report is then shared with the Board Members for information and feedback.

Over and above the BRMC and GRMWC, the Board has identified an Internal Audit function that reports directly to the BAC. The functions of Internal Audit amongst others include conducting regular reviews and appraisals of the effectiveness of the risk management and internal controls and governance system in the Group. Further details of the Internal Audit function and activities are set out in the Internal Control Statement in this Annual Report.

DIRECTORS' REMUNERATION

In the Company, the determination of remuneration packages of the Directors is a matter for the Board as a whole, whereas the BNRC deliberates, proposes and reviews the remuneration packages of directors and key personnel. The remuneration packages of both Executive Directors and Non-Executive Directors are drawn based on internal guidelines, considering the level of responsibilities, expertise and contribution to the Board and Board Committees. They are also benchmarked against the survey of remuneration packages of other public listed companies in similar industry and within the same band of market capitalisation.

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

Statement of Corporate Governance

The aggregate remuneration of Directors for the financial year ended 31 December 2014 is as follows:-

Description	Executive Directors	Non-Executive Directors	Total
Basic Salary & Other emoluments	4,614,338	29,000	4,643,338
Fees	-	317,040	317,040
Total	4,614,338	346,040	4,960,378

Remuneration Band	Executive	Non-Executive
RM1 – RM50,000	-	1
RM50,000 – RM100,000	-	1
RM100,001 – RM150,000	-	2
RM1,100,000 – RM1,150,000	1	-
RM1,550,000 – RM1,600,000	1	-
RM1,900,000 – RM1,950,000	1	-

The Non-Executive Directors' remuneration band includes Encik Mohd Abd Rahman Mohd Hashim's remuneration who resigned on 5 December 2014.

UPHOLD INTEGRITY IN FINANCIAL REPORTING

The Board is responsible for presenting 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 with assistance from the BAC undertakes detailed review of all financial statements prepared for statutory disclosures. The BAC shall ensure that the Group's financial statements comply with applicable financial reporting standards. Details of the Company and the Group financial statements for the financial year ended 31 December 2014 are set out on pages 77 to 165 of this Annual Report.

The BAC upon recommendation by the External Auditors has mandated the Management to strengthen the Finance & Accounts Department of the Group to provide a higher quality financial reporting to the stakeholders.

The Board, through the BAC maintains a formal and transparent relationship with the External Auditors. The BAC had convened four (4) meetings with the External Auditors without the presence of Executive Directors and officers to discuss the audit findings for financial year ended 2014.

Statement of Corporate Governance

QUALITY DISCLOSURE

The Board believes that transparent reporting and clear communication is integral to the success of the Group and strives to ensure that its stakeholders are kept well informed of the Group's development and activities. In terms of preparing quality disclosures for the shareholders and other stakeholders, the Group uses the Corporate Disclosure Policy issued by Bursa Malaysia Securities Berhad and other standard imposed by governing bodies as the main guidance in preparing disclosure materials.

Dissemination of disclosure materials as well as corporate and related market information to the shareholders are mainly by the internet through the Bursalink, Group's website, particularly the investor relation section as well as the printed media, such as the annual report and circulars or statements to the shareholders.

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

STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

The Company recognises the importance of an effective two-way communication with its shareholders at general meetings. The Board allocates time and welcomes questions and feedback regarding directions, operations, financials and proposed resolutions from the shareholders at the general meeting. In the past, all queries of shareholders including those from the Minority Shareholders Watchdog Group had been well addressed by the Board.

In the past, about 90% of the shareholders of the Company appointed proxies to attend and vote on their behalf at general meetings. Hence, the Board feels that the current mode of voting by show of hands is still relevant and cost effective for the Company. The Board shall continue to encourage shareholders' active participation, particularly in exercising their right to vote at the Company's general meetings. In the future, with the readiness and support of technology, the Board shall look into the possibility of adopting a more advanced and efficient mode of voting such as electronic poll voting for the resolutions tabled at the general meetings.

OTHER DISCLOSURE REQUIREMENTS

The following information is provided in compliance with paragraph 9.25 of the Bursa Malaysia Listing Requirements:-

Status of Utilisation of Proceeds raised from any Corporate Proposal

The status of the utilisation of proceeds of RM166.05 million from the Proposed Share Issuance as at 27 April 2015 are as follows:-

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Intended timeframe for utilisation
Acquisition of an OSV and/or general working capital	67,170	2,939	Within 12 months
Repayment of bank borrowings	95,080	94,776	Within 3 months
Estimated Expenses in relation to the Proposed Share Issuance	3,800	3,771	Within 1 month
Total	166,050	101,486	

Statement of Corporate Governance

Share Buybacks

There were no share buybacks exercised by the Company during the financial year ended 31 December 2014.

Options, Warrants or Convertible Securities

A total of 163,187 units of ESOS Options were exercised for the financial year ended 31 December 2014.

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

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

Non-Audit Fees

There were non-audit fees amounting to RM30,000.00 payable to the External Auditors during the financial year.

Imposition of Sanctions/Penalties

There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management arising from any significant breach of rules/guidelines/legislations by the relevant regulatory bodies during the financial year under review.

Variation in Results

There was no variation in results (differing by 10% or more) from any profit estimated forecast/projection of unaudited results 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 2014 or entered into during the financial year under review.

This statement is made in accordance with a resolution of the Board of Directors dated 28 April 2015.

Statement on Risk Management and Internal Control

RESPONSIBILITY

The Board of Directors of Alam Maritim Resources Berhad (Board) affirms its overall responsibility and accountability for the Group's system of internal control and risk management which includes the establishment of an appropriate control environment and framework. It is recognised that the Group's system of internal control can only provide reasonable but not absolute assurance against any occurrence of material misstatement or loss, and that the risk management process is designed to manage or minimise risks that hinder the Group from achieving its goals and objectives.

The Board confirms that there is a continuous process of reviewing and reporting the adequacy and integrity of the Group's system of internal control and risk management to provide reasonable assurance in safeguarding shareholders' investments, Group's assets and other stakeholders' interests. The process is regularly reviewed by the Board via the BAC and accords with the guidelines for directors on internal control, the Statement on Risk Management and Internal Control: Guidance for Directors of Public Listed Companies.

KEY INTERNAL CONTROL PROCESS

CONTROL ENVIRONMENT

Board Committees

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

Independence of the Board Audit Committee

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

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.

RISK MANAGEMENT

Risk management is regarded by the Board to be an integral part of the business operations. Management is responsible for creating a risk awareness culture and for building the necessary knowledge of 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.

Statement on Risk Management and Internal Control

Board Risk Management Committees

The BRMC comprised of three Independent Non-Executive members. The Group Managing Director, Group Chief Operating Officer, Group Executive Director, Group Chief Financial Officer and Head of Group Internal Audit and Risk Management attended BRMC meetings as invitees.

The BRMC delegates to the Group Risk Management Working Committee ("GRMWC"), the responsibility for creating a risk-aware culture and building the necessary knowledge for risk management at every level of management. The GRMWC is responsible for ensuring the effective implementation of the Group Risk Management Framework and the management of risks and controls associated with Group operations as well as compliance to applicable laws and regulations. The GRMWC is also responsible for periodical reporting of key risk exposures to the BRMC.

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

Risk Management Framework

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

Accountability for Risk Management

Managing risks is a shared responsibility and is integrated within the Group's governance, business processes and operations. Employees' and Management's commitment towards risk management process is constantly emphasised and reinforced through the establishment of GRMWC and group discussion together with the monitoring and facilitation exercise by the Group Internal Audit and Risk Management department.

Risk Reporting

The Risk Management Framework provides for regular review and reporting. On continuing basis, the Group Internal Audit and Risk Management department co-ordinates with all the operating units to regularly review and update the group risk register. Potential major risks and mitigation plans and action taken were discussed at GRMWC and are reported to the BRMC and the Board of Directors.

Statement on Risk Management and Internal Control

CONTROL ACTIVITIES

Policies, Procedures and Limits of Authority

Well defined financial limits of authority on all financial commitments for each level of management within the Group and clearly documented internal policies, standards and procedures are in place 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.

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.

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.

INFORMATION AND COMMUNICATION

Timely communication of relevant information such as the Group's achievement and changes with regard to corporate and organisational structure and policies and procedures, enabling employees to focus on and perform their responsibilities effectively.

The Heads of operating entities within the Group also participate in business dialogue programs with Senior Management of the Group to discuss on strategies and challenges faced towards achieving the business goals and objectives.

MONITORING

Management Visit

Directors and Senior Management conduct regular visits to branch offices, project sites, customers and business partners' offices to review the Group's operations and gain better understanding to facilitate informed decision making.

Internal Audit Function

Periodic examination of business process and the state of internal control by the Group 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 BAC.

Statement on Risk Management and Internal Control

Performance Management

In order to nurture the quality and competencies of employees, continuing education, training and development programs are emphasised to enable employees to discharge their duties effectively.

Progressively, employees' performance are measured according to the sets of key performance indicators aligned to their functions as assigned to them in which they are expected to accomplish.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Bursa Malaysia Listing Requirements, the External Auditors have reviewed this Internal Control Statement. Their review was performed in accordance with the Recommended Practice Guide (RPG) 5 issued by the Malaysian Institute of Accountants.

Based on their review, the External Auditor have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of internal control of the Group. RPG 5 does not require the External Auditors consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures.

CONCLUSION

For the financial year under review, based on inquiry, information and assurance provided by Managing Director and Group Chief Financial Officer, the Board is of the opinion that the system of internal controls and risk management processes are adequate and sound to provide reasonable assurance in safeguarding shareholders' investments, the Group's assets and other stakeholders' interests as well as in addressing key risks impacting the business operations of the Group. There was no major internal control weakness identified that may result in any material loss or uncertainty that would require disclosure in this annual report.

This Statement on Internal Control has been prepared in line with the Bursa Malaysia Listing Requirements and guided by the Statement on Risk Management and Internal Control – Guidance for Directors of Public Listed Companies. The statement has been approved by the Board at its meeting on 28 April 2015.

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 2014.

Principal activities

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 15 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	60,729,217	857,977
Profit for the year attributable to:		
Owners of the parent	60,702,032	857,977
Non-controlling interests	27,185	-
	60,729,217	857,977

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.

Dividend

The directors do not recommend any dividend in respect of the financial year ended 31 December 2014

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:

Fina Norhizah binti Haji Baharu Zaman
Dato' Haji Ab Wahab bin Haji Ibrahim
Datuk Azmi bin Ahmad
Shaharuddin bin Warno @ Rahmad
Ahmad Hassanudin bin Ahmad Kamaluddin
Ainul Azhar bin Ainul Jamal (Appointed on 1 October 2014)
Mohd Abd Rahman bin Mohd Hashim (Resigned on 5 December 2014)

Directors' Report

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 as further disclosed in Note 31 to the financial statements.

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 7 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 1.1.2014	**Acquired**	**Sold**	**At 31.12.2014**
Direct interest:				
Dato' Haji Ab Wahab bin Haji Ibrahim	1,500	-	-	1,500
Datuk Azmi bin Ahmad	2,292,748	-	-	2,292,748
Shaharuddin bin Warno @ Rahmad	1,609,900	-	(1,600,000)	9,900
Ahmad Hassanudin bin Ahmad Kamaluddin	1,875	-	-	1,875
Fina Norhizah binti Haji Baharu Zaman	-	64,000	(30,000)	34,000
Indirect interest:				
Datuk Azmi bin Ahmad	122,161,028	49,562,315	(6,350,000)	165,373,343
Shaharuddin bin Warno @ Rahmad	121,945,403	49,562,315	(6,300,000)	165,207,718
Mohd Abd Rahman bin Mohd Hashim	104,524,630	-	(104,524,630)	-
Ahmad Hassanudin bin Ahmad Kamaluddin	123,750	-	-	123,750

	Number of options over ordinary shares of RM0.25 each			
	At 1.1.2014	**Granted**	**Exercised**	**At 31.12.2014**
Datuk Azmi bin Ahmad	3,309,900	-	-	3,309,900

Issue of shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM200,324,434 to RM231,115,231 by way of issuance of 123,000,000 ordinary shares of RM0.25 each for cash at an issue price of RM1.35 per ordinary share.

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

Subsequent event

Details of subsequent event are disclosed in Note 38 to the financial statements.

Directors' Report

Other statutory information

(a) Before the statements of comprehensive income and statements of financial position 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;

(ii) to ensure that any current assets which were unlikely to realise their values 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 inadequate to any substantial extent in respect of these financial statements; 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) At the date of this report, there does not exist:

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

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 21 April 2015.

Dato' Haji Ab Wahab bin Haji Ibrahim **Datuk Azmi bin Ahmad**

Statement by Directors

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

We, Dato' Haji Ab Wahab bin Haji Ibrahim and Datuk Azmi bin Ahmad, being two of the directors of Alam Maritim Resources Berhad, state that, in the opinion of the directors, the accompanying financial statements set out on pages 84 to 164 are drawn up, in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements 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 2014 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out in Note 40 to the financial statements on page 165 have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the directors dated 21 April 2015.

Dato' Haji Ab Wahab bin Haji Ibrahim **Datuk 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 84 to 164 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 21 April 2015. **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 statements of financial position as at 31 December 2014 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 84 to 165.

Directors'responsiblity for thefinancialstatements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 judgement, 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 entity's preparation of financial statements that give true and fair view 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 entity'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 give a true and fair view of the financial position of the Group and of the Company as at 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 ("Act") 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 financial statements and the auditors' report of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 15 to the financial statements, being financial statements that have been included in the consolidated financial statements.

(c) We are satisfied that the financial statements 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 financial statements 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.

