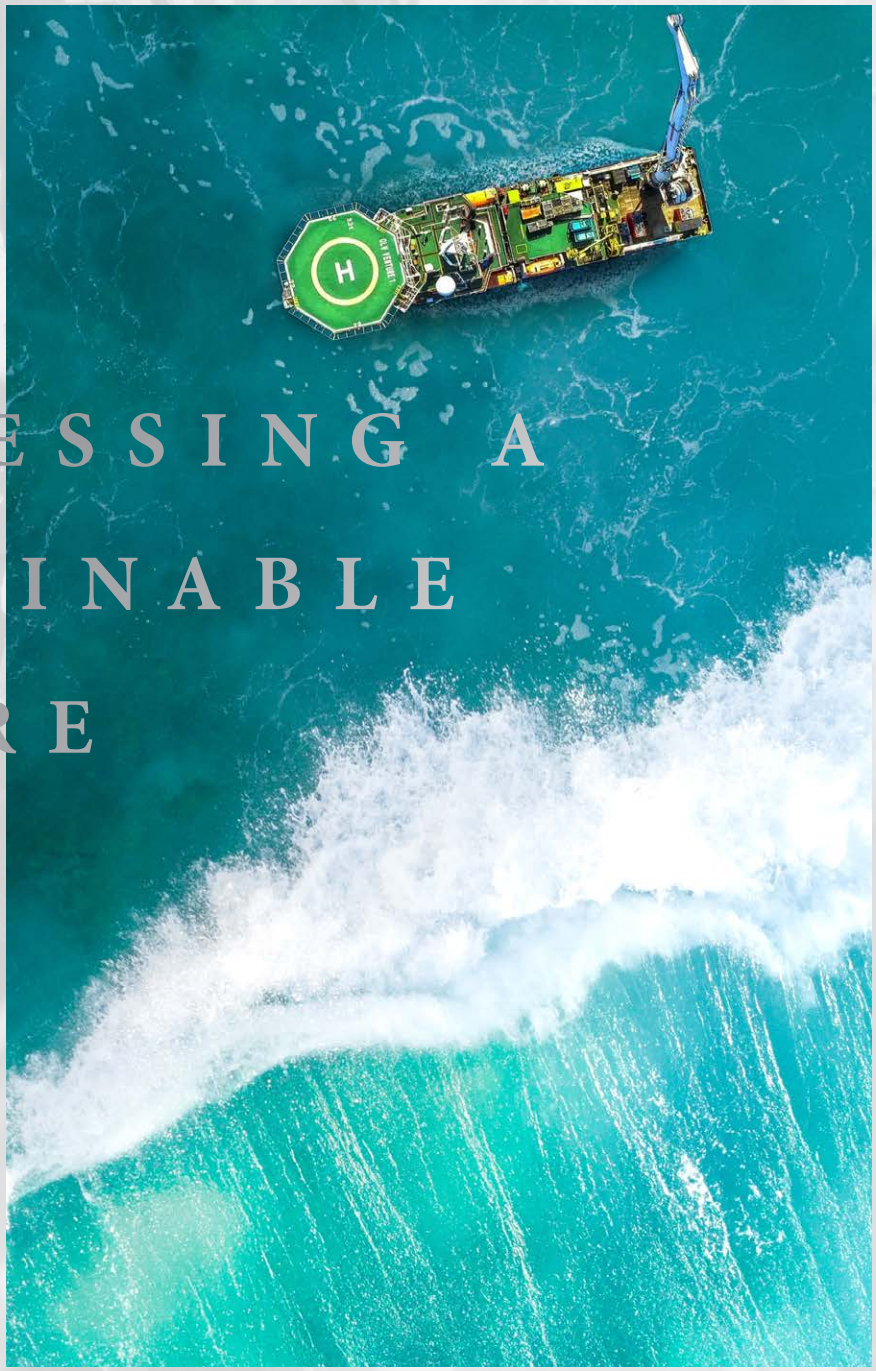
ALAM MARITIM RESOURCES BERHAD

Registration No. 200501018734 (700849-K)



HARNESSING A SUSTAINABLE FUTURE

ANNUAL REPORT 2020

VISION

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

MISSION

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

1. Promoting health, safety, environment and security practises
2. Developing human capital capabilities
3. Delivering operational excellence
4. Practising good corporate governance
5. Maximising stakeholders' value

SHARED VALUES

1 TRUST

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

2 TACT

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

3 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.

4 TENACITY

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

5 TRANSPARENCY

Clear, open and frank in all undertakings.

FINA NORHIZAH BINTI HAJI BAHARU ZAMAN

Chairman

BEING AN ORGANISATION THAT HAS SUSTAINED FOR MORE THAN TWO (2) DECADES, THE GROUP RECOGNISES THE IMPORTANCE OF EXCELLENT WORKING CULTURE AND SHARED VALUES IN THE GROUP'S PERFORMANCE TOWARDS MEETING ITS CORPORATE AGENDA.

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16TH ANNUAL GENERAL MEETING

VENUE
Broadcast Venue,
Multipurpose Hall,
No. 38C, Level 1,
Jalan Radin Anum,
Bandar Baru Sri Petaling,
57000 Kuala Lumpur.
(Fully Virtual Meeting)

DATE
Tuesday,
29 June 2021

TIME
10.00 a.m.

This Annual Report is available at **www.alam-maritim.com.my or http://www.alam-maritim.com.my/AMRB2021/**

or you can scan here to download

CORPORATE PHILOSOPHY

iCARE

i — INTEGRITY

I act with honesty, am upright with high moral values

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

C — COMPLIANCE TO REQUIREMENTS

I perform and deliver the required results with discipline

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

A — ACCOUNTABILITY

I take full responsibility of the results I produced

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

R — RIGHT RESULTS

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

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

E — ENGAGEMENT

I engage all levels and be committed in what I do

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

ALAM MARITIM AT A GLANCE

A PREFERRED

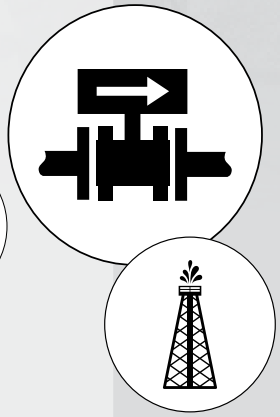
OIL & GAS INTEGRATED SERVICE PROVIDER

Clients consist
of major independent oil companies,
state-owned oil companies,
oil traders and refiners

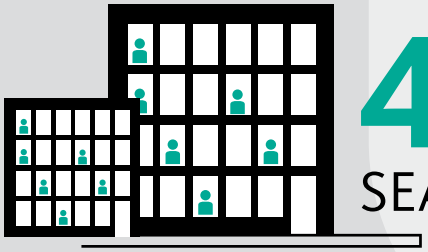
Alam Maritim Resources Berhad is listed on
BURSA MALAYSIA

ALAM MARITIM GROUP
is an integrated service provider of marine transportation support services; offshore installation and construction; underwater and subsea services to the activities in the oil and gas industry.

184
LAND-BASED EMPLOYEES



4
Air Spread



425
SEAFARERS

4
ROVs

REVENUE BREAKDOWN FOR FINANCIAL YEAR 2020

RM255,210,093
REVENUE BREAKDOWN FOR FINANCIAL YEAR 2020

RM77,698,287
30.44%
DIVING & SUBSEA SERVICES

RM51,009,922
19.99%
CHARTER HIRE

RM107,361,419
42.07%
OFFSHORE INSTALLATION & CONSTRUCTION

RM1,732,759
0.68%
SHIP CATERING

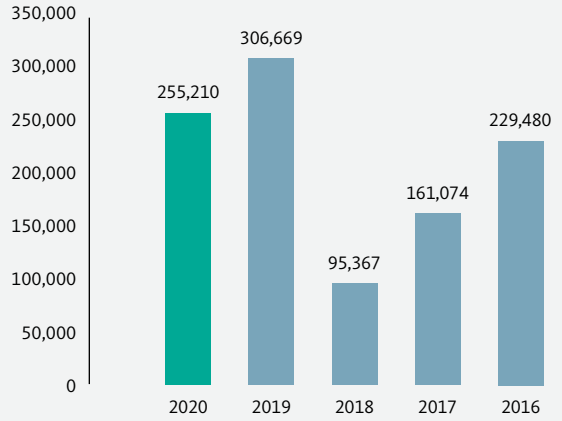
RM114,498
0.04%
RENTAL OF EQUIPMENT

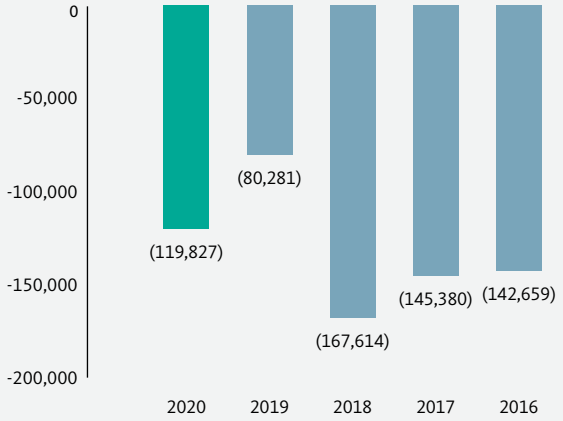
RM7,345,315
2.88%
VESSEL'S MANAGEMENT FEES

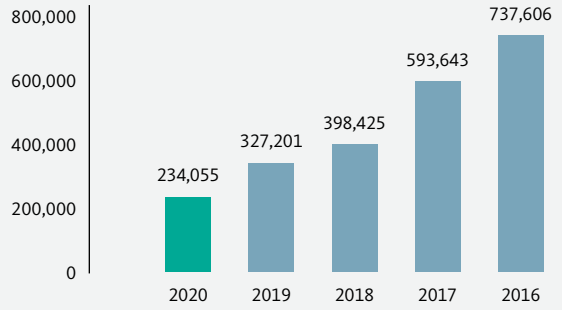
RM9,947,893
3.90%
OTHER SHIPPING RELATED INCOME

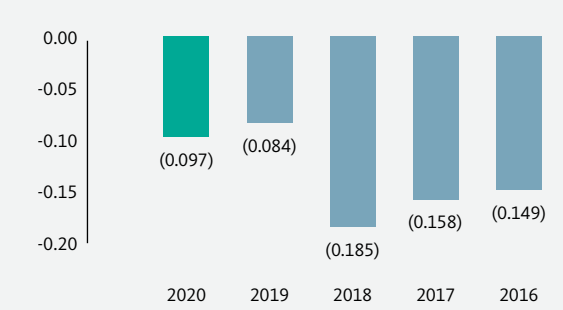
5-YEAR GROUP FINANCIAL HIGHLIGHTS

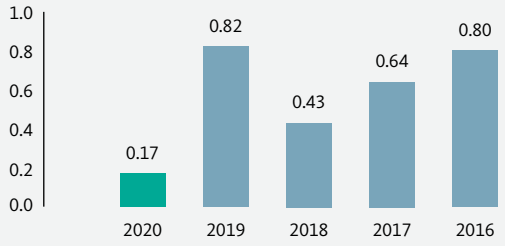
Financial year ended 31 December	2020 RM'000	2019 RM'000	2018 RM'000	2017 RM'000	2016 RM'000
Revenue (RM'000)	255,210	306,669	95,367	161,074	229,480
Profit/(Loss) after Tax (RM'000)	(119,827)	(80,281)	(167,614)	(145,380)	(142,659)
Net Assets (RM'000)	234,055	327,201	398,425	593,643	737,606
Basic Earning Per Share (RM)	(0.097)	(0.084)	(0.185)	(0.158)	(0.149)
Net Assets Per Share (RM)	0.17	0.82	0.43	0.64	0.80











OUR FLEET
As At 15 April 2021

SETIA STATION 1
Type: Accommodation Work Barge
Length X Breadth X Depth (in metre): 100.58 X 31.7 X 7.31
Accommodations: 350 berths
Year Built: 2009 Class: BV

SETIA STATION 2
Type: Accommodation Work Barge
Length X Breadth X Depth (in metre): 111.56 X 31.7 X 7.31
Accommodations: 402 berths
Year Built: 2009 Class: BV

MV SETIA AMAN
Type: Accommodation Vessel I Workboat
Length X Breadth X Depth (in metre): 78 X 20 X 6.5
Accommodations: 180 berths
Year Built: 2009 Class: BV BHP: 5,220

MV SETIA SAKTI
Type: Accommodation Vessel I Workboat (DP2)
Length X Breadth X Depth (in metre): 76 X 20 X 6.1
Accommodations: 138 berths
Year Built: 2008 Class: BV BHP: 5,150

MV SETIA ULUNG
Type: Accommodation Vessel I Workboat
Length X Breadth X Depth (in metre): 78 X 20 X 6.5
Accommodations: 180 berths
Year Built: 2009 Class: BV BHP: 5,220

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

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

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

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

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

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

MV SETIA TEGUH
Type: Anchor Handling Tug Supply Vessel (DP 1)
Length X Breadth X Depth (in metre): 59.25 X 14.95 X 6.10
Accommodations: 42 berths
Year Built: 2008 Class: BV BHP: 5,150

MV SETIA WANGSA
Type: Anchor Handling Tug Supply Vessel
Length X Breadth X Depth (in metre): 59.25 X 14.95 X 6.10
Accommodations: 42 berths
Year Built: 2007 Class: BV BHP: 5,150

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

MV SETIA NURANI
Type: Anchor Handling Tug Supply Vessel
Length X Breadth X Depth (in metre): 59 X 14.6 X 5.5
Accommodations: 42 berths
Year Built: 2005 Class: BV BHP: 5,150

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

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

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

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

OUR FLEET
As At 15 April 2021

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

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

MV SETIA DERAS
Type: Crew I Utility Vessel
Length X Breadth X Depth (in metre): 40.38 X 7.80 X 3.40
Seating: 80 pax
Year Built: 2009 Class: BV BHP: 4,200

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

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

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

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

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

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

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

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

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

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

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

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

OLV VENTURE 1
Type: DP2 Diving Support and Maintenance Vessel
Length X Breadth X Depth (In Metre): 85 X 22 X 8
Accommodation: 155 Men
Year Built: 2015 Class: ABS BHP: 6,000

WBI TRINITY
Type: Anchor Handling Tug Supply Vessel
Accommodation Vessel
Length X Breadth X Depth (In Metre): 52.80 X 13.20 X 5.20
Year Built: 2008 Class: BV

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

UNDERWATER MAJOR ASSETS

DP2 MULTI SUBSEA SUPPORT AND MAINTENANCE VESSEL

OLV VENTURE 1 is a DP 2 Diving Support and Maintenance vessel, fitted with a 100T AHC MacGregor Crane, work class ROV, 12 man Saturation Diving System, Moonpool Launching and Recovery, Helideck CAP 437 and ICAO Compliant and Accommodation for 155 persons.

This vessel is suitable for deepwater operations such as:

- Deepsea Lifting and Installation up to 2,000m
- ROV Operations
- Diving Support
- Offshore Construction Support
- Inspection, Maintenance and Repair projects

50M AIR/MIXED GAS DIVING SYSTEM (NON-CLASS)

The IMCA D023 DESIGN compliant air/mixed gas diving system comprises of three (3) units:

- 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.
- Machinery Van - a 20 footer container complete with hydraulic power pack, air/gas cylinders, air bank, a low pressure compressor, a high pressure compressor and two exhaust fans.
- Launching and Recovery System - a skid mounted complete with a two (2) tonne A-Frame, a dive stage, clump weight, man riding winch.

50M AIR MIXED GAS DIVING SYSTEM (CLASS) 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 four (4) legged lifting slings with master link.

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

UNDERWATER MAJOR ASSETS

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 four (4) legged lifting slings with master link.

- Insulated inside to 50mm with metal finishing.
- Power rating 220V, 32 amp.
- Contained one (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 Analyser.
- Contained one (1) unit of Commax Slave Station.
- Contained two (2) unit of 18000 BTU220V 50/60Hz Recessed air- con split unit.
- Contained safety features such as DMAC 15 kit, first aid kit and fire emergency safety equipment.

MACHINERY 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 four (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 two (2) units of 440v 50/60Hz electrical driven Quincy 5120 LP Compressor with 120 gallons volume tank and Hankison Filters.
- Contained two (2) units of 440v 50/60Hz Electric driven Bauer Mariner 320 HP Compressor with output capacity of 11.3 cfm.
- Contained one (1) unit electric driven tooling hydraulic power pack with capacity of 18-20 GPM.

LAUNCHING AND RECOVERY SYSTEM (LARS) - SET OF TWO (2) UNITS

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 four (4) legged lifting slings with master link.

- Contained A-Frame complete with two (2) units of hydraulic cylinder for A-Frame operation.
- Contained Diving stage with ABS approved Engineering Design for main and secondary lifting pad eyes complete with certified 1.5 meter secondary recovery strops, 2 units of 50 liters air cylinder with content indication as per IMCAD023, manifold and regulator.
- Contained two (2) units of Man Riding Winch with capacity of 1.4ton SWL complete with 160/100m non rotating wire (Galv Grade 1960 MPa).
- Contained one (1) unit electric driven weather proof hydraulic power pack complete with 42 gallons steel tank and accumulator.

UNDERWATER MAJOR ASSETS REPORT

JERUNG SERIES (3000 MSW) C/W 160HP WORK-CLASS ROV		PARI SERIES 125HP WORK-CLASS ROV
3,000m (TMS)	**Type**	1500m (free swimming)
Length x Width x Height	**Dimensions**	Length x Width x Height
3,100mm x 1,600mm x 2,000mm		2,500mm x 1,450mm x 1,800mm
1,800mm x 2,000mm	**TMS Diameter x Height**	2,400kg
2,400kg	**Weight in Air**	
2,400kg	**TMS**	
Forward 700kgf 2.5 knots	**Performance**	Forward 700kgf 3.5 knots
Lateral 550kgf 2.5 knots		Lateral 550kgf 3.0 knots
Vertical 500kgf 1.5 knots		Vertical 500kgf 1.5 knots
• Marine and subsea construction support • Drilling, production and work-over support • Facility inspection, maintenance and repair support	**Work Capabilities**	• Marine and subsea construction/ installation support • Drilling, production and work-over support • Facility inspection, maintenance and repair support

CHAIRMAN'S STATEMENT

FINA NORHIZAH BINTI HAJI BAHARU ZAMAN

Chairman

DEAR SHAREHOLDERS,

On behalf of the Board of Directors ("Board") of Alam Maritim Resources Berhad ("AMRB" or "the Group"), I hereby present our Annual Report and audited financial performance for the financial year ended 31 December 2020 ("FY2020").

INTRODUCTION

The oil and gas industry had just come off a four-year cyclical downturn in FY2019 and was on the verge of continued growth and recovery. However, the onset of the unprecedented COVID19 virus pandemic derailed not just the upswing in industry momentum, but also global economic growth and activity.

With key oil-consuming industries such as aviation, manufacturing, energy generation, construction and the automotive sector experiencing a significant decline in activity and output, it was inevitable that the oil and gas services sector would also be impacted.

With reduced industrial activities and output, demand for crude oil for refining and for production of petrochemicals dipped sharply. In Malaysia, the oil and gas sector saw reduced activities in FY2020 with no major tenders issued during the financial year. The lack of major tenders called were due to the cautionary approach adopted by oil and gas majors in the wake of the pandemic, which had caused crude oil prices to temporarily tumble to a record low of USD18 per barrel in the first quarter of FY2020.

On the back of increased production quotas among oil producing countries, crude oil prices stabilised, averaging USD42 per barrel for FY2020, still significantly lower than FY2019's average of USD64 per barrel.

VALUE CREATION DURING A CHALLENGING PERIOD

Being an OSV operator, AMRB was able to still derive a steady stream of recurring income from its existing order book of RM150.63 million.

In FY2020, there were not many OSV tenders called where vessels market are continued in the surplus and low Daily Charter Rates ("DCR"). However, AMRB's OSV business has been less affected by virtue that the Group were tied to long-term fixed charter rates based on the current order book.

Given the operating environment, AMRB's Board and Management adopted a more proactive approach to address the risks and challenges faced.

In many ways, the four-year downturn from FY2015-FY2018 which we had experienced and prevailed against, had strengthened the resolve and commitment of AMRB. Our business model has been bolstered through our corporate restructuring exercise. This, coupled with our revitalised organisational culture and the spirited contributions of our workforce has enabled AMRB to face FY2020 with greater confidence.

Having built-up the competences, spirit and a strong organisational culture, AMRB was able to adopt all necessary measures to maintain business and operational sustainability, and to retain its position as Malaysia's preferred OSV provider, and as one of the nation's newest technology proven, integrated service providers for Offshore Installation and Construction ("OIC") and Subsea and Underwater Services.

Our level of operational efficiency was high in FY2020 as the entire Group and its people achieved more with less, learning to be resourceful to mitigate the effects of eroding margins on the back of awarded contracts.

AMRB able to derive a steady stream of recurring income from its existing order book of RM150.63 million.

Our business model has been bolstered through our corporate restructuring exercise, coupled with our revitalised organisational culture and the spirited contributions of our workforce, enabled AMRB to face FY2020 with greater confidence

In FY2020, AMRB succeeded in securing contracts from PETRONAS Carigali Sdn Bhd, Sapura OMV Upstream (PM) Inc ("Sapura") and REPSOL Oil & Gas Malaysia Limited ("Repsol") worth RM59.470 million. These enabled AMRB to stay busy during the challenging FY2020.

The successful completion of the nation's maiden Zap-Lok™ project, the Tembikai Non-Associated Gas ("TNAG") project awarded by Vestigo Petroleum Sdn Bhd ("Vestigo") to AMRB via our Strategic Alliance arrangement with Cortez Subsea Limited, sets a historic milestone and benchmark for Malaysia's oil and gas sector.

Zap-Lok™ marks the start of a new and improved means for undertaking pipeline connections within the industry. It is poised to become the way of the future and we will continue to explore opportunities with oil and gas majors going forward. We have made discernible efforts in promulgating the Zap-Lok™ advanced connection technology to interested clients in FY2020.

Equally, noteworthy, under AMRB's Subsea segment, a high level of progress was achieved for the 3+1+1 year's term of awarded contract, namely Provision of Subsea Inspection, Maintenance and Repair Services ("IMR"). The contract was awarded by REPSOL for the period of 2020 to 2025. The project enabled AMRB to enhance its competent subsea capabilities. This is in addition to the existing of the Provision of Subsea Inspection, Repair and Maintenance ("IRM") contracts under the Pan Malaysia underwater job services and Carigali Hess Operating Company Sdn Bhd for the period of 2018-2014 and 2018-2022, respectively. These projects have strengthened our reputation as a credible Subsea player. This is important given the limited number of Subsea players in Malaysia.

Revenue recognition achieved from various segments was on the back of the aforementioned contracts that were successfully completed in an effective and efficient manner while meeting our clients' satisfaction.

CHAIRMAN'S STATEMENT

On all projects, AMRB has continued to distinguish itself as a leader for Health, Safety, Security and Environmental ("HSSE") performance. In essence, the Company displayed strong financial resistance in a most challenging period for the oil and gas industry, contributed by the significant value created in the OSV, Subsea and OIC segments.