Independent Auditors' Report

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

Other reporting responsibilities

The supplementary information set out in Note 40 to the financial statements on page 165 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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

Nik Rahmat Kamarulzaman bin Nik Ab. Rahman
No. 1759/02/16(J)
Chartered Accountant

Kuala Lumpur, Malaysia
21 April 2015

Statements of Comprehensive Income

For the financial year ended 31 December 2014

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Revenue	4	391,584,354	447,397,406	-	-
Cost of sales	4	(320,579,813)	(354,718,676)	-	-
Gross profit		71,004,541	92,678,730	-	-
Other income	5	18,960,043	19,020,302	16,025,411	17,646,897
Employee benefits expense	6	(29,722,097)	(31,767,265)	(405,877)	(402,717)
Other expenses		(13,756,179)	(23,555,746)	(740,169)	(883,210)
Operating profit		46,486,308	56,376,021	14,879,365	16,360,970
Finance costs	8	(24,006,397)	(30,238,035)	(14,275,644)	(17,273,726)
Share of results of associates		21,210,352	22,483,809	-	-
Share of results of joint ventures		22,943,207	30,039,683	-	-
Profit/(loss) before tax	9	66,633,470	78,661,478	603,721	(912,756)
Income tax (expense)/credit	10	(5,904,253)	(4,160,379)	254,256	(759,761)
Profit/(loss) for the year		60,729,217	74,501,099	857,977	(1,672,517)
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):					
Foreign currency translation, representing other comprehensive income for the year, net of tax		102,416	677,972	-	-
Total comprehensive income for the year		60,831,633	75,179,071	857,977	(1,672,517)
Profit/(loss) attributable to:					
Owners of the parent		60,702,032	74,304,985	857,977	(1,672,517)
Non-controlling interests		27,185	196,114	-	-
		60,729,217	74,501,099	857,977	(1,672,517)
Total comprehensive income attributable to:					
Owners of the parent Non-controlling interests		60,804,448	74,982,957	857,977	(1,672,517)
		27,185	196,114	-	-
		60,831,633	75,179,071	857,977	(1,672,517)
Earnings per share attributable to owners of the parent:					
Basic (Sen)	11(a)	7.0	9.4		
Diluted (Sen)	11(b)	6.9	9.2		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position
As at 31 December 2014

Group	Note	2014 RM	2013 RM
Assets			
Non-current assets			
Property, vessels and equipment	13	528,501,444	545,535,482
Intangible assets	14	1,358,222	1,512,611
Investments in associates	16	73,418,025	132,361,166
Interests in joint ventures	17	256,400,193	151,808,908
Deferred tax assets	18	7,041,998	11,562,405
Trade receivables	20	1,182,638	1,182,638
		867,902,520	843,963,210
Current assets			
Inventories	19	4,926,661	3,752,481
Trade receivables	20	185,109,720	264,025,585
Other receivables	21	102,446,034	236,538,173
Tax recoverable		3,655,029	3,246,366
Cash and bank balances	22	245,030,608	135,187,316
		541,168,052	642,749,921
Total assets		1,409,070,572	1,486,713,131
Equity and liabilities			
Current liabilities			
Borrowings	26	186,214,344	311,309,120
Trade payables	29	156,419,895	205,110,572
Other payables	30	21,377,137	30,429,511
Tax payable		137,790	64,491
		364,149,166	546,913,694
Net current assets		177,018,886	95,836,227

Statements of Financial Position
As at 31 December 2014

Group (cont'd.)	Note	2014 RM	2013 RM
Non-current liabilities			
Borrowings	26	134,204,073	251,033,484
Deferred tax liabilities	18	80,079,674	81,679,942
		214,283,747	332,713,426
Total liabilities		578,432,913	879,627,120
Net assets		830,637,659	607,086,011
Equity attributable to owners of the parent			
Share capital	23	231,115,231	200,324,434
Share premium	23	165,199,735	33,206,711
Other reserves	24	(3,145,861)	(3,184,471)
Retained earnings		436,912,498	376,210,466
		830,081,603	606,557,140
Non-controlling interests		556,056	528,871
Total equity		830,637,659	607,086,011
Total equity and liabilities		1,409,070,572	1,486,713,131
Company			
Assets			
Non-current assets			
Property, vessels and equipment	13	-	233,191
Investment in subsidiaries	15	100,303,120	100,302,070
		100,303,120	100,535,261
Current assets			
Amounts due from subsidiaries	28	406,303,631	416,370,628
Other receivables	21	107,385	3,120
Tax recoverable		504,256	-
Cash and bank balances	22	122,098,639	32,324,395
		529,013,911	448,698,143
Total assets		629,317,031	549,233,404
Equity and liabilities			
Current liabilities			
Borrowings	26	115,000,000	78,048,641
Other payables	30	913,659	6,088,313
		115,913,659	84,136,954
Net current assets		413,100,252	364,561,189

Statements of Financial Position
As at 31 December 2014

	Note	2014 RM	2013 RM
Company (cont'd.)			
Non-current liabilities			
Borrowings	26	115,000,000	230,271,070
Total liabilities		230,913,659	314,408,024
Net assets		398,403,372	234,825,380
Equity attributable to owners of the parent			
Share capital	23	231,115,231	200,324,434
Share premium	23	165,199,735	33,206,711
Employee share option reserve	24	94,946	158,752
Retained earnings	25	1,993,460	1,135,483
Total equity		398,403,372	234,825,380
Total equity and liabilities		629,317,031	549,233,404

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

For the financial year ended 31 December 2014

Group	Share capital (Note 23) RM	Share premium (Note 23) RM	Other reserves (Note 24) RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
	← Attributable to owners of the parent →						
	← Non-distributable →			Distributable			
Opening balance at 1 January 2013	196,802,315	24,095,508	774,467	303,902,468	525,574,758	2,404,440	527,979,198
Total comprehensive income for the year	-	-	677,972	74,304,985	74,982,957	196,114	75,179,071
Transactions with owners:							
Dividends (Note 12)	-	-	-	(1,996,987)	(1,996,987)	-	(1,996,987)
Issue of ordinary shares pursuant to employee share options	3,522,119	9,111,203	(5,508,593)	-	7,124,729	-	7,124,729
Acquisition of non-controlling interests	-	-	871,683	-	871,683	(2,071,683)	(1,200,000)
Total transactions with owners	3,522,119	9,111,203	(4,636,910)	(1,996,987)	5,999,425	(2,071,683)	3,927,742
Closing balance at 31 December 2013	200,324,434	33,206,711	(3,184,471)	376,210,466	606,557,140	528,871	607,086,011

Group	Share capital (Note 23) RM	Share premium (Note 23) RM	Other reserves (Note 24) RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
	← Attributable to owners of the parent →						
	← Non-distributable →			Distributable			
Opening balance at 1 January 2014	200,324,434	33,206,711	(3,184,471)	376,210,466	606,557,140	528,871	607,086,011
Total comprehensive income for the year	-	-	102,416	60,702,032	60,804,448	27,185	60,831,633
Transactions with owners:							
Issue of ordinary shares	30,750,000	135,260,253	-	-	166,010,253	-	166,010,253
Issue of ordinary shares pursuant to employee share options	40,797	63,806	(63,806)	-	40,797	-	40,797
Share issuance expense	-	(3,331,035)	-	-	(3,331,035)	-	(3,331,035)
Total transactions with owners	30,790,797	131,993,024	(63,806)	-	162,720,015	-	162,720,015
Closing balance at 31 December 2014	231,115,231	165,199,735	(3,145,861)	436,912,498	830,081,603	556,056	830,637,659

Statements of Changes in Equity
For the financial year ended 31 December 2014

Company	Share capital (Note 23) RM	Non-Distributable Share premium (Note 23) RM	Other reserves (Note 24) RM	Distributable Retained earnings (Note 25) RM	Total equity RM
At 1 January 2013	196,802,315	24,095,508	5,667,345	4,804,987	231,370,155
Total comprehensive income for the year	-	-	-	(1,672,517)	(1,672,517)
Transactions with owners:					
Dividend (Note 12)	-	-	-	(1,996,987)	(1,996,987)
Issue of ordinary shares pursuant to employee share options	3,522,119	9,111,203	(5,508,593)	-	7,124,729
Total transactions with owners	3,522,119	9,111,203	(5,508,593)	(1,996,987)	5,127,742
At 31 December 2013	200,324,434	33,206,711	158,752	1,135,483	234,825,380
At 1 January 2014	200,324,434	33,206,711	158,752	1,135,483	234,825,380
Total comprehensive income for the year	-	-	-	857,977	857,977
Transactions with owners:					
Issue of ordinary shares	30,750,000	135,260,253	-	-	166,010,253
Issue of ordinary shares pursuant to employee share options	40,797	63,806	(63,806)	-	40,797
Share issuance expense	-	(3,331,035)	-	-	(3,331,035)
Total transactions with owners	30,790,797	131,993,024	(63,806)	-	162,720,015
At 31 December 2014	231,115,231	165,199,735	94,946	1,993,460	398,403,372

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Cash Flows

For the financial year ended 31 December 2014

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Operating activities				
Profit/(loss) before tax	66,633,470	78,661,478	603,721	(912,756)
Adjustments for:				
Interest income	(6,981,501)	(10,235,411)	(1,752,518)	(390,302)
Interest recharged to subsidiaries	-	-	(14,272,893)	(17,256,595)
Depreciation of property, vessels and equipment	39,514,378	42,742,596	-	90,268
(Gain)/loss on disposal of property, vessels and equipment	(4,691,931)	(5,710,546)	33,191	-
Finance costs	24,006,397	30,238,035	14,275,644	17,273,726
Impairment loss on trade receivables	811,062	44,031	-	-
Reversal of impairment on trade receivables	(151,281)	(303,915)	-	-
Impairment loss on interests in joint venture	417,914	-		
Net unrealised foreign exchange gain	(1,936,703)	(390,653)	-	-
Amortisation of intangible assets	66,178	64,738	-	
Share of results of associates	(21,210,352)	(22,483,809)	-	-
Share of results of joint ventures	(22,943,207)	(30,039,683)	-	
Property, vessels and equipment written off	171,292	-	-	-
Impairment of property, vessels and equipment	671,170	-	-	-
Impairment of goodwill	183,878	-	-	-
Total adjustments	7,927,293	3,925,383	(1,716,576)	(282,903)
Operating cash flows before working capital changes carried forward	74,560,764	82,586,861	(1,112,855)	(1,195,659)
Operating cash flows before working capital changes brought forward	74,560,764	82,586,861	(1,112,855)	(1,195,659)
Changes in working capital:				
(Increase)/decrease in inventories	(1,174,180)	4,486,919	-	-
Decrease/(increase) in receivables	211,401,472	(144,795,232)	(126,777)	267,673
(Decrease)/increase in payables	(57,708,674)	120,616,142	(5,462,803)	(2,799,531)
Total changes in working capital	152,518,618	(19,692,171)	(5,589,580)	(2,531,858)
Cash flows from/(used in) operations	227,079,382	62,894,690	(6,702,435)	(3,727,517)
Income tax (paid)/refund, net	(3,340,362)	(1,294,462)	(250,000)	195,025
Interest paid	(24,006,397)	(30,238,035)	(14,275,644)	(17,273,726)
Net cash flows from/(used in) operating activities	199,732,623	31,362,193	(21,228,079)	(20,806,218)

Statements of Cash Flows

For the financial year ended 31 December 2014

	Group		Company	
	2014 RM	**2013 RM**	**2014 RM**	**2013 RM**
Investing activities				
Purchase of property, vessels and equipment	(30,677,750)	(147,379,542)	-	-
Acquisition of non-controlling interests	-	(1,200,000)	-	-
Proceeds from disposal of property, vessels and equipment	13,107,808	157,253	200,000	-
Investments in subsidiaries	-	-	(1,050)	-
Decrease in amount due from subsidiaries	-	-	10,066,997	72,489,823
Interest received	6,981,501	10,235,411	16,025,411	17,646,897
Net cash flows (used in)/from investing activities	(10,588,441)	(138,186,878)	26,291,358	90,136,720
Financing activities				
Proceeds from Murabahah Commercial Papers ("MCP")/ Murabahah Medium Term Notes ("MMTN")	-	60,000,000	-	60,000,000
Repayment of MCP/MMTN	(38,008,000)	(55,000,000)	(38,008,000)	(55,000,000)
Redemption of Sukuk Ijarah Murabahah Term Notes ("MTN")	(40,000,000)	(90,000,000)	(40,000,000)	(90,000,000)
Proceeds from drawdown of term loans	1,353,283	194,655,673	-	-
Repayment of term loans	(133,636,712)	(5,132,490)	-	-
Proceeds from drawdown of revolving credits	12,669,286	30,000,000	-	-
Repayments of revolving credits	(40,000,000)	(23,469,286)	-	-
Repayment of hire purchase and finance lease liabilities	(5,345,078)	(3,141,959)	-	(38,237)
Net cash set aside for marginal deposit	(821,228)	(3,994,016)	-	-
Net cash set aside for collateral and sinking fund	(21,988,080)	15,189,607	-	-
Dividends paid	-	(1,996,987)	-	(1,996,987)
Proceeds from issuance of ordinary shares	162,718,965	7,124,729	162,718,965	7,124,729
Net cash flows (used in)/from financing activities	(103,057,564)	124,235,271	84,710,965	(79,910,495)
Net increase/(decrease) in cash and cash equivalents	86,086,618	17,410,586	89,774,244	(10,579,993)
Effect of exchange rate changes on cash and cash equivalents	(95,668)	(721,913)	-	-
Cash and cash equivalents at beginning of year	109,058,798	92,370,125	32,324,395	42,904,388
Cash and cash equivalents at end of year (Note 22)	195,049,748	109,058,798	122,098,639	32,324,395

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements
31 December 2014

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office is located at 38F, Level 3, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 15.

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 21 April 2015.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia.

At the beginning of the current financial year, the Group and the Company adopted new and revised MFRS, which are mandatory for the financial periods beginning on or after 1 January 2014 as disclosed in Note 2.2.

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2014, the Group and the Company adopted the following new and amended MFRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2014.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 132: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014

Notes to the Financial Statements

31 December 2014

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

2.2 Changes in accounting policies (cont'd.)

The nature and impact of the new and amended MFRS and IC Interpretations are described below:

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and "simultaneous realisation and settlement". These amendments are to be applied retrospectively. These amendments have no impact on the Group, since none of the entities in the Group has any offsetting arrangements.

Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under MFRS 10 Consolidated Financial Statements and must be applied retrospectively, subject to certain transition relief. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact on the Group, since none of the entities in the Group qualifies to be an investment entity under MFRS 10.

Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets

The amendments to MFRS 136 remove the requirement to disclose the recoverable amount of a cash-generating unit ("CGU") to which goodwill or other intangible assets with indefinite useful lives has been allocated when there has been no impairment or reversal of impairment of the related CGU. In addition, the amendments introduce additional disclosure requirements when the recoverable amount is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by MFRS 13 Fair Value Measurements.

The application of these amendments has had no material impact on the disclosures in the Group's and the Company's financial statements.

Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting

These amendments provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measure of hedge effectiveness. Retrospective application is required.

These amendments have no impact on the Group as the Group does not have any derivatives that are subject to novation.

IC Interpretation 21 Levies

IC 21 defines a levy and clarifies that the obligating event which gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. For a levy which is triggered upon reaching a minimum threshold, IC 21 clarifies that no liability should be recognised before the specified minimum threshold is reached. Retrospective application is required. The application of IC 21 has had no material impact on the disclosures or on the amounts recognised in the Group's and the Company's financial statements.