Please refer to the 'Management Discussion and Analysis' section of this report on page 16 to 29 for more detailed information on the aforementioned contracts and other project and operational highlights achieved by AMRB in FY2020.

PERPETUATING HEALTH AND SAFETY AND CORPORATE GOVERNANCE

The Board and Management has prioritised employee health and safety above all else during the COVID-19 pandemic. The Group adopted proactive and rigorous measures to ensure a healthy workplace environment through stringent Standard Operating Procedures ("SOPs") that comply with Government directives.

Being an organisation that has sustained itself for more than two decades, the Group recognises the importance of excellent working culture and shared values in driving the performance towards meeting our Corporate Agenda.

In FY2020, we continued to promote our iCARE corporate principles and the organisational shared values to inculcate excellent working culture. A working culture that emphasises Quality, Health, Safety, Security and the Environment ("QHSSE"), productivity and work behaviour. HSSE, through the implementation of Key Performance Index ("KPI") and Balance Scorecards are the key tools in monitoring productivity to enhance the Group performance . These performance indicators serve as the foundation to analyse and track performance and to drive strategic decisions.

In FY2020, we reached a total of 6.11 million man-hours without a Loss Time Incident ("LTI"). Several awards were also bestowed on the crew for excellent vessel performance.

On a related note, in FY2020, AMRB updated and implemented its Anti-Bribery and Anti-Corruption ("ABAC") policy in pursuant of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACCA").

Notable QHSSE highlights and achievements as well as corporate governance details are denoted in the 'Sustainability Statement' section of this annual report.

OUTLOOK AND PROSPECTS

The lingering effects of the COVID-19 pandemic are expected to continue into FY2021 alongside continued mobility restrictions and political uncertainties. The imposition of a second Movement Control Order ("MCO 2.0") in January 2021 has dampened economic and industry recovery, however intensified effort by the Malaysia government to curb the pandemic has been realised in the introduction of the first phase of COVID-19 vaccines to the frontliners beginning Q1 2021.

Beyond Q1 2021 is expected to see continued muted growth, the roll out of vaccination program throughout the nation, the various government stimulus measures and other facilitating factors have restored a measure of confidence to both consumer and investor sentiments.

Economic growth in FY2021 is expected to revert to a positive trajectory, with early estimates indicating Gross Domestic Product ("GDP") growth of 5.6% to even up to 7.5% being a possibility.

There is rising demand of oil and gas commodities. In February 2021, Brent closed in on USD60 per barrel for the first time since January 2020.

With the combination of crude inventories declining in both China and the US as well as the Organisation of the Petroleum Exporting Countries ("OPEC") and OPEC+ supply cuts and quota discipline, the oil market has started to tighten as demand for oil production starts to rise. Market watchers have been optimistic about oil prices returning to pre-pandemic levels in 2021, circa USD65 per barrel barring any other black swan events or unforeseen circumstances.

Similarly, the Group foresee a positive outlook for the Malaysian oil and gas sector where more upstream activities are expected going forward.

The PETRONAS Activity Outlook for Years 2021-2023 as announced in December 2020, indicates a steady outlook for production support, drilling, fabrication and installation of wellhead platforms and subsea facilities as well as decommissioning facilities.

With that, we hope the demand for OSV will be positively impacted, driving increased vessel utilisation and DCR. In addition, the maritime industry is also a beneficiary of the Government incentives for shipbuilding as well as various types of financial support. These augur well and tie in with AMRB's fleet renewal programme.

However, AMRB intends to not be overly reliant on its OSV business, but to continue expanding its OIC and Subsea business segments. The Group will look to push for innovation on all fronts with focused execution in order to stay operationally relevant in the near future. In acquiring technology, AMRB will explore opportunities and strategic partnerships/alliances.

More focus will be placed on strengthening our balance sheets and improving Group cash flow. The Group foresees financially-sound subsidiaries and JVs while continuing to restructure to better position AMRB to undertake its expansion programme in the coming years. In doing so, AMRB would be more attractive to prospective business partners and financiers.

All in all, our proven resilience has remained a hallmark through multiple oil crises and AMRB is prepared to capitalise on the next industry uptrend. For these stated reasons and more, the Board and I are optimistic that with the eventual worldwide economic recovery towards stability in oil prices, AMRB's persistence in FY2020 may soon augur an improved financial performance in FY2021.

A NOTE OF APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincerest thanks to our Board Directors for their steadfast determination, leadership and decision-making prowess during a turbulent economic landscape.

In a special note, the Board wishes to convey its heartfelt gratitude to Encik Shaharuddin bin Warno @ Rahmad, who has stepped down on 2 February 2021 due to a prolonged health consideration. Being the founder and a key figure of the Group since 1994, Encik Shaharuddin has been instrumental in the growth and progress of AMRB and has played pivotal roles in the ascendance of the Group to its present position as a leading name in the local upstream oil and gas value chain.

Encik Shaharuddin was the Group Chief Operations Officer ("COO"), a Non-Independent Executive Director ("NIED") and a member of the Board Risk Management Committee ("BRMC") and Board Nominations and Remunerations Committee ("BNRC"). No doubt, his presence will be missed and we pray that he remains in the best of health and wish him well on his future undertakings.

I also wish to record our appreciation to our Director, Encik Mohammad Suhaimi Mohd Yasin who has resigned from the Board in FY2020 to pursue opportunities with a PETRONAS subsidiary. Encik Mohammad Suhaimi has demonstrated his valuable services from his vast oil & gas experience during his tenure as the Board member of AMRB, the Chairman of the BRMC and a member of the Board Audit Committee ("BAC") and BNRC.

In light of this transition, a warm welcome is given to our new Independent Non-Executive Directors ("INED"), Encik Ahmad Ruhaizad Hashim and Encik Shamsul Saad who were appointed effective 2 November 2020 and 2 March 2021, respectively.

Encik Ahmad Ruhaizad has been appointed as the Chairman of the BRMC effective 2 February 2021, and is also a member of the BAC and BNRC.

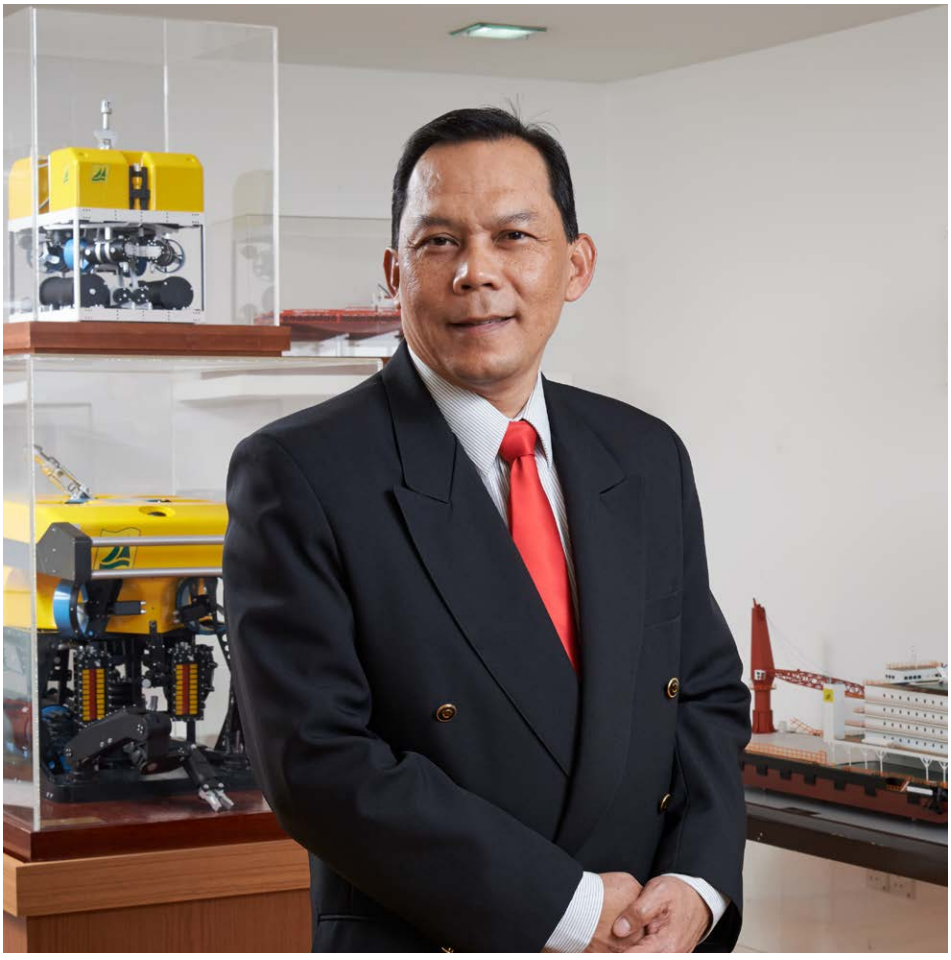
Encik Shamsul has been appointed as Deputy Chief Executive Officer and a member of the Board and a BRMC member. We look forward to them both lending their wealth of industry experience as well as other related skillsets and capabilities towards enriching the Board's overall competence and experience.

I would also like to extend my gratitude to AMRB's Management for its continual diligence in striving to attain operational and business aspirations despite the challenges FY2020 brought upon the team and its constituents.

I wish to also thank the lifeblood of our Group, our hardworking employees, for their steely resolve in persevering for the Group's consistent operational capabilities. No words can express the immense fortitude they have portrayed. The Board and I would like to accord our deepest appreciation to our loyal and cherished stakeholders, customers, and business collaborators who have played an instrumental role in contributing towards the Group's sustainability endeavours.

FINA NORHIZAH BINTI HAJI BAHARU ZAMAN
CHAIRMAN

MANAGEMENT DISCUSSION AND ANALYSIS



DATUK AZMI AHMAD

Group Managing Director/Group Chief Executive Officer

PROGRESSIVELY, AMRB EVOLVED INTO A SYNERGISTIC SOLUTIONS PROVIDER WITH A WIDE RANGE OF SERVICES ENCOMPASSING OFFSHORE CONSTRUCTION AND INSTALLATION ("OIC") AND SUBSEA OPERATIONS.

OBJECTIVES & STRATEGIES

Alam Maritim Resources Berhad ("AMRB" or "the Group") commenced its business in 1998 when Alam Maritim (M) Sdn Bhd, a wholly-owned subsidiary of AMRB, commenced operations, supplying third-party offshore support vessels ("OSVs") either on contract or callout basis (spot charter) to meet the requirements of oil and gas players in Malaysia and across Asia.

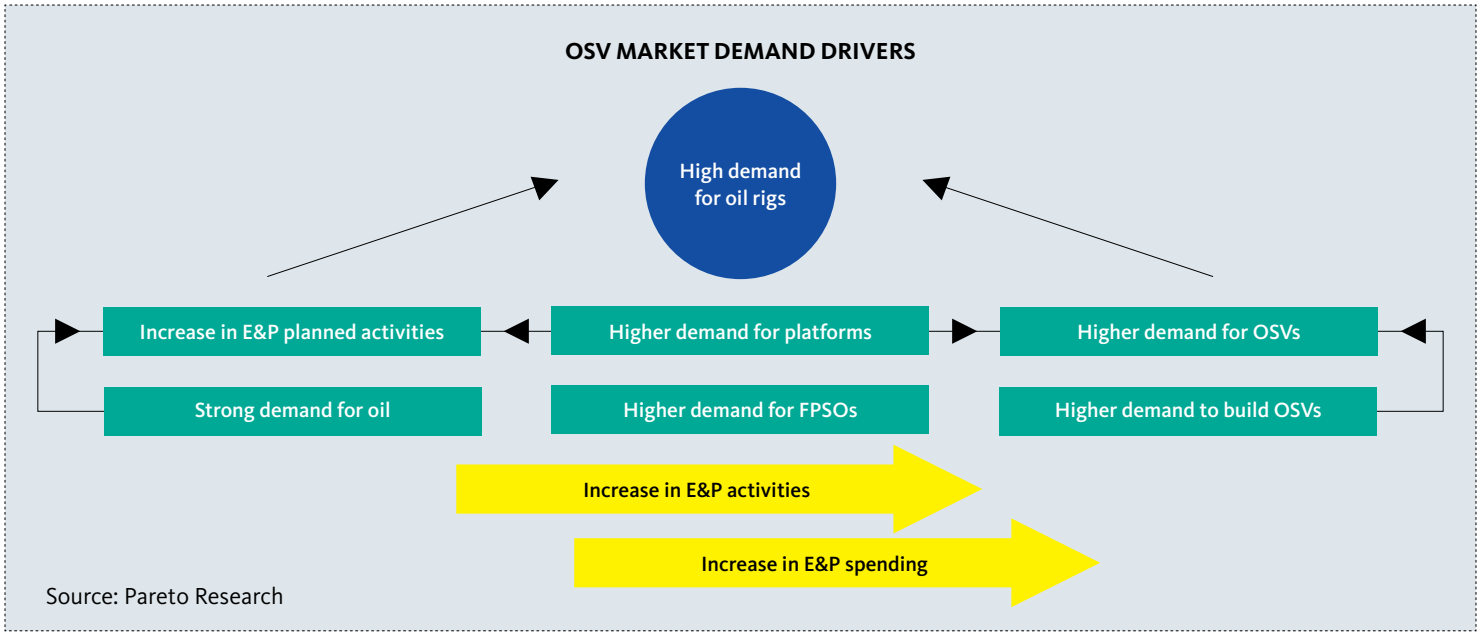
Progressively, AMRB evolved into a synergistic solutions provider with a wide range of services encompassing offshore construction and installation ("OIC") and Subsea operations.

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

The Group's diversified business approach drives synergistic capabilities and enables AMRB to pursue integrated tenders with higher revenues and earning margins.

Through its OIC and Subsea segments, AMRB is able to bid for production and development-related contracts in support of platform operations, maintenance and servicing as well as decommissioning activities and hook-up and commissioning works, facilities transport to offshore and installation, and more.

In essence, AMRB is able to deliver a comprehensive value proposition to oil and gas majors beyond OSV service. The Group's diversified business approach reduces its reliance on pure-play OSV contracts. It also drives synergistic capabilities and enables AMRB to pursue integrated tenders with higher revenues and earning margins.



Source: Pareto Research

Along with an exemplary HSSE track record combined with consistent and reliable operations, the Group preserves its competitive positioning when bidding for contracts. AMRB continues to pursue domestic and international opportunities to further diversify and expand our business presence, boost our vessel utilisation rates and gradually reduce our dependence on our operations in Malaysia.

OVERVIEW

The pre-pandemic era saw AMRB treading the long but gradual road to recovery. In fact, AMRB performed significantly well in FY2019, posting its first growth in revenue in four (4) years, registering RM306.67 million (221.57% higher year-on-year) while building its order book to a sum of RM727.22 million. However, events during the year 2020 brought this upward momentum to a halt. The oil market has been jolted by two turning point events which led to a crisis – economically and socially, globally. The oil market has been jolted by the two disruptive events of COVID-19 pandemic and the effective collapse of the Organisation of the Petroleum Exporting Countries ("OPEC") +alliance.

The COVID-19 pandemic was an event that was unexpected, unpredictable and not within the range of our usual and normal expectation. The magnitude of the economic meltdown and the human tragedy that precede the above event is still unknown till now. In fact, the world, including us, here, are still suffering from the onslaught of the virus and combating to contain the spread of this pandemic and the consequential economic and financial costs to us. What is certain, however, is that the onset of the COVID-19 pandemic had upended global economic growth and the stable and upward momentum of recovery within the oil and gas sector. The pandemic's widespread effects were unprecedented, with global growth contraction reaching 3.5%, the largest decline since the global subprime crisis of 2008-2009. To cushion the impact of the lockdowns and a crippled economy, governments around the world had to pledge stimulus packages to sustain and revive their domestic economies. For certain recovery will be slow and we cannot expect to return to pre-COVID pandemic levels anytime in the near future. As economies came to a screeching halt, the world is facing its worst peacetime recession. By the end of this year, the loss of income is expected to exceed that of any previous recession over the last 100 years, with dire and long-lasting consequences on governments, business and societies as a whole.

MANAGEMENT DISCUSSION AND ANALYSIS

The downward shift in the global economy was further hit by the collapse of the OPEC +alliance led by Russia. When Russia walked away from the OPEC+ meeting in March 2020, the oil industry soon experienced the worst episode in its recent history. Oil producers compete for market shares and flooded the market with inventory. Both crude and petroleum product storages were filled to the brim, incentivizing traders to buy the relatively cheaper crude and products, which were further stored in on-land and floating storages. These ultimately led to a downward spiral of prices for both products as supply far outpaced demand affected by the economic downturn. Oil prices saw an epic collapse with the benchmark crude, WTI prices tumbled into negative territory – something never seen before by the world. WTI prices were as low as minus USD 37 per barrel in April 2020. Dated Brent plunged to USD 13 per barrel in Q2 2020, the lowest level in two decades. Thus, the demand and supply dynamics are very much influenced by the level of global economic activity. In fact, oil was the worst-performing commodity, even falling behind coal, then. Clearly, the falling out between OPEC" leaders in failing to strike a deal with its allies, led by Russia, about oil production cuts in March 2020 was a key factor in the large dip in oil prices. The confluence of these events has certainly taken a toll across our value chain.

Reacting to these events, oil and gas players were forced to undertake cost optimization efforts to remain viable. We see ExxonMobil, for example reduced 30% of its spending. BP decided to cut its spending by 25%. Shell announced a dividend reduction for the first time ever since World War 2 and reduced its spending by USD 2 billion. CAPEX was generally reduced by these oil and gas players during the year ranging from 20% - 30%.

Consistent with global trends, Malaysia's economy and its oil and gas sector also posted negative growth. In FY2020, Malaysia's gross domestic product ("GDP") performance growth contracted by 5.6%. Beyond COVID-19, Malaysia's oil and gas export demand was impacted by the heated US-China trade conflict.

All in all, the scenario in FY2020 led to PETRONAS and other oil and gas majors scaling back on their exploration and production ("E & P") activities. This included project deferment, cancellation or deferment of tenders, renegotiation of existing contracts, and intended asset divestment. Other related impacts, of course, will include possibility of losses incurred by oil and gas players and the specter of large impairments to the balance sheet as well as bankruptcies.

Consequently, all upstream players of the oil and gas value chain were impacted by these cutbacks and deferments. AMRB in particular had difficulty in replenishing its order book on the back of a downscaling industry, where significantly fewer tenders were called.

In spite of these turbulent operating conditions, AMRB continued development from a pure-play OSV provider into an integrated solutions specialist has enabled the Group to continue making headway amidst the headwinds. Among the Group's highlights include securing several OIC and subsea contracts. This includes Inspection, Repair and Maintenance ("IRM"), and more, instead of just OSV contracts.

In fact, all is not gloom and doom in the oil and gas industry. The reaction of the oil producers, OPEC and Non-OPEC and producers in G20, beginning sometime in April 2020, to halt the slide in the crude and product prices, resulted in the biggest ever production cut off in May. This was further supported by additional voluntary cuts by Saudi Arabia, United Arab Emirates, Kuwait and Oman. The group also agreed to reduce further the production cut to 7.7 million barrels per day for the month of July to December 2021 and then additional 5.9 million barrels per day for January to April 2022. This collective agreement has resulted in the latter part of 2020 prices to hover approximately USD30 – USD40 per barrel and, as at April 2021, climbed to USD64 per barrel, provided some degree of stability to the market.

Under the circumstances, AMRB continues to proactively respond to the fluid market environment and operating conditions with vigilance and diligence. The Group has to examine where along the industry's value chain we can fall on and get involved as well as the operating model to pursue and margin expected. True, the improved oil price can boost sentiment in the oil and gas industry, but, we have to be selective in our involvement considering the constraint in our available resources. As far as the Group is concerned it will continue to focus on providing integrated industry-standard solutions to the oil and gas industry while retaining and refining our hard-won cost efficiencies. The Group has sought to expand its technological capacity and capabilities by partnering with strategic partners abroad and have continued to reduce exposure to liabilities.

Essentially, the Group remains on track aims to become a niche player in the oil and gas sector, as opposed to conducting its business in highly competitive operating environments with low rates and thinning margins.

KEY BUSINESS INDICATORS

Key Business Indicators

INDICATORS	FY2020	FY2019	FY2018
Vessel Utilisation rates	33%	40%	41%
Order book (RM '000)	150.63	727.22	753.50
Number of employees	184	163	168
Man-hours without LTI (as at financial year-end)	6,111,547	3,688,451	2,142,703

Group Financial Indicators

(RM '000)	FY2020	FY2019	FY2018
Revenue	**255,210**	306,669	95,367
Operating profit / (loss)	**(99,224)**	(64,908)	(116,474)
EBITDA	**(44,971)**	9,926	12,517
Finance cost	**(5,909)**	(5,238)	(11,436)
Net profit / (loss) after taxation	**(119,827)**	(80,280)	(167,614)
Shareholders' equity	**234,055**	331,304	401,910
Total assets	**473,895**	649,030	624,427
Total liabilities	**239,841**	321,669	226,002
Borrowings	**105,154**	122,874	122,426
Debt / equity	**0.45**	0.36	0.31
Earnings per share	**(9.7)**	(8.4)	(18.5)
Net asset per share	**0.17**	0.82	0.43
Market capitalisation as at financial year ended	**123,199**	52,815	73,956

REVENUE

AMRB posted a revenue of RM255.21 million in FY2020, a 16.78% decrease from FY2019's revenue of RM306.67 million. This demonstrated the Group's capability to feasibly secure and execute its projects in hand to maintain significant revenue flow despite the economic downturn caused by the COVID-19 pandemic.

Our OIC and Subsea segments proved to be valuable income generators. The completed works of several key projects in these business segments contributed a substantial revenue stream, and continues to lend credence to our synergistic business approach to become a total auxiliary solutions provider in the oil and gas industry.

OSV segment revenues reduced by 30.37% due to less charter contracts. OIC and Subsea segments' revenues were at RM107.36 million (29.76% decrease year-on-year) and RM77.69 million (29.76% increase year-on-year) respectively which were mainly supported by executed OIC and Subsea works.

While the Group's overall revenue feasibility was significantly affected in FY2020, around RM185.06 million in revenue was received from our OIC and Subsea segments.

MANAGEMENT DISCUSSION AND ANALYSIS

REVENUE	FY2020 (RM MILLION)	FY2019 (RM MILLION)	VARIANCE (%)
OSV (including management fees)	**58.35**	83.81	(30.37%)
OIC and Subsea	**185.06**	212.74	(13.01%)
Rental of equipment / Ship catering / Other shipping related income	**11.80**	10.12	16.54%
TOTAL REVENUE	**255.21**	306.67	(16.78%)

EARNINGS

Earnings Before Interest Tax Depreciation and Amortisation ("EBITDA") for AMRB was at -RM44.97 million in FY2020, a decrease of 352.87% year-on-year (FY2019: RM9.93 million).