Notes to the Financial Statements
31 December 2014

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

2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14: Regulatory Deferral Accounts	1 January 2016
MFRS 15: Revenue from Contracts with Customers	1 January 2017
MFRS 9: Financial Instruments	1 January 2018

Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of an asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted.

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and
- gains and losses resulting from transactions involving the sale or contribution to an associate or a joint venture of assets that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after 1 January 2016. Earlier application is permitted.

Notes to the Financial Statements
31 December 2014

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

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

Amendments to MFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations

The amendments to MFRS 11 require that a joint operator which acquires an interest in a joint operations which constitute a business to apply the relevant MFRS 3 Business Combinations principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to MFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted.

Amendments to MFRS 127: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying MFRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of MFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to MFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

Amendments to MFRS 101: Disclosure Initiatives

The amendments to MFRS 101 include narrow-focus improvements in the following five areas:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. The amendments further clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. In addition, the amendments also provides that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries.

The amendments are to be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

MFRS 15: Revenue from Contracts with Customers

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFR 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Notes to the Financial Statements
31 December 2014

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

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

MFRS 15: Revenue from Contracts with Customers (cont'd.)

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, such as when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted.

MFRS 9: Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted.

The Group has not completed its assessment of the financial effects of standards and amendments to standards issued but not yet effective.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) Potential voting rights held by the Company, other vote holders or other parties;

(iii) Rights arising from other contractual arrangements; and

(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Notes to the Financial Statements
31 December 2014

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

2.4 Basis of consolidation (cont'd.)

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.8(a).

Notes to the Financial Statements
31 December 2014

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

2.5 Transactions with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

2.6 Foreign currencies

(a) Functional and presentation currency

The financial statements of the Group and of the Company are measured using the currency of the primary economic environment in which the Group and the Company operate ("the functional currency"). The consolidated financial statements are presented in RM, which is also the Company's functional currency.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss.

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 in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

Notes to the Financial Statements
31 December 2014

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

2.7 Property, vessels and equipment, and depreciation

All items of property, vessels and equipment are initially recorded at cost. The cost of an item of property, vessels and equipment is recognised as an asset if, and only if, 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.

Subsequent to recognition, property, vessels and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, vessels and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the vessels and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Vessels are depreciated in equal annual basis 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 range approximately between 2.5 to 5 years.

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:

Long term leasehold land	99 years
Leasehold building	2% to 3%
Diving equipment	10%
Equipment on vessel	10%
Motor vehicles	20%
Computers	33.3%
Office equipment	10%
Furniture and fittings	10%
Renovations	10%

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

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.

Notes to the Financial Statements
31 December 2014

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

2.8 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

(b) Other intangible assets

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

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

2.9 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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 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.

Notes to the Financial Statements
31 December 2014

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

2.9 Impairment of non-financial assets (cont'd.)

Impairment losses are recognised in profit or loss. An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment loss on goodwill is not reversed in a subsequent period.

2.10 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

(i) Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) Exposure, or rights, to variable returns from its investment with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for 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.

2.11 Investment in associates and joint ventures

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

On acquisition of an investment in associate or joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's or joint venture's profit or loss for the period in which the investment is acquired.

An associate or a joint venture is equity accounted for from the date on which the investee becomes an associate or a joint venture.

Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture after the date of acquisition. When the Group's share of losses in an associate or a joint venture equal or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Notes to the Financial Statements
31 December 2014

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

2.11 Investment in associates and joint ventures (cont'd.)

Profits and losses resulting from upstream and downstream transactions between the Group and its associate or joint venture are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of the associates and joint ventures are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group applies MFRS 139 Financial Instruments: Recognition and Measurement to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 Impairment of Assets as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

2.12 Financial instruments - initial recognition and subsequent measurement

(a) Financial assets

Initial recognition and measurement

Financial assets within the scope of MFRS 139 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classifications as described below and the only category applicable to the Group is loans and receivables:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

Notes to the Financial Statements
31 December 2014

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

2.12 Financial instruments - initial recognition and subsequent measurement

(a) Financial assets (cont'd.)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

(a) The rights to receive cash flows from the asset have expired.

(b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(b) Financial liabilities

Financial liabilities are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. The only category of the Group and of the Company is other financial liabilities.

Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Notes to the Financial Statements
31 December 2014

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

2.13 Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as finance income in the profit or loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the profit or loss.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management. Cash and cash equivalents which are restricted in its use for more than twelve months are classified as non-current assets.

Notes to the Financial Statements
31 December 2014

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

2.15 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 estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expense 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.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

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.

2.16 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.

2.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

If 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. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to the Financial Statements
31 December 2014

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

2.18 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2.19 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.20 Employee benefits

(a) 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.

(b) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employees Provident Fund ("EPF") in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(c) 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.

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 reporting 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.

Notes to the Financial Statements
31 December 2014

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

2.21 Leases

(a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. 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.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income are set out in Notes 2.22(a) and 2.22(d).

2.22 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:

(a) Charter hire of vessels and other shipping related income

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

(b) Revenue from offshore installation and construction

Revenue relating to offshore installation and construction are recognised in accordance with the policy set out in Note 2.15.

(c) Diving and sub-sea services

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

Notes to the Financial Statements
31 December 2014

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

2.22 Revenue recognition (cont'd.)

(d) Rental of equipment

Rental of equipment is recognised on straight-line basis over the term of the lease.

(e) Vessel's management fees

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

(f) 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.

(g) Interest income

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

(h) Dividend income

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

2.23 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to the Financial Statements
31 December 2014

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

2.23 Income taxes (cont'd.)

(b) Deferred tax (cont'd.)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

Notes to the Financial Statements
31 December 2014

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

2.24 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 39, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.25 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.26 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

2.27 Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Notes to the Financial Statements
31 December 2014

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

2.28 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best value.

The Group and the Company use valuation techniques that are appropriate in circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Notes to the Financial Statements
31 December 2014

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

There are no critical judgements made by management in the process of applying the Group's and the Company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting 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:

(a) 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 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. The carrying amount of vessels and equipment on vessel is disclosed in Note 13.

(b) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the Group's contractual entitlement to a debt, the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's trade receivables at the reporting date is disclosed in Note 20.

Notes to the Financial Statements
31 December 2014

4. Revenue and cost of sales

Revenue

	Group 2014 RM	Group 2013 RM
Charter hire	178,188,445	234,626,175
Offshore installation and construction	45,914,395	34,615,386
Diving and sub-sea services	79,564,117	78,598,962
Rental of equipment	35,219,263	44,689,573
Other shipping related income	33,044,084	34,213,811
Vessel's management fees	11,915,960	13,734,426
Ship catering	7,738,090	6,454,189
Sales of diving equipment	-	464,884
	391,584,354	447,397,406

Cost of sales

Cost of sales represents cost of services provided, labor cost related overheads, development cost, cost of goods sold, and cost of operation.

The following employee benefit expenses have been included in arriving at cost of sales:

	Group 2014 RM	Group 2013 RM
Wages and allowances	36,716,124	46,843,357
Contributions to defined contribution plan - EPF	1,795,596	1,907,166
Social security contributions	133,061	140,129
	38,644,781	48,890,652

5. Other income

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Interest income	6,981,501	10,235,411	1,752,518	390,302
Realised gain on foreign exchange	4,520	688,303	-	-
Rental of premises	539,557	609,938	-	-
Gain on disposal of property, vessels and equipment	4,691,931	5,710,546	-	-
Interest recharged to subsidiaries	-	-	14,272,893	17,256,595

Notes to the Financial Statements
31 December 2014

5. Other income (cont'd.)

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Net unrealised foreign exchange gain	1,936,703	390,653	-	-
Other income	4,805,831	1,385,451	-	-
	18,960,043	19,020,302	16,025,411	17,646,897

6. Employee benefits expense

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Salaries, bonuses and allowances	22,020,022	25,079,281	344,540	341,500
Contributions to defined contribution plan - EPF	2,599,579	2,324,272	-	-
Social security contributions	123,893	117,769	-	-
Other staff related expenses	4,978,603	4,245,943	61,337	61,217
	29,722,097	31,767,265	405,877	402,717
Cost of sales (Note 4)	38,644,781	48,890,652	-	-
	68,366,878	80,657,917	405,877	402,717

Included in employee benefits expense of the Group is executive directors' remuneration amounting to RM4,614,338 (2013: RM4,163,831) as further disclosed in Note 7.

7. Directors' remuneration

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Executive directors' remuneration (Note 6):				
Fees	139,413	157,119	-	-
Other emoluments	4,474,925	4,006,712	-	-
	4,614,338	4,163,831	-	-

Notes to the Financial Statements
31 December 2014

7. Directors' remuneration (cont'd.)

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Non-executive directors' remuneration (Note 9):				
Fees	317,040	252,000	317,040	252,000
Other emoluments	29,000	114,250	29,000	114,250
	346,040	366,250	346,040	366,250
Total directors' remuneration (Note 34(b))	4,960,378	4,530,081	346,040	366,250
Estimated money value of benefits-in-kind	-	36,467	-	36,467
Total directors' remuneration including benefits-in-kind	4,960,378	4,566,548	346,040	402,717

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

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Executive:				
Salaries and other emoluments	3,726,153	3,492,119	-	-
Bonus	603,750	420,000	-	-
Defined contribution plan -EPF	284,435	251,712	-	-
Total executive directors' remuneration	4,614,338	4,163,831	-	-
Non-executive:				
Fees and other emoluments	346,040	366,250	346,040	366,250
Estimated money value of benefits-in-kind	-	36,467	-	36,467
Total non-executive directors' remuneration	346,040	402,717	346,040	402,717
Total directors' remuneration	4,960,378	4,566,548	346,040	402,717

Notes to the Financial Statements
31 December 2014

7. Directors' remuneration (cont'd.)

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

	Number of directors 2014	2013
Executive directors:		
RM900,001 - RM1,000,000	-	1
RM1,100,001 - RM1,200,000	1	-
RM1,401,001 - RM1,500,000	-	1
RM1,501,001 - RM1,600,000	1	-
RM1,601,001 - RM1,700,000	-	1
RM1,901,001 - RM2,000,000	1	-
Non-executive directors:		
RM20,001 - RM30,000	1	-
RM60,001 - RM70,000	-	1
RM80,001 - RM90,000	1	1
RM90,001 - RM100,000	-	1
RM100,001 - RM110,000	-	1
RM110,001 - RM120,000	2	-

8. Finance costs

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Interest expense on:				
Term loans	4,557,302	8,113,847	-	-
Hire purchase and finance lease liabilities	421,288	508,617	2,751	17,131
MCP/MMTN	1,124,800	1,984,350	1,124,800	1,984,350
Sukuk Ijarah MTN	13,148,093	15,272,245	13,148,093	15,272,245
Revolving credits	4,180,181	3,750,000	-	-
Other borrowings	574,733	608,976	-	-
	24,006,397	30,238,035	14,275,644	17,273,726

Notes to the Financial Statements
31 December 2014

9. Profit/(loss) before tax

The following amounts have been charged/(credited) in arriving at profit/(loss) before tax:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Non-executive directors' remuneration (Note 7)	346,040	366,250	346,040	366,250
Auditors' remuneration:				
Auditors of the Company:				
- statutory audits	179,000	202,000	50,000	50,000
- other services	30,000	80,000	-	-
Other auditors	113,904	58,264	-	-
Operating leases:				
- lease payments for premises	906,823	631,421	-	-
- lease payments for third party vessels	104,327,183	185,703,824	-	-
Depreciation of property, vessels and equipment (Note 13)	39,514,378	42,742,596	-	90,268
Amortisation of intangible assets (Note 14)	66,178	64,738	-	-
Impairment loss on trade receivables (Note 20)	811,062	44,031	-	-
Reversal of impairment loss on trade receivables (Note 20)	(151,281)	(303,915)	-	-
Litigation costs	-	4,954,835	-	-
Net realised foreign exchange losses	758,591	692,032	-	-
Impairment of property, vessels and equipment (Note 13)	671,170	-	-	-
Impairment of goodwill (Note 14)	183,878	-	-	-
Impairment loss on interests in joint venture	417,914	-	-	-
Property, vessels and equipment written off	171,292	-	-	-

10. Income tax expense/(credit)

Major components of income tax expenses

The major components of income tax expenses for the years ended 31 December 2014 and 2013 are:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Statements of comprehensive income:				
Current income tax:				
Malaysian income tax	3,223,972	1,003,626	-	-
Foreign tax	111,178	-	-	-
(Over)/underprovision in prior years:				
Malaysian income tax	(330,152)	618,739	(254,256)	759,761
	3,004,998	1,622,365	(254,256)	759,761
Deferred tax (Note 18):				
Relating to origination and reversal of temporary differences	313,275	2,579,679	-	-
Under/(over)provision in prior years	2,585,980	(41,665)	-	-
	2,899,255	2,538,014	-	-
Income tax expense/ (credit) for the year	5,904,253	4,160,379	(254,256)	759,761

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10. Income tax expense/(credit) (cont'd.)

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the year.

The statutory tax rate will be reduced to 24% from the current year's rate of 25% effective year of assessment 2016. The computation of deferred tax as at the reporting date has reflected these changes.

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

A reconciliation of income tax expense applicable to profit/(loss) 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 is as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Profit/(loss) before tax	66,633,470	78,661,478	603,721	(912,756)
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	16,724,905	19,838,679	150,930	(228,189)
Different tax rates in other countries	(306,956)	122,879	-	-
Different tax rates in other tax jurisdiction	(5,330,704)	(5,316,613)	-	-
Effect of income not subject to tax	(1,726,478)	(300,000)	(353,903)	-
Effect of share of results of joint ventures and associates	(11,038,390)	(13,130,873)	-	-
Non-deductible for tax purposes	5,326,048	2,369,233	202,973	228,189
(Over)/underprovision of income tax in prior years	(330,152)	618,739	(254,256)	759,761
Under/(over)provision of deferred tax in prior years	2,585,980	(41,665)	-	-
Income tax expense/(credit) for the year	5,904,253	4,160,379	(254,256)	759,761

11. 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.

	2014 RM	2013 RM
Profit attributable to ordinary equity holders of the Company	60,702,032	74,304,985
Weighted average number of ordinary shares in issue	871,885,693	794,364,702
Basic earnings per share (Sen)	7.0	9.4

Notes to the Financial Statements
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11. Earnings per share (cont'd.)