A loss before taxation of RM119.57 million was recorded in FY2020, denoting a 48.07% year-on-year variance (FY2019: RM80.75 million).

Our OSV as well as OIC and Subsea segments recorded negative bottom-line performances in FY2020 due to less contract awards and executions.

CAPITAL STRUCTURE, ASSETS, LIABILITIES & RESOURCES

AMRB continues to transition towards being an asset-light strategy. In line with this approach, the Group has sought to dispose various ageing vessels and surplus vessels that have little probability of securing or servicing contracts.

As the Group's assets continue to far outweigh liabilities, shareholders can be assured that going forward, the Group is capable of discharging its liabilities going forward.

ASSETS	FY2020 (RM '000)	FY2019 (RM '000)	FY2018 (RM '000)
Non-current	**262,739**	336,964	410,007
Current	**211,157**	305,343	214,419
Total Assets	**473,896**	642,307	624,427

LIABILITIES	FY2020 (RM '000)	FY2019 (RM '000)	FY2018 (RM '000)
Non-current	**8,434**	79,153	98,169
Current	**231,407**	231,163	127,833
Total Liabilities	**237,841**	310,316	226,002

To ensure efficient cost management in FY2020, appropriate debt and financial restructuring strategies were implemented to remove any standing debt obligations which also include vessel liabilities. In FY2019, AMRB had exited from Bank Negara Malaysia's Corporate Debt Restructuring Committee mechanism.

Our gearing ratio remains at a healthy 0.39 times which is comparatively low among industry peers.

	FY2020	FY2019	FY2018
Gearing ratio	**0.39**	0.36	0.31

	FY2020 (RM MILLION)	FY2019 (RM MILLION)	FY2018 (RM MILLION)
Short-term borrowings	**101.44**	47.57	35.33
Long-term borrowings	**3.71**	75.32	87.10
Total borrowings	**105.15**	122.89	122.43

Separately, AMRB continues to survey all possible options available to unlock the value of its 35-acre industrial land parcel located in Kuala Linggi, Alor Gajah, Melaka. The Group has already received offers for outright sales. We are also considering potential joint venture ("JV") development projects that may be sanctioned in those lands.

Total cash and cash equivalents for the Group in FY2020 was

RM25.41 million.

BEST PRACTICES WERE RETAINED SUCH AS MAINTAINING THE MINIMUM REQUIRED CREW ON LAID-UP VESSELS AND KEEPING THE BARE MINIMUM ON MAINTENANCE WORKS ON IDLE VESSELS. SATELLITE COMMUNICATION EQUIPMENT CONTINUE TO BE DEACTIVATED ON SUCH VESSELS.

CASH & CASH EQUIVALENTS & BANK BALANCES

Buoyed by OIC and Subsea contracts, the Group maintained a decent cash flow in FY2020 considering the industry's volatile circumstances and weakened oil demand. Total cash and cash equivalents for the Group in FY2020 was RM25.41 million, a 15.34% increase year-on-year. AMRB also continued its ongoing share placement exercise that was Board-approved during its Extraordinary General Meeting ("EGM") on 18 August 2020.

This current share placement exercise was initiated following the cessation of the Group's redeemable convertible notes ("RCN") corporate exercise in the year under review. The Group will continue its fund raising exercises to meet working capital requirements.

In FY2020, average collection time frame for receivables was 63 days (FY2019: 115 days). Additionally, continuous negotiations with shipyards and vendors to secure better credit terms have also resulted in improved cash flow.

CAPITAL EXPENDITURE & GROUP COSTS

The total Group operating costs in FY2020 was RM273.23 million (FY2019: RM292.51 million). The direct costs were mainly incurred by OIC and Subsea business segments that saw considerable contracts awarded during the year under review.

In a bid to reduce costs, AMRB undertook departmental restructuring while non-urgent and non-productive variable costs were deferred.

MANAGEMENT DISCUSSION AND ANALYSIS

FY2020 ALSO SAW COST REDUCTION IN AREAS SUCH AS STANDARDISING EQUIPMENT USED ACROSS VESSELS, CONDUCTING MAINTENANCE IN A STRATEGIC MANNER TO OPTIMISE RESOURCES AS WELL AS UNDERTAKING COLLECTIVE PURCHASING OF SPARE PARTS AND INVENTORY TO BENEFIT FROM BULK DISCOUNTS WHERE POSSIBLE.

Following the trend of previous financial years, best practices were retained such as maintaining the minimum required crew on laid-up vessels and keeping the bare minimum on maintenance works on idle vessels. Satellite communication equipment continue to be deactivated on such vessels.

FY2020 also saw cost reduction in areas such as standardising equipment used across vessels, conducting maintenance in a strategic manner to optimise resources as well as undertaking collective purchasing of spare parts and inventory to benefit from bulk discounts where possible.

Therefore, the Group's efforts in tightening up of routine tasks, capitalising on functional integration and leveraging on synergistic value among its various business segments has further streamlined its operational capabilities. Going forward, we will continue to seek out and implement suitable best practices as standard business procedures in order to enhance operational efficiency, sustainability and performance.

While our workforce increased to 184 employees (FY2019: 163 employees), our payroll costs saw an 8% reduction in FY2020. This reduction was due to the temporary salary rationalisation measure we had to undertake in order to mitigate the COVID-19 pandemic's negative economic impact, especially in regards to the oil and gas industry, which had adversely affected the Group's overall sustainability.

BUSINESS TRENDS & HIGHLIGHTS

OSV

AMRB sustained a reasonably significant impact to our operating cost and margin, particularly in the OSV segment. This was primarily attributed to vessel impairments and delayed turnaround times. The occurrence of the nationwide quarantine alongside other government-imposed SOPs also led to unprecedented mobility and logistic restrictions under the Movement Control Order ("MCO") which impacted docking and vessel maintenance, minimal or delayed decommissioning orders as well as limited dry docking space due to an influx of vessels in the market.

AMRB's OSV segment secured two (2) anchor handling tug supply ("AHTS") contracts from PETRONAS Carigali Sdn Bhd worth RM28 million and RM24.8 million which became effective from January 2020 and February 2020 onwards respectively.

The awarded RM28 million work order is for a charter duration of up to 630 days from the commencement date of 4 January 2020, while the RM24.8 million work order period is up to 460 days from 11 February 2020.

We have diversified our sources for docking facilities in both Peninsular and East Malaysia as well as internationally, and have thus managed to accelerate our vessel preparation rate when completing contracts.

While these measures have helped to lessen congestion, however the occasional unavailability to dock owned vessels called for the need of third-party replacement vessels to be obtained with additional costs incurred. As in the previous year, FY2020 saw multiple instances that required the sourcing of replacement vessels to undertake contracts.

However, the MCO impacted our JV vessels, which were unable to be docked due to stringent customs and travelling restrictions in place.

We continued to work with the Malaysia OSV Owners' Association ("MOSVA"). MOSVA has been supportive of industry players, assisting in efforts to address the issue of lack of spare vessels. MOSVA has continued to back companies in aiding them to acquire financing from banks.

OIC & SUBSEA

Our Subsea business segment remained an increasingly profitable part of our overall business approach to synergistic oil and gas services. The positive revenue figure was largely buoyed by the completion of the Vestigo-awarded contract to provide engineering, procurement, construction, installation and pre-commissioning services for the Tembikai Non-Associated Gas' ("TNAG") Pipeline System worth USD59 million (RM242.49 million).

This project marked the first pipeline contract utilising the ground-breaking, cutting-edge Zap-Lok™ Technology in the South East Asian region. Therefore, AMRB is grateful of Vestigo's confidence in the Group's industry-respected status and abilities as one of the nation's foremost integrated oil and gas solutions provider. The installation proceeded successfully within the set time and budget despite torrential weather and rough sea conditions.

The completion of the TNAG project allows us to adequately benchmark future Zap-Lok™ Technology applications and bolster AMRB's unique proposition for pipeline contract tenders in South East Asia. The quicker installation time and economical cost spearheads the Zap-Lok™ Technology into becoming an industry standard for future pipeline installation projects.

AMRB received the Letter of Award ("LoA") for the provision of Subsea IRM services for PM3-CAA from Repsol. The contract value is as per the work order request by Repsol for a duration of five (5) years, and the contract has been effective since 30 June 2020.

The Group also attained a work order worth RM9.93 which commenced on 3 July 2020 for underwater services from International Petroleum Corporation ("IPC") Malaysia BV. The contract specifically pertains to AMRB's Floating Production Storage and Offloading ("FPSO") Bertam for Underwater Inspection in Lieu of Drydocking ("UWILD").

Additionally, AMRB was awarded with a work order for underwater services from Sapura for RM6.49 million which was completed in July 2020.

iCARE PHILOSOPHY INTEGRATION

With the sustainability of the Group's businesses in mind, the Management has continued to strive towards facilitating the integration of AMRB's internal cultural transformation beyond work-related processes and protocols. Simply put, the Group realises the need to go beyond what we do today and really push ourselves – not only to perform at peak levels, but to then also push the bar much higher, and continuously redefine our peak.

This means we need to arrest wastage, increase our efficiency levels and execute our projects on time, on budget and safely. The Group is very much aware that it is going through one of the most difficult periods in its history with the pandemic. Hence, we are committed towards transformation aimed at fostering shared performance excellence and forging customer-focused responsibility within our employees' mindsets and work ethics through our initiatives to instil our work culture based on Shared Values and iCARE Cultural Beliefs.

Our Shared Values philosophy and iCARE work culture were specifically created and developed for the purpose of cultivating personal accountability, teamwork, collaboration, discipline and integrity among staff on their performance, as well as when dealing with customers and clients. Regarding the latter, we must truly embrace customer centricity, which is the focus of our iCARE work culture. Shared values, on the other hand, show the way towards effective team work and collaboration.

What seems impossible can always be overcome with the strength and encouragement we share with one another. Manifesting an internalised sense of excellent work delivery through self-motivation promotes an efficient workflow that benefits the Group and its stakeholders. The Group realises it has to internalise its current environment and the workforce understands why there is need to pursue transformation which has a lot to do with where it is heading as an organisation. Knowing where we are going is a critical first step for everyone in the Group to move and work in the same direction together.

Leveraging upon previous years' efforts in instilling this philosophy, FY2020 has seen a tremendous shift in optimism, commitment and work quality among staff across AMRB's value chain. It is heartening to note that the Group is on the road to change, continuing further down the path of transformation we initiated a few years ago. Our cultural transformation was to help our Group align, integrate and develop a high performing workforce. Judging on our performance it seems that our employees are truly embodying the iCARE work culture and Shared Value philosophy and these have become the bedrock of the Group's projects' execution success through effective integration and efforts collaboration among the various segments within the Group and the desire to enhance positive industry reputation towards the Group's performance. We have become a more collaborative, effective and cohesive organisation than we were before.

We must admit that there are still areas where we can do better, and new ideas that can be implemented to speed up our transformation process towards operational excellence; but the priority now is to ensure that we have in place a conducive ecosystem to allow this to happen and removing obstacles that stand in the way of high performance. This is critical to ensure that the Group remains resilient and nimble enough to navigate the headwinds of a volatile environment and other future challenges.

HSSE EXCELLENCE

AMRB's laudable HSSE performance record remains a key component in our focus on project execution excellence and delivery as we continue aspiring towards accuracy of cost and duration estimates in both initial, intermediate and final delivery, as well as execution efficiency and professionalism when it comes to project implementation. Thus, the key factor towards successful project execution and implementation is excellent HSSE performance.