(b) Diluted

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

	2014 RM	2013 RM
Profit attributable to ordinary equity holders of the Company	60,702,032	74,304,985
Weighted average number of ordinary shares in issue	871,885,693	794,364,702
Effects of dilution from share options granted to employees	3,361,371	14,757,967
Adjusted weighted average number of ordinary shares in issue and issuable	875,247,064	809,122,669
Diluted earnings per share (Sen)	6.9	9.2

12. Dividends

	Dividends paid in respect of year		Dividends recognised in respect of year	
	2014 RM	2013 RM	2014 RM	2013 RM
Recognised during the year:				
A final tax exempt (single tier) dividend, of 1% per ordinary shares of RM0.25 each	-	1,996,987	-	-

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13. **Property, vessels and equipment**

Group	Long term leasehold land RM	Leasehold building RM	Vessels RM	Drydocking RM	Diving equipment and equipment on vessel RM	Motor vehicles RM	Computers, office equipment, and furniture and fittings RM	Renovations RM	Assets under construction RM	Total RM
Cost										
At 1 January 2014	12,039,510	24,489,291	587,248,045	39,022,002	105,118,077	5,400,142	8,067,244	5,038,459	9,191,436	795,614,206
Additions	-	3,062,649	-	7,576,133	13,113,410	738,371	639,200	238,023	5,309,964	30,677,750
Disposals	-	-	-	-	(19,803,539)	(811,639)	(159,310)	-	-	(20,774,488)
Written off	-	-	-	-	(483,105)	-	-	-	-	(483,105)
Exchange differences	-	243,222	-	-	1,058,645	-	17,916	18,954	-	1,338,737
At 31 December 2014	12,039,510	27,795,162	587,248,045	46,598,135	99,003,488	5,326,874	8,565,050	5,295,436	14,501,400	806,373,100
Accumulated depreciation										
At 1 January 2014	574,770	2,294,266	168,013,301	26,140,533	42,180,433	4,165,238	4,229,933	2,480,250	-	250,078,724
Charge for the year	121,640	637,549	21,214,916	5,095,877	10,380,098	209,639	958,930	895,729	-	39,514,378
Disposals	-	-	-	-	(11,620,853)	(578,448)	(159,310)	-	-	(12,358,611)
Impairment (Note 9)	-	-	671,170	-	-	-	-	-	-	671,170
Written off	-	-	-	-	(311,813)	-	-	-	-	(311,813)
Exchange differences	-	25,577	-	-	219,539	-	16,638	16,054	-	277,808
At 31 December 2014	696,410	2,957,392	189,899,387	31,236,410	40,847,404	3,796,429	5,046,191	3,392,033	-	277,871,656

Notes to the Financial Statements
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13. Property, vessels and equipment (cont'd.)

Group	Long term leasehold land RM	Leasehold building RM	Vessels RM	Drydocking RM	Diving equipment and equipment on vessel RM	Motor vehicles RM	Computers, office equipment, and furniture and fittings RM	Renovations RM	Assets under construction RM	Total RM
Cost										
At 1 January 2013	12,039,510	17,649,467	587,248,045	29,566,056	90,429,084	5,521,089	5,473,664	4,796,046	2,493,683	755,216,644
Additions	-	6,474,574	-	9,455,946	13,858,857	790,078	2,591,752	213,949	113,994,386	147,379,542
Reclassification	-	-	106,096,633	-	1,200,000	-	-	-	(107,296,633)	-
Disposals	-	-	(106,096,633)	-	(142,087)	(911,025)	-	-	-	(107,149,745)
Exchange differences	-	365,250	-	-	(227,777)	-	1,828	28,464	-	167,765
At 31 December 2013	12,039,510	24,489,291	587,248,045	39,022,002	105,118,077	5,400,142	8,067,244	5,038,459	9,191,436	795,614,206
Accumulated depreciation										
At 1 January 2013	453,159	1,702,101	146,747,368	20,943,156	31,969,583	4,527,142	3,558,436	1,988,082	-	211,889,027
Charge for the year	121,611	822,795	21,265,933	5,197,377	13,467,700	482,455	740,590	644,135	-	42,742,596
Disposals	-	-	-	-	(140,480)	(844,359)	-	-	-	(984,839)
Exchange differences	-	(230,630)	-	-	(3,116,370)	-	(69,093)	(151,967)	-	(3,568,060)
At 31 December 2013	574,770	2,294,266	168,013,301	26,140,533	42,180,433	4,165,238	4,229,933	2,480,250	-	250,078,724
Net carrying amount										
At 31 December 2014	11,343,100	24,837,770	397,348,658	15,361,725	58,156,084	1,530,445	3,518,859	1,903,403	14,501,400	528,501,444
At 31 December 2013	11,464,740	22,195,025	419,234,744	12,881,469	62,937,644	1,234,904	3,837,311	2,558,209	9,191,436	545,535,482

Notes to the Financial Statements
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13. Property, vessels and equipment (cont'd.)

Company	Motor vehicles 2014 RM	2013 RM
Cost		
At 1 January	451,338	451,338
Disposal	(451,338)	-
At 31 December	-	451,338
Accumulated depreciation		
At 1 January	218,147	127,879
Depreciation charge for the year (Note 9)	-	90,268
Disposal	(218,147)	-
At 31 December	-	218,147
Net carrying amount		
At 31 December	-	233,191

(a) Included in the Group's additions for the year are property, vessels and equipment of RM19,161,745 (2013: RM128,643,321) 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 2014 RM	2013 RM	Company 2014 RM	2013 RM
Motor vehicles	1,530,445	1,234,904	-	233,191
Diving equipment	39,954,993	55,311,256	-	-
Assets under construction	14,501,400	9,191,436	-	-

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

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

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

	Group	
	2014 **RM**	**2013** **RM**
Leasehold buildings	24,837,770	22,195,025
Vessels	397,348,658	419,234,744
	422,186,428	441,429,769

14. Intangible assets

	Goodwill on consolidation RM	**Deferred development costs RM**	**Total RM**
Group			
Cost			
At 1 January 2014	1,496,069	647,375	2,143,444
Exchange differences	33,071	14,400	47,471
At 31 December 2014	1,529,140	661,775	2,190,915
At 1 January 2013	1,486,938	626,170	2,113,108
Exchange differences	9,131	21,205	30,336
At 31 December 2013	1,496,069	647,375	2,143,444
Accumulated amortisation and impairment			
At 1 January 2014	-	630,833	630,833
Charge for the year (Note 9)	-	66,178	66,178
Impairment (Note 9)	183,878	-	183,878
Exchange differences	-	(48,196)	(48,196)
At 31 December 2014	183,878	648,815	832,693

Notes to the Financial Statements
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14. Intangible assets (cont'd.)

Accumulated amortisation and impairment (cont'd.)

	Goodwill on consolidation RM	Deferred development costs RM	Total RM
At 1 January 2013	-	579,700	579,700
Charge for the year (Note 9)	-	64,738	64,738
Exchange differences	-	(13,605)	(13,605)
At 31 December 2013	-	630,833	630,833
Net carrying amount			
At 31 December 2014	1,345,262	12,960	1,358,222
At 31 December 2013	1,496,069	16,542	1,512,611

Deferred development costs represent costs incurred to develop remotely operated vehicles and peripherals.

(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:

	Sub-sea services RM	Offshore support vessels and services RM	Total RM
At 31 December 2014	1,345,262	-	1,345,262
At 31 December 2013	1,312,191	183,878	1,496,069

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.

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14. Intangible assets (cont'd.)

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

Key assumptions used in value-in-use calculations (cont'd.)

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.

15. Investments in subsidiaries Company

	2014 RM	2013 RM
Unquoted shares, at cost	100,303,120	100,302,070

Details of subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Group's effective interest 2014 %	2013 %
(i) Held by the Company:				
Alam Maritim (M) Sdn. Bhd.	Malaysia	Ship owning, chartering and ("AMSB") 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

Notes to the Financial Statements
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15. Investments in subsidiaries Company (cont'd.)

Name of subsidiaries	Country of incorporation	Principal activities	Group's effective interest 2014 %	2013 %
Alam Maritim Investment Holdings (L) Inc. ("AMIH") **	Federal Territory of Labuan, Malaysia	Investment holding and ship owning	100	-
Alam JV Holdings (L) Inc. ("ALAM JV") **	Federal Territory of Labuan, Malaysia	Investment holding and ship owning	100	-
Alam Maritim Global I Ltd ("AMG")**	British Virgin Islands	Investment Holding	100	-
(ii) Held through AMSB:				
Alam Hidro (M) Sdn. Bhd. ("AHSB")	Malaysia facilities construction and installation and sub-sea services	Offshore	100	100
Alam Offshore Services & Logistics Sdn. Bhd. ("AOLSB") *	Malaysia	Transportation, ship forwarding and agent, ship chandelling and other related activities	100	100
Alam Food Industries (M) Sdn. Bhd. ("AFI") *	Malaysia	Catering and messing services	100	100
KJ Waja Engineering Sdn. Bhd. ("KJWE") *	Malaysia	Ship repair and maintenance, ship spare supply and other related services	84	84
Alam Maritim Properties (M) Sdn. Bhd. ("AMP")	Malaysia	Property owner and management	100	100
(iii) Held through KJWE:				
KJ Waja Services Sdn. Bhd. ("KJWS") *	Malaysia	Ship spare supply and other related services	84	84

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15. Investments in subsidiaries Company (cont'd.)

Name of subsidiaries	Country of incorporation	Principal activities	Group's effective interest 2014 %	2013 %
(iv) Held through AMLI:				
Eastar Offshore Pte. Ltd. ("EASTAR") *	Singapore	Designing manufacturing and operating of remotely operated vehicles ("ROVs")	75	75
(v) Held through EASTAR:				
Alam Subsea Pte. Ltd. ("ASPL") *	Singapore	Rental of ROV and providing ROV Services	75	75

* Audited by firms other than Ernst & Young.

** (i) On 26 December 2014, the Company has acquired AMIH and ALAM JV at a consideration of USD100 each from ZRC Corporate Management Inc.. AMIH and ALAM JV has issued and paid up capital of USD100 comprising ordinary shares of USD1.00 each.

(ii) On 29 December 2014, the Company has incorporated AMG under the BVI Business Companies Act, 2004. The issued and paid up share capital of AMG is USD100 comprising ordinary shares of USD1.00 each.

(iii) On 27 November 2014, AMIH has incorporated Alam Maritim Investment I (L) Inc., Alam Maritim Investment II (L) Inc., Alam Maritim Investment III (L) Inc., Alam Maritim Investment IV (L) Inc., and Alam Maritim Investment V (L) Inc. The issued and paid up share capital of these companies are USD100 comprising ordinary shares of USD1.00 each.

The subsidiaries do not have non-controlling interests that are material to the Group. Therefore, the summarised statements of financial position, statements of comprehensive income and statements of cash flows of the subsidiaries with non-controlling interests are not disclosed.

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16. Investments in associates

	Group	
	RM 2014	RM 2013
Unquoted shares, at cost	61,699,516	86,594,449
Share of post-acquisition reserves	11,718,509	45,766,717
	73,418,025	132,361,166

Details of the associates are as follows:

Name of associate	Country of incorporation	Principal activities	Group's effective interest 2014 %	2013 %
(i) Held through AMLI:				
TH-Alam Holdings (L) Inc. ("THAH")	Federal Territory of Labuan, Malaysia	Investment holding	49	49
Alam-PE Holdings (L) Inc. ("ALAM-PE(H)")	Federal Territory of Labuan, Malaysia	Ship management and operation, ship owning, ship maintenance and marine consultancy	-	49
(ii) Held through THAH:				
Alam-JV DP 1 (L) Inc. ("AJVDP1")	Federal Territory of Labuan, Malaysia	Ship owning	49	49
Alam-JV DP 2 (L) Inc. ("AJVDP2")	Federal Territory of Labuan, Malaysia	Ship owning	49	49

Notes to the Financial Statements
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16. Investments in associates (cont'd.)

Name of associate	Country of incorporation	Principal activities	Group's effective interest 2014 %	2013 %
(iii) Held through ALAM-PE(H):				
Alam-PE I (L) Inc. ("ALAM-PE I")	Federal Territory of Labuan, Malaysia	Ship owning, operating and chartering	-	49
Alam-PE II (L) Inc. ("ALAM-PE II")	Federal Territory of Labuan, Malaysia	Ship owning, operating and chartering	-	49
Alam-PE III (L) Inc. ("ALAM-PE III")	Federal Territory of Labuan, Malaysia	Ship owning, operating and chartering	-	49
Alam-PE IV (L) Inc. ("ALAM-PE IV")	Federal Territory of Labuan, Malaysia	Ship owning, operating and chartering	-	49
Alam-PE V (L) Inc. ("ALAM-PE V")	Federal Territory of Labuan, Malaysia	Ship owning, operating and chartering	-	49
Alam-PE Holdings Sdn. Bhd. ("ALAM-PE(H)SB")	Malaysia	Ship management	-	49

These associates have the same reporting periods as the Group and accounted for by using equity method.

The associates have no other contingent liabilities or capital commitments as at 31 December 2014 and 31 December 2013.

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16. Investments in associates (cont'd.)

Acquisition of additional investment in ALAM-PE (H)

On 8 October 2014, the Joint Venture Agreement dated 24 June 2014 ("JVA") between a wholly owned subsidiary of the Company, Alam Maritim (L) Inc. ("AMLI") and WASCO Energy Ltd. ("WASCO") became effective in accordance with the terms and conditions of the JVA, with WASCO owning 49% equity interest in ALAM-PE (H) on the same date.

Subsequent to the above, AMLI had on 16 October 2014 completed the Share Sale & Purchase Agreement entered into between AMLI and Armada Investment Holdings Ltd. ("ARMADA") on 22 September 2014 for the acquisition of 2% equity interest in ALAM-PE (H) by AMLI from ARMADA. Following this, ALAM-PE (H) is now a joint venture by AMLI and WASCO with the shareholding of 51% and 49% respectively.

In this regard, the Joint Venture Agreement previously entered into between AMLI and ARMADA dated 30 October 2008 had been terminated with immediate effect.

Pursuant to transactions above, reclassification effect from the above transactions are as follows:

	(Decrease)/increase As at 16.10.2014 RM
Consolidated statement of financial position Investment in associates	(84,111,574)
Interests in joint ventures	84,111,574

Summarised financial information in respect of each of the Group's associates is set out below. The summarised financial information represents the amounts in the consolidated MFRS financial statements of the associates and not the Group's share of those amounts.

(i) Summarised consolidated statements of financial position

	Alam-PE Holdings (L) Inc.		TH-Alam Holdings (L) Inc.		Total	
	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM
Assets and liabilities						
Non-current assets	-	226,904,721	373,475,999	388,542,269	373,475,999	615,446,990
Current assets	-	67,181,869	100,080,911	51,288,642	100,080,911	118,470,511
Total assets	-	294,086,590	473,556,910	439,830,911	473,556,910	733,917,501
Non-current liabilities	-	70,523,793	217,400,208	93,117,124	217,400,208	163,640,917
Current liabilities	-	79,258,295	86,467,679	196,301,265	86,467,679	275,559,560
Total liabilities	-	149,782,088	303,867,887	289,418,389	303,867,887	439,200,477
Net assets	-	144,304,502	169,689,023	150,412,522	169,689,023	294,717,024

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16. Investments in associates (cont'd.)

(ii) Summarised consolidated statements of comprehensive income

	Alam-PE Holdings (L) Inc.		**TH-Alam Holdings (L) Inc.**		**Total**	
	2014 RM	**2013 RM**	**2014 RM**	**2013 RM**	**2014 RM**	**2013 RM**
Revenue for the period/year	56,375,166	82,029,708	63,740,827	54,393,392	120,115,993	136,423,100
Profit for the period /year, representing total comprehensive income	23,964,078	34,361,898	19,276,501	11,227,483	43,240,579	45,589,381

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's investments in associates

	Alam-PE Holdings (L) Inc.		**TH-Alam Holdings (L) Inc.**		**Total**	
	2014 RM	**2013 RM**	**2014 RM**	**2013 RM**	**2014 RM**	**2013 RM**
Net assets as at 1 January	144,304,502	109,942,604	150,412,522	139,185,039	294,717,024	249,127,643
Profit for the period (1 January 2014 to 16 October 2014)/year	23,964,078	34,361,898	19,276,501	11,227,483	43,240,579	45,589,381
Net assets as at 16 October/31 December	168,268,580	144,304,502	169,689,023	150,412,522	337,957,603	294,717,024
Transfer out to interests in joint venture (Note 17(iii))	(168,268,580)	-	-	-	(168,268,580)	-
Elimination -	-	-	-	(19,856,318)	(24,592,195)	
	-	144,304,502	169,689,023	150,412,522	149,832,705	270,124,829
Investments in associates	-	49%	49%	49%	73,418,025	132,361,166
Carrying value of Group's investments in associates	-	70,709,206	83,147,621	73,702,136	73,418,025	132,361,166

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17. Interests in joint ventures

The Group has 50% of the voting rights of its joint arrangements. Under the contractual arrangements, unanimous consent is required from all parties to the agreements for all relevant activities.

The joint arrangements are structured via separate entities and provide the Group with the rights to the net assets of the entities under the arrangements. Therefore these entities are classified as joint ventures of the Group.

During the year, the Group has increased its effective interest in ALAM-PE (H) from 49% to 51% as disclosed in Note 16. Accordingly the investment in ALAM-PE (H) was reclassified here from investments in associates.

	Group	
	2014 RM	2013 RM
Unquoted shares, at cost	66,995,378	40,100,445
Share of post-acquisition reserves	183,822,729	105,708,463
	250,818,107	145,808,908
Redeemable preference shares	6,000,000	6,000,000
Less: Impairment	(417,914)	-
	256,400,193	151,808,908

Details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation	Principal activities	Proportion of ownership interest 2014 %	Proportion of ownership interest 2013 %
(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

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17. Interests in joint ventures (cont'd.)

Name of joint ventures	Country of incorporation	Principal activities	Proportion of ownership interest 2014 %	2013 %
(i) Held through AMSB (cont'd.):				
Alam Synergy III (L) Inc. ("AS III")	Federal Territory of Labuan, Malaysia	Ship owning, operating and chartering	60	60
Alam Swiber Offshore (M) Sdn. Bhd. ("ASOSB")	Malaysia	Ship operator	50	50
Alam Radiance (M) Sdn. Bhd. ("ARMSB")	Malaysia	Ship owning, ship management, ship operation, maintenance and consultancy	50	50
YSS Alam Energy (M) Sdn. Bhd. ("YSS Alam")	Malaysia	Ship owning, ship management, ship operation, maintenance and consultancy	50	50
(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

Notes to the Financial Statements
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17. Interests in joint ventures (cont'd.)

Name of joint ventures	Country of incorporation	Principal activities	Proportion of ownership interest 2014 %	2013 %
(ii) Held through AMLI (cont'd.):				
Alam Fast Boats (L) Inc. ("AFBLI")	Federal Territory of Labuan, Malaysia	Ship owning, operating and chartering	60	60
Alam Swiber DLB 1 (L) Inc. ("ASDLB1")	Federal Territory of Labuan, Malaysia	Ship owning and chartering	51	51
Alam Radiance (L) Inc. ("ARLI")	Federal Territory of Labuan, Malaysia	Ship owning, operating and chartering	51	51
TH-Alam Management (M) Sdn. Bhd. ("THAM")	Malaysia	Ship management and consultancy	50	50
Alam-PE Holdings (L) Inc. ("ALAM-PE(H)")	Federal Territory of Labuan, Malaysia	Ship management and operation, ship owning, ship maintenance and marine consultancy	51	-
Globe Alam Marine Offshore Services Co. ("Globe Alam")	Saudi Arabia	Offshore facilities construction and installation services	40	40

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17. Interests in joint ventures (cont'd.)

Name of joint ventures	Country of incorporation	Principal activities	Proportion of ownership interest 2014 %	2013 %
(iii) Held through ALAM-PE(H):				
Alam-PE I (L) Inc. ("ALAM-PE I")	Federal Territory of Labuan, Malaysia	Ship owning, operating and chartering	51	-
Alam-PE II (L) Inc. ("ALAM-PE II")	Federal Territory of Labuan, Malaysia	Ship owning, operating and chartering	51	-
Alam-PE III (L) Inc. ("ALAM-PE III")	Federal Territory of Labuan, Malaysia	Ship owning, operating and chartering	51	-
Alam-PE IV (L) Inc. ("ALAM-PE IV")	Federal Territory of Labuan, Malaysia	Ship owning, operating and chartering	51	-
Alam-PE V (L) Inc. ("ALAM-PE V")	Federal Territory of Labuan, Malaysia	Ship owning, operating and chartering	51	-
Alam-PE Holdings Sdn. Bhd. ("ALAM-PE(H)SB")	Malaysia	Ship management	51	-

These joint ventures have the same reporting periods as the Group and accounted for by using equity method.

The joint ventures have no other contingent liabilities or capital commitments as at 31 December 2014 and 31 December 2013.

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17. Interests in joint ventures (cont'd.)

Summarised financial information in respect of each of the Group's material joint ventures is set out below. The summarised financial information represents the amounts in the MFRS financial statements of the joint ventures and not the Group's share of those amounts.

(i) Summarised statements of financial position

2014	ALAM-PE (H) Group RM	AS III RM	ASDLB 1 RM	ARLI RM
Assets and liabilities				
Non-current assets	220,859,199	67,929,111	208,742,805	176,578,487
Cash and cash equivalent	20,204,029	860,540	7,844,792	8,727,896
Other current assets	31,587,454	16,635,001	23,634,900	34,593,052
Total assets	272,650,682	85,424,652	240,222,497	219,899,435
Non-current liabilities	34,141,293	28,000,421	98,239,799	70,492,326
Trade and other payables	2,619,974	5,715,845	25,153,632	8,408,511
Other current liabilities	40,194,897	10,037,629	42,835,626	37,215,735
Total liabilities	76,956,164	43,753,895	166,229,057	116,116,572
Net assets	195,694,518	41,670,757	73,993,440	103,782,863

2013				
Assets and liabilities				
Non-current assets	-	71,729,458	217,271,544	182,427,133
Cash and cash equivalent	-	883,056	8,086,440	9,946,278
Other current assets	-	22,640,558	26,673,926	18,868,183
Total assets	-	95,253,072	252,031,910	211,241,594
Non-current liabilities	-	32,841,984	98,239,800	91,164,118
Trade and other payables	-	24,543,286	57,234,309	11,232,789
Other current liabilities	-	5,490,751	16,079,586	30,004,008
Total liabilities	-	62,876,021	171,553,695	132,400,915
Net assets	-	32,377,051	80,478,215	78,840,679

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17. Interests in joint ventures (cont'd.)

(ii) Summarised statements of comprehensive income:

2014	ALAM-PE (H) Group RM	AS III RM	ASDLB 1 RM	ARLI RM
Revenue	67,008,780	19,712,552	16,216,613	52,330,376
Depreciation	11,517,404	4,251,680	9,088,586	7,965,864
Interest income	242,888	-	8,126	244,608
Interest expense	4,962,227	1,184,323	7,895,354	7,189,708
Profit/(loss) before tax	27,590,016	9,313,706	(6,464,775)	24,962,184
Income tax expense	100,000	20,000	20,000	20,000
Profit/(loss) for the year, representing total comprehensive income	27,490,016	9,293,706	(6,484,775)	24,942,184
2013				
Revenue	-	18,975,176	36,263,253	59,524,093
Depreciation	-	3,576,307	9,038,201	7,521,284
Interest income	-	14,424	50,507	17,561
Interest expense	-	1,457,005	8,013,938	9,995,630
Profit before tax	-	9,442,075	21,954,379	30,922,430
Income tax expense	-	20,000	20,000	20,000
Profit for the year, representing total comprehensive income	-	9,422,075	21,934,379	30,902,430

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in joint ventures:

	AS III RM	ASDLB 1 RM	ARLI RM
2014			
Net assets as at 1 January	32,377,051	80,478,215	78,840,679
Profit for the year	9,293,706	(6,484,775)	24,942,184
Net assets as at 31 December	41,670,757	73,993,440	103,782,863
Interests in joint ventures	60%	51%	51%
Carrying value of Group's interests in joint ventures	25,002,454	37,736,654	52,929,260

Notes to the Financial Statements
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17. Interests in joint ventures (cont'd.)

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in joint ventures (cont'd):

	AS III RM	ASDLB 1 RM	ARLI RM
2013			
Net assets as at 1 January	22,954,976	58,543,836	47,938,249
Profit for the year	9,422,075	21,934,379	30,902,430
Net assets as at 31 December	32,377,051	80,478,215	78,840,679
Interests in joint ventures	60%	51%	51%
Carrying value of Group's interests in joint ventures	19,426,231	41,043,890	40,208,746

	Alam-PE Holdings (L) Inc. 2014 RM	2013 RM
Net assets as at 1 January	-	-
Transfer from investments in associates (Note 16(ii))	168,268,580	-
Profit for the period (17 October 2014 to 31 December 2014)	3,525,938	-
Equity contribution reserve	23,900,000	-
Net assets as at 31 December	195,694,518	-
Elimination and adjustment	(23,643,722)	-
	172,050,796	-
Interests in joint ventures	51%	-
Carrying value of Group's interests in joint ventures	87,745,906	-

(iv) Aggregate information of joint ventures that are not individually material and not included in Note 17(ii) above:

	2014 RM	2013 RM
The Group's share of results, representing total comprehensive income	(2,370,706)	(7,789,510)

Notes to the Financial Statements
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18. Deferred taxation

	Group 2014 RM	Group 2013 RM
At 1 January	70,117,537	67,220,277
Recognised in profit or loss (Note 10)	2,899,255	2,538,014
Exchange differences	20,884	359,246
At 31 December	73,037,676	70,117,537
Presented after appropriate offsetting as follows:		
Deferred tax assets	(7,041,998)	(11,562,405)
Deferred tax liabilities	80,079,674	81,679,942
	73,037,676	70,117,537

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

Deferred tax liabilities of the Group:

	Accelerated capital allowances RM
At 1 January 2014	81,679,942
Recognised in profit or loss	(1,621,152)
Exchange differences	20,884
At 31 December 2014	80,079,674
At 1 January 2013	87,603,409
Recognised in profit or loss	(6,282,713)
Exchange differences	359,246
At 31 December 2013	81,679,942

Notes to the Financial Statements
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18. Deferred taxation (cont'd.)

Deferred tax assets of the Group (cont'd.):

	Allowance for doubtful debts RM	Unutilised tax losses and unabsorbed capital allowances RM	Total RM
At 1 January 2014	(1,427,803)	(10,134,602)	(11,562,405)
Recognised in profit or loss	124,418	4,395,989	4,520,407
At 31 December 2014	(1,303,385)	(5,738,613)	(7,041,998)
At 1 January 2013	(422,307)	(19,960,825)	(20,383,132)
Recognised in profit or loss	(1,005,496)	9,826,223	8,820,727
At 31 December 2013	(1,427,803)	(10,134,602)	(11,562,405)

19. Inventories

	Group 2014 RM	2013 RM
Cost		
Raw materials	1,762,096	1,685,894
Work-in-progress	2,705,169	1,894,535
Spare parts	459,396	172,052
	4,926,661	3,752,481

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM2,705,169 (2013: RM1,802,080).

20. Trade receivables

	Group 2014 RM	2013 RM
Current		
Third parties	159,998,888	104,203,921
Accrued charter hire income	25,770,613	159,821,664
Less: Allowance for impairment	(659,781)	-
	185,109,720	264,025,585

Notes to the Financial Statements
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20. Trade receivables (cont'd.)

	Group 2014 RM	Group 2013 RM
Non-current		
Third parties	42,485,719	42,485,719
Less: Allowance for impairment	(41,303,081)	(41,303,081)
	1,182,638	1,182,638
Trade receivables, net	186,292,358	265,208,223

Trade receivables are non-interest bearing and are generally on 30 to 90 day (2013: 30 to 90 day) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

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

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group 2014 RM	Group 2013 RM
Neither past due nor impaired	73,639,032	195,719,614
1 to 30 days past due not impaired	8,189,545	18,133,723
31 to 60 days past due not impaired	6,515,311	3,824,690
61 to 90 days past due not impaired	18,535,802	40,438,297
91 to 120 days past due not impaired	78,230,030	2,292,439
More than 121 days past due not impaired	1,182,638	4,799,460
	112,653,326	69,488,609
Impaired	41,962,862	41,303,081
	228,255,220	306,511,304

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Notes to the Financial Statements
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20. Trade receivables (cont'd.)

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM112,653,326 (2013: RM69,488,609) that are past due at the reporting date but not impaired.