MANAGEMENT DISCUSSION AND ANALYSIS

Thus, it is particularly encouraging to note our success in ushering a commendable and improving trend across key HSSE indicators. To put this into perspective, we garnered 6.11 million man-hours without a Loss Time Incident ("LTI") as at 31 December 2020, as well as improvement in such indicators which include total recordable injury frequency and severity cases ("TRCF"), medical treatment ("MTC") and first aid ("FAC") cases, restricted work case ("RWC"), spillage, near misses as well as property damages which are all strong markers of the continual enhancement that the Group has made on HSSE indicators. As with the previous year, the Group recorded zero fatalities.

We owe this to the concerted efforts at all levels in driving compliance, exemplifying a culture of safety and walking the talk.

Every employee and management personnel from every business segment and job hierarchy have played a vital role in contributing to the Group's first-rate HSSE record. In fact, our FY2020 Culture Survey involved staff from all levels of the Group's organisation and rendered key insights from its collected results to help fortify HSSE awareness and amelioration in our staff's mindset, work culture and behaviour. We believe these are signs of a generative HSSE culture taking root in our Group. In fact, in our HSSE Culture Survey conducted recently we can clearly see the Group's understanding and commitment in elevating our HSSE maturity standing from the level of Calculative and positively moving towards the level of Generative HSSE culture. Details on our HSSE performance can be found in this report's 'Sustainability Statement' section on page 65 and 66.

The next challenge would be to build upon this positive momentum. Indeed, with a safer workplace, the whole organisation will be able to focus on execution and produce better performance whilst, at the same time, receive the appreciation and resolute support of our clients. This is critical in giving us the competitive edge in our bid proposals.

ANTICIPATED OR KNOWN RISKS

The Group's key business segments: OSV, OIC and Subsea works are generally dependent on the level of activity of oil and gas majors, in particular PETRONAS. The level of exploration and production activities by oil and gas majors hinges on present and expected future prices of crude oil and gas.

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

However, beyond these general risks, the Group has clearly identified its operational and financial risks and maintains a risk register. Our commitment towards managing risks is centred on the following dimensions:

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

AMRB has identified Assets Utilisation, Assets Readiness and Capital Constraints as the Group's principal risks, which if unmitigated, can potentially impact operational resilience and overall growth and sustainability in the long term.

Based on the aforementioned risks, effective mitigation action plans have been formulated and implemented. Such plans are rigourously deliberated by the Group Risk Management Working Committee ("GRMWC") who reports to the Board Risk Management Committee ("BRMC") on a quarterly basis. Throughout FY2020, the following key risk mitigation actions were implemented:

- Capital Debt Restructuring ("CDRC") to manage long term payable with lenders.
- TNAG Contract execution by OIC Project Management Team.
- Board approval on the change of accounting and procurement system from SAP system to SUN system. Target go-live is 1 March 2021.
- Manpower rightsizing.
- Maintaining good supplier relationships to facilitate better credit terms.
- Initiated cost optimisation efforts and expedited billing and recovery from clients.
- Undertook vessel lay-up with minimal crew.
- Undertook vessel repair during dry docking.
- Implemented integrated procurement functions to improve lead time.
- Continued to aggressively initiate business development activities.

In mitigating our reliance on the OSV segment as the main revenue contributor, the Group continues to expand its Subsea and OIC segments. With the restructuring of our debt, we have reduced our financial risks, but remain cognisant going forward of the need to progressively trim down borrowings while improving cash flow to ensure business sustainability.

Further details of our risk mitigation and internal controls are given at length within the 'Statement of Risk Management and Internal Control' section of this annual report on pages 96 to 99.

OUTLOOK AND PROSPECTS

The price of crude oil will largely depend on OPEC and Russia's willingness to remain committed to agreed supply cut agreements.

Both OPEC and non-OPEC countries have mostly shown their willingness to accede to production cuts, which, as enumerated earlier, has already contributed to an uptrend path for the global oil industry in FY2021.

Saudi Arabia's surprise voluntary oil supply cuts of an extra 1 million barrels per day from its January production levels in February and March, as well as the decision of OPEC to withhold approximately 1.3 billion barrels of oil supply in FY2020, have stabilised crude oil prices going into FY2021.

While crude oil prices have recovered to USD64 per barrel as at April 2021, the position taken by OPEC will be crucial to sustaining the gains made and ensuring both higher and stable prices going forward.

However, with the global roll-out of vaccines, the general sentiment is that FY2021 will augur better for the global economy and with that, offer better prospects for the oil and gas sector.

On the back of recovering consumption demand, crude oil is predicted to stand firm between USD60-USD70 per barrel by end FY2021. A prospective tight market in the second quarter of FY2021, brought on by limited output and proposed production cut by the relevant oil producers and the expected swift rebound in demand, will support future prices.

This prospect of an oil price resurgence in FY2021 is also backed by a 32.4% jump in China's oil imports in January 2021 compared to its December 2020 imports due to their declining inventories which is a welcome boon to the oil industry given China is currently the world's top oil importer. The International Energy Agency ("IEA") estimates that China's crude oil demand will reach 14.9 million barrels per day in the fourth quarter of FY2021. That figure is higher than the 14.1 million barrels per day in the pre-coronavirus final quarter of FY2019.

The oil industry's positive performance in FY2021 is also supported by the improving United States ("US") economy. US stock markets hit record highs in February 2021 as Brent crude eyed USD60 per barrel given that OPEC has effectively mitigated most supply side concerns with their production cuts.

MALAYSIAN ECONOMIC OUTLOOK

On the domestic front, Malaysia's FY2021 economic outlook remains positive with predicted GDP growth of 6.5% to 7.5% in FY2021 according to the Economic Outlook 2021 Report. Growth is to be driven based on improvements in international trade and growth. The confirmed delivery of 41.1 million vaccine doses throughout FY2020 is a further shot-in-the-arm to investor sentiments and business confidence. The vaccines should provide an important and vital restoration in confidence and facilitate a return to pre-COVID 19 normalcy.

Additionally, the Malaysian government's COVID-19 stimulus packages announced under Budget 2021, will cumulatively deliver more than four percentage points to GDP growth. The four major stimulus packages in FY2020 alone are valued at RM305 billion (21% of the nation's GDP).

MANAGEMENT DISCUSSION AND ANALYSIS

AMRB'S BUSINESS SEGMENT PROSPECTS

Moving forward, AMRB shall continue to transform its business with an asset-light strategy in mind. In line with this approach, the Group has sought to dispose various ageing vessels and surplus vessels that have little probability of securing or servicing contracts.

In light of these projected macro-operating uptrends, AMRB will continue to focus on its business model of synergistic solutions. This strategic approach enables AMRB to optimise the strengths and capabilities of its OSV, OIC and Subsea business segments.

The synergistic strategies play well into expected industry trends and developments in FY2021. According to the PETRONAS Activity Outlook 2021-2023 ("PAO"), offshore fabrication projects have a steady medium-term outlook as PETRONAS continues monetising its oil and gas resources for cash generation while meeting customers' growing consumption demand.

Additionally, opportunities may emerge for floating fabrications as technology advancements present favourable options for monetisation of remote fields. Increased fabrication of deepwater assets also point to a steady medium-term outlook for subsea facilities fabrication.

As offshore installation services remain a strong business proposition for AMRB, the expected increase in pipelay barges augurs well for us. This is due to our Zap-Lok™ Technology application in these related development projects which grant us an upper hand when it comes to efficient, cost-effective and quick pipeline installation.

AMRB also looks forward to increased hook-up and commissioning ("HUC") projects in the next three (3) years. A steady outlook is expected for these projects with the consistent number of brownfield projects being planned, which covers mainly infill drilling, host tie-in and platform modification.

Decommissioning opportunities may also offer steady medium-term outlook, based on the increasing trend of idle wells and facilities operating beyond design life.

The medium-term outlook for underwater services is expected to be steady as activities are periodically scheduled, with constant cost pressure continuing to drive further scope optimisation/prioritisation. Requirement for Diving Support Vessels ("DSVs") will be consistent as activity prioritisation continues for the next three (3) years, with local vessels prioritisation continuing to be exercised.

The Group remains on the lookout for potential business collaborations, and announcements of these will be given when the timing is right. We will continue to make aggressive bids for new contracts to further increase the value of our order book.

LEVERAGING INNOVATIVE TECHNOLOGY

Aside from the prospective business segments seeing an eventual demand return, AMRB's competitive edge in securing contracts is amplified by our ever-growing ability to execute them with the implementation of innovative technology that makes us an attractive business partner for clients.

The Group has already made its brand a distinctive player in the industry as a strategic technology partner with the completion of Zap-Lok™ pipeline installation in the TNAG project.

Through its efforts and further strategic partnerships with technology partners, the Group hopes to advance more cutting-edge technologies for our onshore and offshore operations. This will help us to further strengthen our fundamentals in technology application while ensuring successful, safe and healthy business operations in the future.

Consistent with the direction laid out by PETRONAS, AMRB will also accelerate the implementation of its digitalisation strategies, which includes enhancing technology and other related facilities.

In line with the Malaysian government's Budget 2021 initiative, Management is also planning a possible Vessel Renewal programme this year. While still in the early ideation phase, the programme is seen as one of several potential avenues for the Group to ensure the continued viability of its operations going forward.

LOGISTICAL ADVANTAGE

Besides Zap-Lok™ Technology, AMRB's other key green field business proposition is integrated Hook Up & Commissioning ("HUC") services. Despite aggressive contract bidding emerging from competitors, we have a great advantage in securing and executing these contracts efficiently as integrated hook-up requires a mixture of onshore and offshore assets, such as marine vessels, which is AMRB's strength.

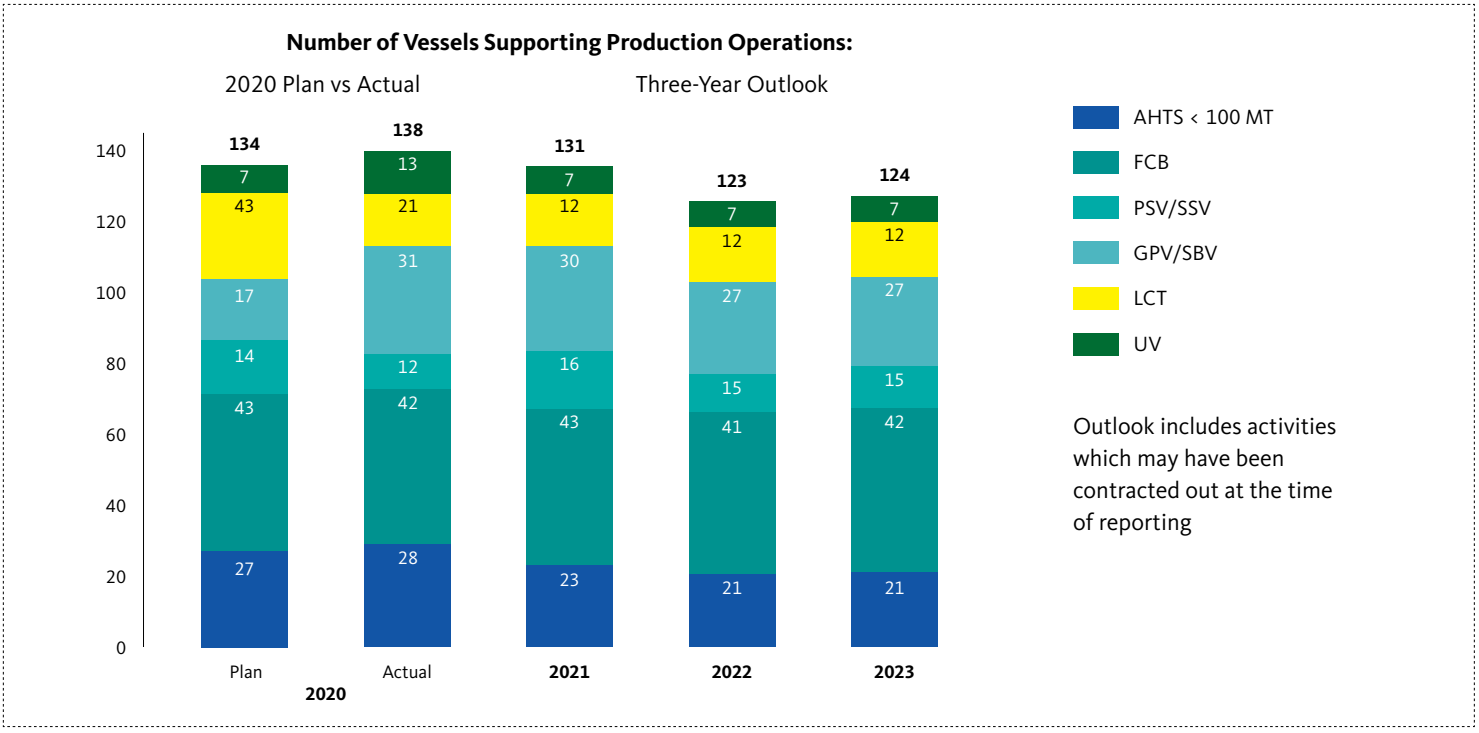
AMRB's extensive assortment of assets and effective cost management capabilities allow the Group to convey attractive value propositions and project rates for integrated hook-up contracts. OSV demand is still prevalent, as noted in PAO, and AMRB is prepared to deploy its assets to fulfill this requisite.