At the reporting date, 34.6% (2013: 45.2%) of trade receivables that are past due but not impaired are amounts due from established creditworthy major oil companies with minimum collection risk. The balance of receivables that are past due but not impaired are unsecured in nature. The management is confident that the remaining receivables are recoverable as these accounts are still active.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2014	**2013**
	RM	**RM**
Individually impaired		
Trade receivables - nominal amounts	41,962,862	41,303,081
Less: Allowance for impairment	(41,962,862)	(41,303,081)
	-	-

Movement in allowance accounts:

	Group	
	2014	**2013**
	RM	**RM**
At 1 January	41,303,081	41,562,965
Charge for the year (Note 9)	811,062	44,031
Reversal (Note 9)	(151,281)	(303,915)
At 31 December	41,962,862	41,303,081

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Notes to the Financial Statements
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21. Other receivables

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Amounts due from related parties:				
- Joint ventures	96,029,928	57,872,742	-	1,248
- Associates	624	168,892,882	-	1,872
	96,030,552	226,765,624	-	3,120
Deposits	1,096,963	1,068,322	-	-
Prepayments	4,827,925	5,327,009	104,263	-
Sundry receivables	490,594	3,377,218	3,122	-
Total other receivables	102,446,034	236,538,173	107,385	3,120
Add: Trade receivables (Note 20)	186,292,358	265,208,223	-	-
Cash and bank balances (Note 22)	245,030,608	135,187,316	122,098,639	32,324,395
Amount due from subsidiaries	-	-	406,303,631	416,370,628
Less: Prepayments	(4,827,925)	(5,327,009)	(104,263)	-
Total loans and receivables	528,941,075	631,606,703	528,405,392	448,698,143

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

22. Cash and bank balances

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Cash on hand and at banks	110,659,430	108,648,499	122,098,639	32,324,395
Deposits with licensed banks (a)	134,371,178	26,538,817	-	-
Cash and bank balances	245,030,608	135,187,316	122,098,639	32,324,395
Less: Bank overdrafts (Note 26)	(4,256,259)	(3,213,225)	-	-
Amounts set aside as sinking fund (b)	(34,570,925)	(12,582,845)	-	-
Amounts set aside as margin deposits for bank guarantee facilities (c)	(11,153,676)	(10,332,448)	-	-
Total cash and cash equivalents	195,049,748	109,058,798	122,098,639	32,324,395

(a) The weighted average effective interest rate per annum and the remaining maturity of deposits of the Group as at 31 December 2014 are 3.00% (2013: 2.81%) and 120 days (2013: 120 days) respectively.

(b) Amounts set aside as sinking fund are pledged to secure the borrowings as disclosed inaside sinking fund pledged the borrowings disclosed in Note 26.

(c) The amount set aside as margin deposits for bank guarantee facilities are pledged to secure the borrowings as disclosed in Note 26.

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

Notes to the Financial Statements
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23. Share capital and share premium

	Number of ordinary shares of RM0.25 each 2014	Number of ordinary shares of RM0.25 each 2013	Amount 2014 RM	Amount 2013 RM
Authorised share capital				
At 1 January/31 December	1,000,000,000	1,000,000,000	250,000,000	250,000,000

	Number of ordinary shares of RM0.25 each Share capital (issued and fully paid)	Amount: Share capital (issued and fully paid) RM	Amount: Share premium RM	Amount: Total RM
At 1 January 2013	787,209,260	196,802,315	24,095,508	220,897,823
Issue of ordinary shares pursuant to employee share options	14,088,474	3,522,119	9,111,203	12,633,322
At 31 December 2013	801,297,734	200,324,434	33,206,711	233,531,145
At 1 January 2014	801,297,734	200,324,434	33,206,711	233,531,145
Issue of ordinary shares	123,000,000	30,750,000	135,260,253	166,010,253
Issue of ordinary shares pursuant to employee share options	163,187	40,797	63,806	104,603
Share issuance expense	-	-	(3,331,035)	(3,331,035)
At 31 December 2014	924,460,921	231,115,231	165,199,735	396,314,966

During the financial year, the Company increased its issued and paid up ordinary share capital from RM200,324,434 to RM231,115,231 by way of issuance of 123,000,000 ordinary shares of RM0.25 each for cash at an issue price of RM1.35 per ordinary share.

The options exercised during the financial year resulted in the issuance of 163,187 (2013: 14,088,474) ordinary shares at the exercise price between RM0.47 and RM1.20 (2013: RM0.44 and RM1.07) each. The related weighted average share price at the date of exercise was RM0.51 (2013: RM0.62).

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.

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24. Other reserves

	Premium paid on acquisition of non-controlling interests RM	Foreign currency translation reserve RM	Employee share option reserve RM	Total RM
Group				
At 1 January 2014	(4,639,834)	1,296,611	158,752	(3,184,471)
Foreign currency translation, representing other comprehensive income	-	102,416	-	102,416
Transaction with owners:				
Exercise of employee share options	-	-	(63,806)	(63,806)
At 31 December 2014	(4,639,834)	1,399,027	94,946	(3,145,861)
At 1 January 2013	(5,511,517)	618,639	5,667,345	774,467
Foreign currency translation, representing other comprehensive income	-	677,972	-	677,972
	(5,511,517)	1,296,611	5,667,345	1,452,439
Transaction with owners:				
Exercise of employee share options	-	-	(5,508,593)	(5,508,593)
Acquisition of non-controlling interests	871,683	-	-	871,683
At 31 December 2013	(4,639,834)	1,296,611	158,752	(3,184,471)

	Employee share option reserve/Total RM
Company	
At 1 January 2014	158,752
Exercise of employee share options	(63,806)
At 31 December 2014	94,946
At 1 January 2013	5,667,345
Exercise of employee share options	(5,508,593)
At 31 December 2013	158,752

Notes to the Financial Statements
31 December 2014

24. Other reserves (cont'd.)

The nature and purpose of each category are as follows:

(i) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(ii) Employee share option reserve

Employee share option reserve represents the equity-settled share options granted to employees as disclosed in Note 31. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

25. Retained earnings

The Company may distribute dividends out of its entire retained earnings as at 31 December 2014 and 31 December 2013 under the single tier system.

26. Borrowings

	Group		Company	
	2014 RM	**2013 RM**	**2014 RM**	**2013 RM**
Short term borrowings				
Secured:				
Bank overdrafts (Note 22)	4,256,259	3,213,225	-	-
Term loans	17,090,742	148,013,429	-	-
MCP/MMTN	-	38,008,000	-	38,008,000
Sukuk Ijarah MTN	115,000,000	40,000,000	115,000,000	40,000,000
Hire purchase and finance lease liabilities (Note 27)	667,343	5,543,752	-	40,641
	137,014,344	234,778,406	115,000,000	78,048,641
Unsecured:				
Revolving credits	49,200,000	76,530,714	-	-
	186,214,344	311,309,120	115,000,000	78,048,641

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26. Borrowings (cont'd.)

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Long term borrowings				
Secured:				
Term loans	16,039,673	17,400,415	-	-
Sukuk Ijarah MTN	115,000,000	230,000,000	115,000,000	230,000,000
Hire purchase and finance lease liabilities (Note 27)	3,164,400	3,633,069	-	271,070
	134,204,073	251,033,484	115,000,000	230,271,070
Total borrowings				
Bank overdrafts (Note 22)	4,256,259	3,213,225	-	-
Revolving credits	49,200,000	76,530,714	-	-
Term loans	33,130,415	165,413,844	-	-
MCP/MMTN	-	38,008,000	-	38,008,000
Sukuk Ijarah MTN	230,000,000	270,000,000	230,000,000	270,000,000
Hire purchase and finance lease liabilities (Note 27)	3,831,743	9,176,821	-	311,711
	320,418,417	562,342,604	230,000,000	308,319,711

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

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Not later than 1 year	185,547,001	305,765,368	115,000,000	78,008,000
Later than 1 year not later than 2 years	45,082,213	120,465,128	115,000,000	115,000,000
Later than 2 years not later than 5 years	80,164,733	125,287,217	-	115,000,000
Later than 5 years	5,792,727	1,648,070	-	-
	316,586,674	553,165,783	230,000,000	308,008,000

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

	Group 2014 %	Group 2013 %	Company 2014 %	Company 2013 %
Bank overdrafts	6.50	6.50	-	-
Term loans	6.60	6.60	-	-
MCP/MMTN	4.20	4.20	4.20	4.20
Sukuk Ijarah MTN	4.71	5.00	5.00	5.00
Revolving credits	4.30	4.30	-	-

(a) Bank overdrafts:

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

Notes to the Financial Statements
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26. Borrowings (cont'd.)

(b) Term loans

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

(i) First legal charge over the vessels and leasehold building of certain subsidiaries as disclosed in Note 13;

(ii) First preferred statutory mortgage on vessels of certain subsidiaries;

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

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

(v) Corporate guarantees by the Company; and

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

(c) 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; and contracts; and

(iii) sinking fund as disclosed in Note 22.

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 4.17% to 5.21% per annum (2013: 4.58% to 5.63% per annum).

Finance costs on MCP/MMTN and Sukuk Ijarah MTN charged by bank is recharged to subsidiaries at the same rate charged by the bank.

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26. Borrowings (cont'd.)

(c) MCP/MMTN and Sukuk Ijarah MTN Facility (cont'd.)

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

	Group and Company	
	2014 RM	2013 RM
MCP/MMTN		
Nominal value	-	40,000,000
Less: Discount	-	(2,213,622)
Net proceeds from issuance of MCP/MMTN	-	37,786,378
Amortisation of discount	-	221,622
Total amount included within borrowings	-	38,008,000

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

(d) Revolving credits The features of revolving credits issued are as follows:

(i) Unsecured over the non-current assets and contracts.

(ii) Required money pledged by way of sinking fund and corporate guarantee.

27. Hire purchase and finance lease liabilities

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Future minimum lease payments:				
Not later than 1 year	897,348	5,529,768	-	55,348
Later than 1 year and not later than 2 years	894,505	522,221	-	55,368
Later than 2 years and not later than 5 years	1,881,980	1,198,542	-	166,104
Later than 5 years	739,537	2,397,130	-	87,666
Total future minimum lease payments	4,413,370	9,647,661	-	364,486
Less: Future finance charges	(581,627)	(470,840)	-	(52,775)
Present value of finance lease liabilities (Note 26)	3,831,743	9,176,821	-	311,711

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Analysis of present value:				
Not later than 1 year	667,343	5,543,752	-	40,641
Later than 1 year andLater than 1 year and not later than 2 years	726,455	438,681	-	43,045
Later than 2 years and not later than 5 years	1,708,167	1,064,274	-	143,563
Later than 5 years	729,778	2,130,114	-	84,462
	3,831,743	9,176,821	-	311,711
Less: Amount due within 12 months (Note 26)	(667,343)	(5,543,752)	-	(40,641)
Amount due after 12 months (Note 26)	3,164,400	3,633,069	-	271,070

The Group's and the Company's hire purchase and finance lease liabilities bear flat interest rates of 2.87% (2013: 2.87%) per annum and 2.73% (2013: 2.73%) per annum respectively .

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

28. Amounts due from subsidiaries

Amounts due from subsidiaries are non-trade in nature, unsecured and repayable on demand except for an amount of RM230,000,000 (2013: RM308,008,000) which bears interest rate between 4.58% per annum and 5.63% per annum (2013: between 4.58% per annum and 5.63% per annum).

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

29. Trade payables

	Group	
	2014 RM	2013 RM
Third parties	54,104,368	142,792,490
Joint ventures	102,315,527	62,318,082
	156,419,895	205,110,572

Trade payables of the Group are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 60 day (2013: 30 to 60 day).

Other information on financial risks of trade payables is disclosed in Note 36.

30. Other payables

	Group		Company	
	2014 RM	**2013 RM**	**2014 RM**	**2013 RM**
Amounts due to related parties:				
- Associates	7,215,632	10,368,809	-	-
	7,215,632	10,368,809	-	-
Accrued expenses	10,706,790	17,636,983	841,439	6,073,308
Deposits from customers	418,030	98,401	-	-
Sundry payables	3,036,685	2,325,318	72,220	15,005
	21,377,137	30,429,511	913,659	6,088,313
Add: Trade payables	156,419,895	205,110,572	-	-
Borrowings (Note 26)	320,418,417	562,342,604	230,000,000	308,319,711
Total financial liabilities carried at amortised costs	498,215,449	797,882,687	230,913,659	314,408,024

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

31. Employee Share Options Scheme ("ESOS")

The Company's 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 the date of implementation. The Board on 18 July 2011, announced the extension period of the ESOS with effective from 20 July 2011 to 19 July 2016 in accordance to the existing terms of the ESOS.

(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) Where the options are granted on or after the Company is listed on Bursa Malaysia Securities Berhad ("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.

(c) 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.

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

(d) 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.

(e) On 18 July 2011, pursuant to By-Law 20 of the Company's ESOS By-Laws, the Company had issued a Notice of Extended Duration of Company's Existing ESOS to all its option holder on the extension of the option period of its ESOS for another five (5) years with effect from 20 July 2011.

(f) The ESOS new expiry date, unless terminated earlier pursuant to By-Laws 19.2 of the Company's ESOS By-Laws shall be on 19 July 2016 subject to the existing terms and conditions of the Company's ESOS By-Laws, including all approved revisions, where applicable.

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

	Number of share options			
	Oustanding at 1 January	**Movement during the year Exercised**	**Outstanding at 31 December**	**Exercisable at 31 December**
2014				
2006 Options	8,782,269	-	8,782,269	8,782,269
2007 Options	2,915,939	(142,187)	2,773,752	2,773,752
2008 Options	3,405,000	(21,000)	3,384,000	3,384,000
2009 Options	1,035,000	-	1,035,000	1,035,000
2013				
2006 Options	21,975,806	(13,193,537)	8,782,269	8,782,269
2007 Options	3,111,876	(195,937)	2,915,939	2,915,939
2008 Options	3,444,000	(39,000)	3,405,000	3,405,000
2009 Options	1,695,000	(660,000)	1,035,000	1,035,000

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

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

	Weighted average exercise price RM	Exercise period
2014		
2006 Options	0.47	20.07.2011 to 19.07.2016
2007 Options	1.15	20.07.2011 to 19.07.2016
2008 Options	1.20	20.07.2011 to 19.07.2016
2009 Options	1.00	20.07.2011 to 19.07.2016
2013		
2006 Options	0.47	20.07.2011 to 19.07.2016
2007 Options	1.09	20.07.2011 to 19.07.2016
2008 Options	1.14	20.07.2011 to 19.07.2016
2009 Options	1.00	20.07.2011 to 19.07.2016

(ii) Share options exercised during the year financial year

As disclosed in Note 23, options exercised during the financial year resulted in the issuance of 163,187 (2013: 14,088,474) ordinary shares at the exercise price between RM0.47 and RM1.20 (2013: RM0.44 and RM1.07) each. The related weighted average share price at the date of exercise was RM0.51 (2013: RM0.62).

32. Operating lease arrangements

(a) The Group as lessee

The Group has entered into non-cancellable operating lease agreements for the use of vessels and office premise. Leases of the vessels and office 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 reporting date but not recognised as liabilities are as follows:

	2014 RM	2013 RM
Future rental payments:		
Not later than 1 year	47,929,643	68,702,723
Later than 1 year and not later than 5 years	108,775,802	142,229,875
	156,705,445	210,932,598

The lease payments recognised in profit or loss during the financial year are disclosed in Note 9.

(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 12 years.

Notes to the Financial Statements
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32. Operating lease arrangements (cont'd.)

(b) The Group as lessor (cont'd.)

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

	2014 RM	2013 RM
Not later than 1 year	119,659,699	158,771,895
Later than 1 year and not later than 5 years	230,780,940	331,961,235
Later than 5 years	23,483,346	43,042,557
	373,923,985	533,775,687

Charter hire revenue earned from chartering the Group's vessels are recognised as revenue during the financial year as disclosed in Note 4.

33. Corporate guarantee

At the reporting date, the Company has extended its corporate guarantees given to banks for credit facilities granted to various subsidiaries amounting to RM136,500,000 (2013: RM136,500,000).

The financial guarantee has not been recognised since the fair value on initial recognition was not material.

34. Related party disclosures

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

	Note	2014 RM	2013 RM
Group			
Joint ventures:			
Charter hire of vessels	(i)	170,649,502	111,946,157
Vessel's management fees	(ii)	11,461,364	6,462,010
Associates:			
Charter hire of vessels	(i)	83,094,613	150,771,383
Vessel's management fees	(ii)	-	7,254,852
Sale of vessels to associates		-	117,429,883

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34. Related party disclosures (cont'd.)

(i) The charter hire expense and mobilisation fees paid to joint ventures 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's management fees received from joint ventures 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 2014 and 31 December 2013 are disclosed in Notes 21, 28, 29 and 30.

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 are as follows:

	Group		Company	
	2014 RM	**2013 RM**	**2014 RM**	**2013 RM**
Short term employee benefits	7,285,203	6,114,953	346,040	402,717
Contributions to defined contribution plan - EPF	635,130	525,799	-	-

Included in the total key management personnel compensation are:

	Group		Company	
	2014 RM	**2013 RM**	**2014 RM**	**2013 RM**
Directors' remuneration (Note 7)	4,960,378	4,530,081	346,040	366,250

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

	Group and Company	
	2014 RM	**2013 RM**
At 1 January	39,424,426	52,872,963
Exercised	-	(13,448,537)
At 31 December	39,424,426	39,424,426

Notes to the Financial Statements
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35. Fair value of financial instruments

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value.

	Group		Company	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
2014				
Financial assets:				
Due from subsidiaries	-	-	115,000,000	107,735,725
Financial liabilities:				
Loans and borrowings (non-current)				
- Obligations under finance leases	3,164,400	4,779,118	-	-
- Sukuk Ijarah MTN -	(115,000,000)	(107,735,725)	(115,000,000)	(107,735,725)
- Fixed rate term loans	16,039,673	17,394,554	-	-
2013				
Financial assets:				
Due from subsidiaries	-	-	230,000,000	224,596,956
Financial liabilities:				
Loans and borrowings (non-current)				
- Obligations under finance leases	(3,633,069)	(5,513,373)	(271,070)	(537,129)
- Sukuk Ijarah MTN	(230,000,000)	(224,596,956)	(230,000,000)	(224,596,956)
- Fixed rate term loans	(17,400,415)	(21,068,714)	-	-

35. Fair value of financial instruments (cont'd.)

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 carrying amount of deposits with a licensed bank are reasonable approximation of fair values as the interest earns on these deposits are, close to market interest rates or near at reporting date.

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 borrowings and leasing arrangements.

Notes to the Financial Statements
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36. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the various process owners. The Risk Management Committee provides independent oversight to the effectiveness of the risk management process.

It is the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. 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 and evaluation procedures. In addition, trade receivable balances are monitored on an ongoing basis in view of reducing the Group's exposure to bad debts.

<u>Exposure to credit risk</u>

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position; and

At the reporting date, approximately:

- 51% (2013: 45%) of the Group's trade receivables were due from 10 (2013: 10) major customers who are located in Malaysia; and

- 40% (2013: 33%) of the Group's trade and other receivables were due from related parties.

<u>Financial assets that are neither past due nor impaired</u>

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 20. Deposits with banks and other financial institutions that are neither past due or impaired are placed with reputable financial institutions with high credit ratings.

<u>Financial assets that are either past due or impaired</u>

Information regarding financial assets that are either past due or impaired is disclosed in Note 20.

Notes to the Financial Statements
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36. Financial risk management objectives and policies (cont'd.)

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is that not more than 60% of borrowings (including overdrafts) should mature in the next one year period, and to maintain sufficient liquid financial assets and stand-by credit facilities with three different banks. At the reporting date, approximately 58% (2013: 56%) of the Group's borrowings as disclosed in Note 26 will mature in less than one year based on the carrying amount reflected in the financial statements. About 50% (2013: 25%) of the Company's borrowings will mature in less than one year at the reporting date.

<u>Analysis of financial instruments by remaining contractual maturities</u>

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2014				
Financial liabilities:				
Group				
Trade and other payables	177,797,032	-	-	177,797,032
Borrowings	189,182,948	148,142,795	5,794,875	343,120,618
Total undiscounted financial liabilities	366,979,980	148,142,795	5,794,875	520,917,650
Company				
Other payables	913,659	-	-	913,659
Borrowings	122,153,083	126,768,083	-	248,921,166
Total undiscounted financial liabilities	123,066,742	126,768,083	-	249,834,825

Notes to the Financial Statements
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36. Financial risk management objectives and policies (cont'd.)

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2013				
Financial liabilities:				
Group				
Trade and other payables	235,540,083	-	-	235,540,083
Borrowings	345,499,078	274,492,011	1,385,086	621,376,175
Total undiscounted financial liabilities	581,039,161	274,492,011	1,385,086	856,916,258
Company				
Other payables	6,088,313	-	-	6,088,313
Borrowings	85,201,724	251,766,972	87,634	337,056,330
Total undiscounted financial liabilities	91,290,037	251,766,972	87,634	343,144,643

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their borrowings. The Group does not hedge its interest rate but ensures that it has obtained borrowings at competitive interest rates under the most favourable terms and conditions.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts. At the reporting date, approximately 82% (2013: 65%) of the Group's borrowings are at fixed rates of interest.

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36. Financial risk management objectives and policies (cont'd.)

(c) Interest rate risk (cont'd.)

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group's profit before tax would have been RM49,939 (2013: RM224,752) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Sources of interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statements of financial position on the borrowings.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of the financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective currencies of Group's entities, primarily RM, United States Dollar ("USD") and Singapore Dollar ("SGD").

Approximately 2% (2013: 7%) of the Group's sales are denominated in foreign currencies whilst almost 98% (2013: 93%) of cost are denominated in the respective functional currencies of the Group's entities. The Group's trade receivable and trade payable balances at the reporting date have similar exposure.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD and SGD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		Group Profit net of tax	
		2014 RM	2013 RM
Financial assets			
USD/RM	- strengthened 3% (2013: 3%)	(66,650)	(1,663,000)
	- weakened 3% (2013: 3%)	66,650	1,663,000
Financial liabilities			
USD/RM	- strengthened 3% (2013: 3%)	(47,727)	(788,000)
	- weakened 3% (2013: 3%)	47,727	788,000
SGD/RM	- strengthened 3% (2013: 3%)	-	(231,000)
	- weakened 3% (2013: 3%)	-	231,000

Notes to the Financial Statements
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37. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2014 and 31 December 2013.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio not exceeding 75%. The Group includes within net debt, borrowings, trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the parent less the fair value adjustment reserve, if any.

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Borrowings	320,418,417	562,342,604	230,000,000	308,319,711
Trade and other payables	177,797,032	235,540,083	913,659	6,088,313
Less: Cash and bank balances	(245,030,608)	(135,187,316)	(122,098,639)	(32,324,395)
Net debt	253,184,841	662,695,371	108,815,020	282,083,629
Equity attributable to the owners of the parent, representing total capital	830,081,603	606,557,140	398,403,372	234,825,380
Capital and net debt	1,083,266,444	1,269,252,511	507,218,392	516,909,009
Gearing ratio	23.4%	52.2%	21.5%	54.6%

38. Events occuring after the reporting date

On 24 March 2015, Deepsea Leader Venture (L) Inc, a joint venture between Alam Maritim Investment Holding (L) Inc. and Vallianz International Pte Ltd incorporated on 5 January 2015, had signed a Memorandum of Agreement with Wellspring Marine Trading Ltd. for the acquisition of offshore support vessel namely OLV Venture 1 for a total purchase consideration of USD60 million (approximately RM221 million).

Notes to the Financial Statements
31 December 2014

39. Segmental information

(a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(b) Business segments

The Group comprises the following two main business segments:

- **Offshore support vessels and services**

  Provision of vessels for charter hire, assisting seismic operators in seismic survey related activities, transportation of crew and supplies, towing and mooring of rigs offshore, anchor-handling services and other support, repair and maintenance services for the oil and gas industry.

- **Sub-sea 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.

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.

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39. Segmental information (cont'd.)

	Offshore support vessels and services RM	Sub-sea services RM	Others RM	Adjustments RM	Total RM
31 December 2014					
Revenue					
Sales to external customers	227,544,885	160,697,775	3,341,694	-	391,584,354
Inter segment sales	62,994,306	70,220,482	738,060	(133,952,848)	-
Total revenue	290,539,191	230,918,257	4,079,754	(133,952,848)	391,584,354
Results					
Segment results	38,921,821	7,824,800	1,955,713	(2,216,026)	46,486,308
Finance costs	(22,199,587)	(1,482,940)	(323,870)	-	(24,006,397)
Share of results of associates	21,210,352	-	-	-	21,210,352
Share of results of joint ventures	20,430,155	2,513,052	-	-	22,943,207
Profit before tax	58,362,741	8,854,912	1,631,843	(2,216,026)	66,633,470
Income tax expense					(5,904,253)
Profit for the year					60,729,217
Assets					
Segment assets	455,484,694	64,396,066	8,620,684	-	528,501,444
Investments in associates	61,699,516	-	-	11,718,509	73,418,025
Interests in joint ventures	72,577,463	-	-	183,822,730	256,400,193
Intangible assets	-	12,960	-	1,345,262	1,358,222
Unallocated assets	391,759,622	25,606,948	533,744,144	(401,718,026)	549,392,688
Total assets	981,521,295	90,015,974	542,364,828	(204,831,525)	1,409,070,572
Total liabilities	676,563,016	66,848,655	243,294,538	(408,273,296)	578,432,913
Other segment information:					
Capital expenditure	12,125,541	18,423,374	128,835	-	30,677,750
Depreciation	28,626,141	10,380,098	508,139	-	39,514,378
Other significant non-cash expenses:					
Impairment loss of trade receivables	811,062	-	-	-	811,062
Impairment loss on interests in joint ventures	417,914	-	-	-	417,914
Impairment of property, vessels equipment	671,170	-	-	-	671,170
Impairment of goodwill	183,878	-	-	-	183,878
Property, vessels and equipment written off	171,292	-	-	-	171,292

Notes to the Financial Statements
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39. Segmental information (cont'd.)

	Offshore support vessels and services RM	Sub-sea services RM	Others RM	Adjustments RM	Total RM
31 December 2013					
Revenue					
Sales to external customers	285,815,059	158,233,803	3,348,544	-	447,397,406
Inter segment sales	185,771,848	11,962,597	16,870,215	(214,604,660)	-
Total revenue	471,586,907	170,196,400	20,218,759	(214,604,660)	447,397,406
Results					
Segment results	60,967,462	2,930,737	259,913	(7,782,091)	56,376,021
Finance costs	(28,823,532)	(1,281,328)	(133,175)	-	(30,238,035)
Share of results of associates	22,483,809	-	-	-	22,483,809
Share of results of joint ventures	17,924,870	12,114,813	-	-	30,039,683
Profit before tax	72,552,609	13,764,222	126,738	(7,782,091)	78,661,478
Income tax expense					(4,160,379)
Profit for the year					74,501,099
Assets					
Segment assets	462,843,009	67,533,594	9,122,249	6,036,630	545,535,482
Investments in associates	86,594,450	-	-	45,766,716	132,361,166
Interests in joint ventures	46,100,444	-	-	105,708,464	151,808,908
Intangible assets	-	16,542	-	1,496,069	1,512,611
Unallocated assets	598,339,408	74,730,167	453,997,568	(471,572,179)	655,494,964
Total assets	1,193,877,311	142,280,303	463,119,817	(312,564,300)	1,486,713,131
Total liabilities	899,897,262	121,928,000	326,263,189	(468,461,331)	879,627,120
Other segment information:					
Capital expenditure	128,721,485	12,111,394	6,546,663	-	147,379,542
Depreciation	28,376,835	14,027,980	337,781	-	42,742,596
Other significant non-cash expenses:					
Impairment loss of trade receivables	44,031	-	-	-	44,031

Notes to the Financial Statements
31 December 2014

40. Supplementary information – breakdown of retained earnings into realised and unrealised

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2014 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Total retained earnings of the Company and its subsidiaries				
- realised	579,083,160	520,124,884	1,993,460	1,135,483
- unrealised	(289,454,673)	(249,274,998)	-	-
	289,628,487	270,849,886	1,993,460	1,135,483
Total share of retained earnings from associates:				
- realised	21,085,958	57,694,245	-	-
- unrealised	(95,180)	(86,551)	-	-
Total share of retained earnings from joint ventures:				
- realised	180,003,946	100,033,545	-	-
- unrealised	15,206,400	13,079,843	-	-
	505,829,611	441,570,968	1,993,460	1,135,483
Less:				
consolidation adjustments	(68,917,113)	(65,360,502)	-	-
Retained earnings as per financial statements	436,912,498	376,210,466	1,993,460	1,135,483

Analysis of Shareholdings

As at 15 April 2015

ANALYSIS OF SHAREHOLDINGS BY SIZE

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	117	1.304	5,035	0.000
100 - 1,000	572	6.377	441,387	0.047
1,001 - 10,000	5,112	56.996	29,684,308	3.210
10,001 - 100,000	2,740	30.549	89,568,063	9.688
100,001 - 46,223,045(*)	424	4.727	322,380,992	34.872
46,223,046 and above(**)	4	0.044	482,381,136	52.179
Total	**8,969**	**100.000**	**924,460,921**	**100.000**

Notes:
(*) Less than 5% of issued shares
(**) 5% and above of issued shares

DIRECTORS' SHAREHOLDING

Name of Directors	Direct No. of Shares	%	Indirect No. of Shares	%
DATUK AZMI BIN AHMAD	2,292,748	0.248	165,373,343(1)	17.889
SHAHARUDDIN BIN WARNO @ RAHMAD	9,900	0.001	165,207,718(2)	17.871
AHMAD HASSANUDIN BIN AHMAD KAMALUDDIN	1,875	(*)	123,750(3)	0.013
FINA NORHIZAH BINTI HJ BAHARU ZAMAN	34,000	0.004	-	-
DATO' HAJI AB WAHAB BIN IBRAHIM	1,500	(*)	-	-
AINUL AZHAR BIN AINUL JAMAL	-	-	-	-