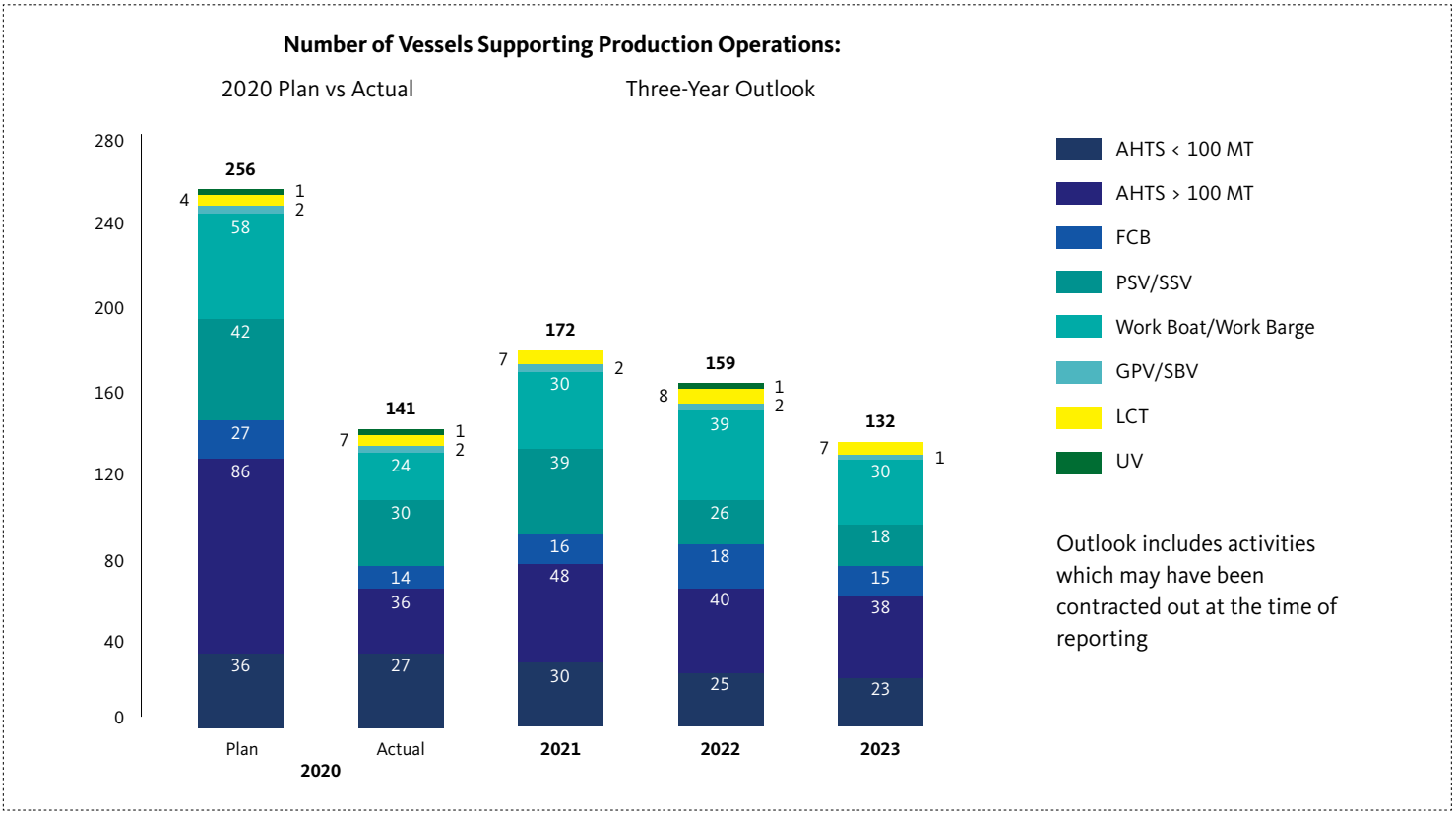
Marine Vessels

Type of Vessel	Anchor Handling Tug Supply (AHTS)	Platform Supply Vessels (PSVs)/Straight Supply Vessels (SSVs)	Fast Crew Boat (FCB)
Activity Phase	• Exploration • Development • Production • Abandonment		• Development • Production • Abandonment
Application	Used to assist in anchor handling operation, towing and transport supplies to and from offshore platforms/ drilling rigs	Transport equipment and supplies to offshore platforms/drilling rigs	High speed vessel for the transportation of crew to offshore facilities and inter rigs
Associated Services	Vessel inspection services, bunkering services, port services, tank cleaning services		

Type of Vessel	Workboat/Work Barge	General Purpose Vessel (GPV)/Standby Vessel (SBV)	Utility Vessel (UV)	Landing Craft Tank (LCT)
Activity Phase	• Development • Production • Abandonment	• Development • Production		• Production
Application	Accommodation for personnel	Standby support, rescue and emergency duties		Transport equipment and supplies to offshore platforms/drilling rigs
Associated Services	Vessel inspection services, bunkering services, port services			

MANAGEMENT DISCUSSION AND ANALYSIS





STRATEGIC POSITIONING

In spite of the macro-operating environment's improving circumstances and plentiful contract opportunities for our business segments, AMRB is continuously mitigating risks within its current business portfolios while developing and exploring new business prospects. This includes possibly of leveraging on the accelerated global Renewable Energy ("RE") initiative which has the potential to create new opportunities for the Group's sustainability and profitability.

Group restructuring will therefore be a major priority going forward as we seek to unlock new funding funnels into the Group's businesses. We will also aim for more aggressive capture and capitalisation of potential, new and existing JVs and merger & acquisitions ("M&As") to maintain financial reliability and technological advancement. These business collaborations could potentially reduce our asset-owning liabilities, support our book-building activities and also enable more stable balance sheets.

Thus, as can be seen from the above, our restructuring plan will firstly look into the reshaping of our portfolio mix. This entails a portfolio pivot, focusing on those with faster returns and are less volatile, as well as sharing of risk, profit and liabilities and be an asset-light organization. In this connection our choice of potential partners to work and collaborate with and/or do joint undertaking of projects including capability to provide us with digital and technology insights will require adequate evaluation. This will mean we need to pursue more meaningful collaboration with external parties. We should be working with partners able to solve common business challenges and improve performance and efficiency using jointly developed solutions, while sharing risks and costs. We should also pursue better collaboration with regulators and host authorities and clients to give us an 'insider' status in the countries we operate. This will help mitigate risks to our investments and ensure the sustainability of our operation in this challenging operating climate. We have so far placed ourselves on the right track to achieve shared success by forging partnership to successfully execute the TNAG project for Vestigo Petroleum of PETRONAS.

Currently, our restructuring plan includes assessing and recommending which part of the business to maintain, grow, divest, interventions where required and also drive the transition moving forward taking cognizance of the necessary strategic trade-off between long term sustainability and accelerating high value returns to the Group. This is a tall order and ambitious in nature but, has to be done to ensure our future sustainability.

To support these initiatives and accelerate their execution we are also currently undertaking retooling of our human resources capability pool in order to harness the strength, capabilities, resources and a brand name that we have already in hand. We need to ensure our workforce are well positioned to continue delivering our strategies and commitments with pace and focused execution. This requires a reassessment and enhancement of our talent strategies as well as a redefinition of our workforce ecosystem. We need to future-proof our leaders, we need to future proof our talents. We need to accelerate the agility and shifting the culture and mindset. At the core of this is our desire to build trusting teams that are committed towards focused execution across the Group to progress it further. This is critical if we are intent on delivering our strategies and commitments, grounded upon principles of merit and performance in all our endeavors to earn the respect and trust of clients. Underpinning these and numerous other critical deliverables within each business division and operating units would be the strict observance of QHSSE, asset integrity and continuous operations and uninterrupted service.

DIVIDEND

The Group's ability to pay dividends is subject to its profit performance for the financial year as well as the need to preserve capital to fund business development and to ensure its financial and operational sustainability in the long-term. Management has not declared any dividend for FY2020. Management will consider the possibility of a dividend payout to shareholders premised upon AMRB returning to profitability in the near term.

DATUK AZMI AHMAD
Group Managing Director/Group Chief Executive Officer

CORPORATE INFORMATION

BOARD OF DIRECTORS

Fina Norhizah binti Haji Baharu Zaman
Chairman/Independent Non-Executive Director

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

Shamsul bin Saad
Deputy Chief Executive Director/ Executive Director
(Appointed w.e.f 2 March 2021)

Ahmad Hassanudin bin Ahmad Kamaluddin
Non-Independent Executive Director

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

Ahmad Ruhaizad bin Hashim
Independent Non-Executive Director
(Appointed w.e.f 16 November 2020)

Shaharuddin bin Warno @ Rahmad
Group Chief Operating Officer/ Non-Independent Executive Director
(Resigned w.e.f 5 February 2021)

Mohammad Suhaimi bin Mohd Yassin
Independent Non-Executive Director
(Resigned w.e.f 13 October 2020)

BOARD AUDIT COMMITTEE

Dato' Haji Ab Wahab bin Haji Ibrahim
(Chairman)

Fina Norhizah binti Haji Baharu Zaman

Ahmad Ruhaizad bin Hashim
Independent Non-Executive Director
(Appointed w.e.f 16 November 2020)

BOARD RISK MANAGEMENT COMMITTEE

Ahmad Ruhaizad bin Hashim
(Chairman)
(Appointed w.e.f 16 November 2020)

Fina Norhizah binti Haji Baharu Zaman

Dato' Haji Ab Wahab bin Haji Ibrahim

Datuk Azmi bin Ahmad

Ahmad Hassanudin bin Ahmad Kamaluddin

BOARD NOMINATION & REMUNERATION COMMITTEE

Fina Norhizah binti Haji Baharu Zaman
(Chairman)

Dato' Haji Ab Wahab bin Haji Ibrahim

Ahmad Ruhaizad bin Hashim
Independent Non-Executive Director
(Appointed w.e.f 16 November 2020)

COMPANY SECRETARIES

Nuranisma binti Ahmad, MIA, ACIS
(MAICSA 7067610)
(SSM PC No. 202008000939)
(Appointed on 1 September 2016)