Notes:
(*) Negligible
(1) Deemed interested pursuant to Section 6A and 134(12)(c) of the Companies Act, 1965 ("the Act")
(2) Deemed interested pursuant to Section 6A of the Act
(3) Deemed interested pursuant to Section 134(12)(c) of the Act

SUBSTANTIAL SHAREHOLDERS

No	Name	Holdings	%
1	SAR VENTURE HOLDINGS (M) SDN BHD	330,415,436	35.741
2	LEMBAGA TABUNG HAJI	91,965,700	9.948
3	HLIB NOMINEES (TEMPATAN) SDN BHD HONG LEONG FUND MANAGEMENT SDN BHD FOR ASSOCIATED LAND SENDIRIAN BERHAD	60,000,000	6.490

Analysis of Shareholdings
As at 15 April 2015

LIST OF TOP 30 HOLDERS
(without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Name	Holdings	%
1	SAR VENTURE HOLDINGS (M) SDN BHD	243,109,197	26.297
2	LEMBAGA TABUNG HAJI	91,965,700	9.948
3	SAR VENTURE HOLDINGS (M) SDN BHD	87,306,239	9.444
4	HLIB NOMINEES (TEMPATAN) SDN BHD HONG LEONG FUND MANAGEMENT SDN BHD FOR ASSOCIATED LAND SENDIRIAN BERHAD	60,000,000	6.490
5	MAYBANK NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CAPRICE CAPITAL INTERNATIONAL LTD	38,620,000	4.177
6	CIMSEC NOMINEES (ASING) SDN BHD CIMB BANK FOR CAPRICE CAPITAL INTERNATIONAL LTD (MY1865)	34,000,000	3.677
7	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC SELECT TREASURES FUND	19,594,350	2.119
8	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (HK BR-TST-ASING)	12,010,873	1.299
9	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)	10,000,000	1.081
10	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	9,310,300	1.007
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA TAKAFUL BERHAD (SHAREHOLDERS FD)	8,214,300	0.888
12	AMANAHRAYA TRUSTEES BERHAD PUBLIC STRATEGIC SMALLCAP FUND	6,839,000	0.739
13	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA INSURANCE BERHAD (LIFE PAR FUND)	5,782,000	0.625
14	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG CHAI GO	4,800,000	0.519
15	AMSEC NOMINEES (TEMPATAN) SDN BHD AMTRUSTEE BERHAD FOR PACIFIC PEARL FUND (UT-PM-PPF)	3,997,200	0.432
16	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC OPPORTUNITIES FUND	3,741,100	0.404

Analysis of Shareholdings

As at 15 April 2015

LIST OF TOP 30 HOLDERS (Cont'd.)
(without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Name	Holdings	%
17	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHING LING	3,616,000	0.391
18	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	3,606,300	0.390
19	HONG LEONG ASSURANCE BERHAD AS BENEFICIAL OWNER (LIFE PAR)	2,990,000	0.323
20	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	2,975,800	0.321
21	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DFA EMERGING MARKETS SMALL CAP SERIES	2,725,000	0.294
22	AMSEC NOMINEES (TEMPATAN) SDN BHD AMTRUSTEE BERHAD FOR PACIFIC DIVIDEND FUND (UT-PM-DIV)	2,368,600	0.256
23	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD-AMB SMALLCAP TRUST FUND	2,341,900	0.253
24	AZMI BIN AHMAD	2,278,487	0.246
25	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD FOR PACIFIC DANA AMAN (3717 TRO1)	2,210,250	0.239
26	CARTABAN NOMINEES (TEMPATAN) SDN BHD SSBT AIFM FUND SAFP FOR LEMBAGA TABUNG HAJI	2,129,400	0.230
27	AMANAHRAYA TRUSTEES BERHAD AMITTIKAL	2,067,000	0.223
28	ASSETS NOMINEES (ASING) SDN BHD KWEK LENG SENG	2,000,000	0.216
29	HONG LEONG ASSURANCE BERHAD AS BENEFICIAL OWNER (UNITLINKED GF)	2,000,000	0.216
30	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD – KENANGA SYARIAH GROWTH FUND	1,928,200	0.208

NOTICE OF 10th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Tenth Annual General Meeting of Alam Maritim Resources Berhad will be held on Friday, 12 June 2015 at 10.00 a.m., at the Royal III, Lobby Level, Palace of Golden Horses, Jalan Kuda Emas, MINES Wellness City, 43300 Seri Kembangan, Selangor Darul Ehsan for the transaction of the following businesses:

AGENDA

AS ORDINARY BUSINESS

1. To receive the audited Financial Statements for the financial year ended 31 December 2014 and the Reports of the Directors and Auditors thereon. **(Please refer to Note (i) of the Explanatory Notes on Ordinary Businesses)**

2. 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) Puan Fina Norhizah binti Haji Baharu Zaman; and **(Ordinary Resolution 1)**

   (ii) Dato' Haji Ab Wahab bin Haji Ibrahim **(Ordinary Resolution 2)**

3. To re-elect Encik Ainul Azhar bin Ainul Jamal who retires in accordance with Article 100 of the Company's Articles of Association and who being eligible offers himself for re-election. **(Ordinary Resolution 3)**

4. To approve the payment of Directors' Fees for the Financial Year ended 31 December 2014. **(Ordinary Resolution 4)**

5. To re-appoint Messrs Ernst & Young as Auditors of the Company for the financial year ending 31 December 2015 and to authorise the Board of Directors to determine their remuneration. **(Ordinary Resolution 5)**

AS SPECIAL BUSINESS

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

6. **Proposed Continuation in Office as Independent Non-Executive Director in accordance with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012:** **(Ordinary Resolution 6)**

   "**THAT** subject to the passing of Ordinary Resolution No. 2, approval be and is hereby given to retain Dato' Haji Ab Wahab bin Haji Ibrahim who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby authorised to continue to act as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM of the Company."

7. **Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965** **(Ordinary Resolution 7)**

   "**THAT** pursuant to Section 132D of the Companies Act, 1965, Articles of Association of the Company and the Listing Requirements of the Bursa Malaysia, the Directors be and are hereby empowered to issue shares in the Company at any time at such price and upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares so issued does not exceed 10% of the issued capital of the Company for the time being and the Directors be and are also empowered to obtain the approval of the Bursa Malaysia for listing of and quotation for the additional shares so issued and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

Notice of 10th Annual General Meeting

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

   "**THAT** subject to Section 67A of the Companies Act, 1965 (the Act), 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 shall be in force until:

      (a) at the conclusion of the next Annual General Meeting (AGM) of the Company; or

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

      (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company in general meeting,

      whichever is earlier; and

   iv. upon the completion of the purchase(s), the Directors are authorised to deal with the Shares so purchased in the manner they may deem fit in the best interest of the Company;

   AND THAT the Directors of the Company be and are hereby authorised to take necessary steps to fully implement the purchase(s) of the Shares with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to do all such acts and things as they may deem fit in the best interest of the Company."

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

BY ORDER OF THE BOARD

Fatan Hamamah binti Khalid, ACIS
(MAICSA 7039265)
Company Secretary

Kuala Lumpur
18 May 2015

Notice of 10th Annual General Meeting

EXPLANATORY NOTES ON ORDINARY BUSINESSES:-

(i) **Agenda Item No. 1** is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item of the Agenda is not put forward for voting.

(ii) **Ordinary Resolutions 1, 2 and 3 – Proposed Re-election of Directors**
The Board Nomination and Remuneration Committee (BNRC) has conducted assessment on the independence of the Independent Directors and is satisfied that the Independent Directors have complied with the independence criteria of the Company and continue to bring independent and objective judgment to the Board deliberations.

EXPLANATORY NOTES ON SPECIAL BUSINESSES:-

(i) **Ordinary Resolution 6** – Proposed Continuation in Office as Independent Non-Executive Director in accordance with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012

The proposed resolution is to seek shareholders' approval to retain Dato' Haji Ab Wahab bin Haji Ibrahim as an Independent Non-Executive Director of the Company. He has served the Company as an Independent Non-Executive Director since 2 May 2006 for a cumulative period of over nine (9) years. The BNRC has made the necessary assessment and recommended to the Board of Directors that he be retained as an Independent Director of the Company based on his ability to maintain his independence of judgment and to express and maintain unbiased views without any influence. Dato' Haji Wahab has a good understanding of the Company's business, the challenges faced by the Company and the environment in which the Company operates. The Board values his contribution to the Company and he is also committed in performing his functions and duties as the Chairman of the Board Audit Committee, including but not limited to attendance at Board and Board Committees' meetings. This proposed resolution is in line with the recommendation under the Malaysian Code on Corporate Governance 2012 and this would allow him to continue to serve as Chairman of the Board Audit Committee, pursuant to the requirement of Paragraph 15.10 of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad.

(ii) Proposed **Ordinary Resolution 7** is to seek a renewal of the general authority pursuant to Section 132D of the Companies Act, 1965 and the MMLR for the issuance and allotment of new ordinary shares in the Company.

Proposed **Ordinary Resolution 7**, if passed, will enable Directors to issue and allot new ordinary shares up to an amount not exceeding ten per centum (10%) of the Company's issued share capital from time to time pursuant to exercise of any options under the Company's ESOS as well as provide them the flexibility to raise funds, including but not limited to further placement of shares for purposes of funding future investment project(s), working capital and/or acquisitions without convening a general meeting which will be both time and cost consuming. This authority, unless revoked or varied at a general meeting, will expire at the next annual general meeting of the Company.

At this juncture, there is no decision to issue any new shares other than any such shares that may be issued pursuant to exercising options under the ESOS. Should there be a decision to issue new shares other than pursuant to the ESOS, after the said authority has been given, the Company will make the appropriate announcement on the purpose and/or utilisation of proceeds arising from such issuance and allotment.

(iii) Proposed renewal of authority for the Company to purchase its own shares.

The proposed **Ordinary Resolution 8**, if passed, is to empower the Directors to purchase the Company's shares of up to 10% of the issued and paid-up capital of the Company by 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 18 May 2015, circulated together with the Annual Report.

Notice of 10th Annual General Meeting

Statement Accompanying Notice of Annual General Meeting

Pursuant to paragraph 8.27(2) of the main market listing requirements

The details of Directors who are standing for re-election are as set out on page 28, 32 and 33 of this Annual Report and the Directors' interest in the securities of the Company and/or its related companies are disclosed on page 79 and 166 of this Annual Report.

Notes:

1. Only members registered in the Record of Depositors (ROD) as at 5 June 2015 shall be eligible to attend the AGM or appoint proxy to attend and vote on their behalf.

2. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

3. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the Meeting provided that, where a member is an authorised nominee as defined in accordance with the provisions of the Securities Industry (Central Depositories) Act 1991 (SICDA), it may appoint up to two (2) proxies in respect of each Securities Account it holds with ordinary shares in the Company standing to the credit of the said Securities Account.

4. Where a member appoints two (2) proxies, the appointment shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified.

5. The instrument appointing a proxy/Proxy Form shall be in writing under the hand of the appointer or of his attorney duly appointed under a power of attorney. Where the instrument appointing a proxy is executed by a corporation, it shall be executed either under its common seal or under the hand of any officer or attorney duly appointed under a power of attorney.

6. A corporation which is a member may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at the Meeting in accordance with Article 91 of the Company's Articles of Association.

7. Duly completed Proxy Form must be deposited at Tricor Investor Services Sdn Bhd, Level 17, The Gardens, North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time set for the Meeting or **no later than 10 June 2015 at 10.00 am.**

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

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

FORM OF PROXY

I/We ____
(Block Letters)

of ____

being a member of ALAM MARITIM RESOURCES BERHAD (AMRB) hereby appoint :-

	Name/CDS Account No	NRIC/Passport No	No of shares	%	
Proxy 1	____________	____________	________	_____	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 Tenth Annual General Meeting of the Company to be held at 10.00 a.m. on Friday, 12 June 2015 at the Royal III, Lobby Level, Palace of Golden Horses, Jalan Kuda Emas, MINES Wellness City, 43300 Seri Kembangan, Selangor Darul Ehsan and at any adjournment thereof, in the manner indicated below:

No.	Resolutions	For	Against
1	To re-elect Puan Fina Norhizah binti Haji Baharu Zaman pursuant to Article 94.		
2	To re-elect Dato' Haji Ab Wahab bin Haji Ibrahim pursuant to Article 94.		
3	To re-elect Encik Ainul Azhar bin Ainul Jamal pursuant to Article 100.		
4	To approve the payment of Directors' Fees for the financial year ended 31 December 2014.		
5	To re-appoint Messrs Ernst & Young as Auditors of the Company for the financial year ending 31 December 2015 and to authorise the Directors to determine their remuneration.		
6	Continuation in Office of Dato' Haji Ab Wahab bin Haji Ibrahim as Independent Non-Executive Director in accordance with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012		
7	To authorise the Directors to allot and issue new ordinary shares pursuant to Section 132D of the Companies Act, 1965		
8	To approve the proposed renewal of authority for the Company to purchase its own shares.		

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

____________________ ____________________

Date Signature/Common Seal of Shareholder

Notes:

1. *Only members registered in the Record of Depositors (ROD) as at 5 June 2015 shall be eligible to attend the AGM or appoint proxy to attend and vote on their behalf.*
2. *A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
3. *A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the Meeting provided that, where a member is an authorised nominee as defined in accordance with the provisions of the Securities Industry (Central Depositories) Act 1991 (SICDA), it may appoint up to two (2) proxies in respect of each Securities Account it holds with ordinary shares in the Company standing to the credit of the said Securities Account.*
4. *Where a member appoints two (2) proxies, the appointment shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified.*
5. *The instrument appointing a proxy/Proxy Form shall be in writing under the hand of the appointer or of his attorney duly appointed under a power of attorney. Where the instrument appointing a proxy is executed by a corporation, it shall be executed either under its common seal or under the hand of any officer or attorney duly appointed under a power of attorney.*
6. *A corporation which is a member may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at the Meeting in accordance with Article 91 of the Company's Articles of Association.*
7. *Duly completed Proxy Form must be deposited at Tricor Investor Services Sdn Bhd, Level 17, The Gardens, North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time set for the Meeting or* ***no later than 10 June 2015 at 10.00 am.***

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THE SHARE REGISTRAR OF
ALAM MARITIM RESOURCES BERHAD (Company No. 700849-K)
Tricor Investor Services Sdn Bhd
Level 17, The Gardens, North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur, Malaysia

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