Nur Aznita binti Taip, ACIS
(MAICSA 7067607)
(SSM PC No. 202008003466)
(Appointed on 8 March 2017)

REGISTERED OFFICE AND CORRESPONDENCE ADDRESS

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

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
MALAYSIA
Tel : + 603-2783 9299
Fax : + 603-2783 9222

AUDITORS

Messrs Al Jafree Salihin Kuzaimi PLT (AF 1522)
555, Jalan Samudra Utara 1
Taman Samudra, Batu Caves
68100 Selangor
MALAYSIA
Tel : +603-6185 9970

LEGAL ADVISOR

Zul Rafique & Partners
D3-3-8 Solaris Dutamas
No. 1 Jalan Dutamas 1
50480 Kuala Lumpur
MALAYSIA
Tel : +603-6209 8228

PRINCIPAL BANKERS

- Malayan Banking Berhad
- Maybank International (L) Ltd

STOCK EXCHANGE LISTING

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

WEBSITE

www.alam-maritim.com.my

CORPORATE POLICY

INTEGRATED MANAGEMENT SYSTEM POLICY

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

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

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

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

DRUG AND ALCOHOL POLICY

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

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

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

STOP WORK POLICY

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

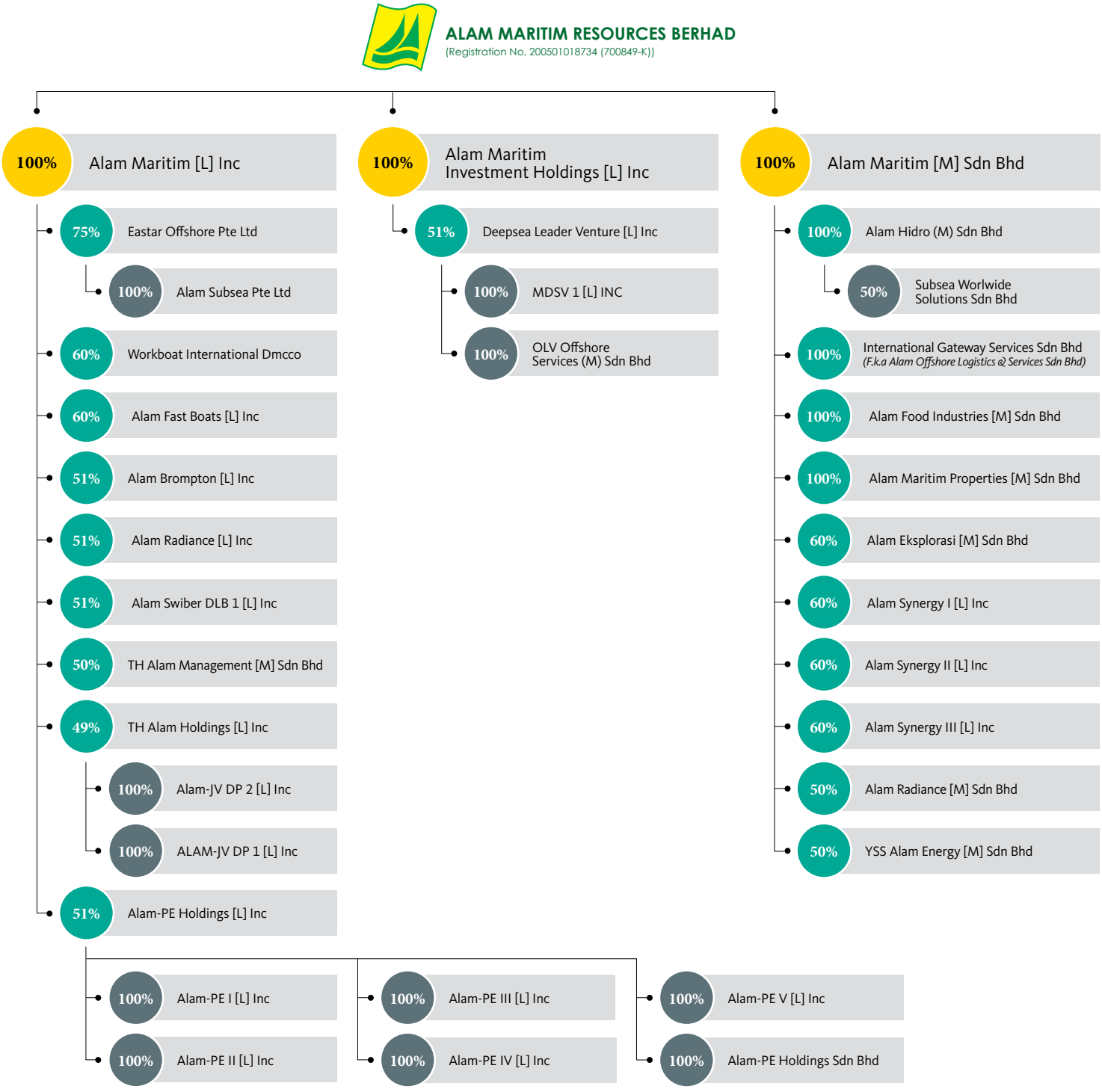
In the aspiration of the prevention of injury to our people and damages to our property as well as the environment, the following **STOP WORK POLICY** shall prevail within the **ALAM MARITIM GROUP** under the following circumstances:

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

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

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

CORPORATE STRUCTURE
As At 30 April 2021



PROFILE OF DIRECTORS

FINA NORHIZAH BINTI HAJI BAHARU ZAMAN

Chairman and Independent Non-Executive Director

Malaysian | Female | Aged 63

Total Board meetings attended: **11/11**

Fina Norhizah binti Haji Baharu Zaman, was appointed to the Board of Alam Maritim Resources Berhad on 22 October 2010 and was later appointed as Chairman on 21 August 2014. She has attended eleven (11) of the eleven (11) board meetings held in the financial year 2020.

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

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

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

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

Board Committees Membership(s)

- Nomination and Remuneration Committee (Chairman)
- Risk Management Committee
- Audit Committee

PROFILE OF DIRECTORS

DATUK AZMI BIN AHMAD

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

Malaysian | Male | Aged 62

Total Board meetings attended: **11/11**

Datuk Azmi bin Ahmad was appointed as Group Managing Director/ Group Chief Executive Officer of Alam Maritim Resources Berhad on 2 May 2006. He is also the Chairman of the Employees' Share Option Scheme Committee and a member of the Board Risk Management Committee. He has attended eleven (11) of the eleven (11) board meetings held in the financial year 2020.

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

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

Board Committees Membership(s)

- Employees' Share Option Scheme (ESOS) (Chairman)
- Risk Management Committee

PROFILE OF DIRECTORS

DATO' HAJI AB WAHAB BIN HAJI IBRAHIM

Independent Non-Executive Director

Malaysian | Male | Aged 69

Total Board meetings attended: **11/11**

Dato' Haji Ab Wahab bin Haji Ibrahim was appointed to the Board of Alam Maritim Resources Berhad as Independent Non-Executive Director on 2 May 2006. He is the Chairman of the Board Audit Committee, a member of the Board Risk Management Committee and Board Nomination and Remuneration Committee. He has attended eleven (11) of the eleven (11) board meetings held in the financial year 2020.

Dato' Haji Ab Wahab is a qualified Chartered Accountant and a member of the Malaysia Institute of Accountants. He obtained his Diploma in Accountancy and Degree in Accounting, both from the MARA Institute of Technology, Malaysia. He holds an MBA (Management Studies) from Rock Hampton University of USA and was honoured with an Honorary Doctorate Degree in Public Services, awarded by the Irish International University.

Dato' Haji Ab Wahab began his career with the national oil and gas company PETRONAS and worked his way in various accounting roles of increasing scope and responsibility. He also served as Senior Manager Finance & Account, and Joint Company Secretary whilst in PETRONAS Gas, a subsidiary of PETRONAS. Later, in another subsidiary, OGP Technical Services, he assumed the position of Head Finance Division Head and Company Secretary.

Aside from Alam Maritim, Dato' Haji Ab Wahab sits on the Board of Uzma Berhad and also as their Audit Committee Chairman.

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

Board Committees Membership(s)

- Audit Committee (Chairman)
- Risk Management Committee
- Nomination and Remuneration Committee

PROFILE OF DIRECTORS

AHMAD HASSANUDIN BIN AHMAD KAMALUDDIN

Group Risk & QHSSE Director
Non-Independent Executive Director

Malaysian | Male | Aged 75

Total Board meetings attended: **11/11**

Ahmad Hassanudin bin Ahmad Kamaluddin, was first appointed as a Director of Alam Maritim Resources Berhad on 6 December 2006. He presently serves as a Non-Independent Executive Director of the Company and as a member of the Board Risk Management Committee and Employees' Share Option Scheme (ESOS) Committee. He has attended eleven (11) of the eleven (11) board meetings held in the financial year 2020.

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

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

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

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

Board Committees Membership(s)

- Risk Management Committee
- Employees' Share Option Scheme (ESOS)

PROFILE OF DIRECTORS

SHAMSUL BIN SAAD

Deputy Chief Executive Officer
Non-Independent Executive Director

Malaysian | Male | Aged 57

Shamsul Bin Saad was appointed to the Board of Alam Maritim Resources Berhad as Deputy Chief Executive Officer and Non-Independent Executive Director on 2 March 2021.

Shamsul holds a Bachelor of Science in Chemical Engineering from University of Florida, United States of America in 1986.

He started his career as a Chemical Field and Sales Engineer before joining Sarawak Shell Berhad in 1988. At Sarawak Shell Berhad, he held various positions within procurement, logistic and project engineering departments. He was also part of the select executive team tasked to reengineer the SHELL group in Malaysia. His last position was Head Procurement, Steel Products. In 1995, he was General Manager for Techno Indah Sdn Bhd, a Kuok/Perlis Plantation Group joint venture with then Malaysia Shipyard and Engineering Bhd ("MSE"). In 1996, Shamsul was a Managing Director of Oakwell Industries Sdn Bhd, a Singapore branch of oil and gas supply and services company based in Kuala Lumpur.

He joined the PPB Group (then known as Petra Perdana Bhd, currently known as Perdana Petroleum Bhd) in 2001 in expanding the PPB Group's core business beyond its trading and maintenance services operations, into offshore engineering services, hook-up and construction business. This expansion of core business took the group from the Second Board of the Stock Exchange to the Main Board in 2003. Shamsul also drove PPB's expansion into the offshore marine sector in 2004 originally as an extension of its hook up and commissioning scope and then as a separate core business of the PPB Group, pioneering PPB to be the only Malaysian owner-operator in the middle to deeper water operations in South East Asia at that time, thus providing it a significant regional market especially in Vietnam, Thailand and Indonesia. This led to the doubling of the PPB Group's revenue and the eventual chain-listing on Bursa Malaysia of the earlier operations as Petra Energy Bhd. Resigned as its Managing Director with the turnaround of the company after managing it through the financial crisis and 2009 oil & gas depression cycle. He later retired as PPB's Executive Director in August 2015 with the disposal of the company.

Aside from Alam Maritim, he is currently also a Non-Independent Non-Executive Director of Daya Material Berhad. He was formerly the Group Managing Director from April 2019.

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

PROFILE OF DIRECTORS

AHMAD RUHAIZAD BIN HASHIM

Independent Non-Executive Director

Malaysian | Male | Aged 53

Total Board meetings attended: **2/2**

Ahmad Ruhaizad bin Hashim was appointed to the Board of Alam Maritim Resources Berhad as an Independent Non-Executive Director on 16 November 2020. He is currently the Chairman of the Board Risk Management Committee and a member of the Board Audit Committee and Board Nomination and Remuneration Committee of the Company. He has attended two (2) of the two (2) board meeting held from his appointment as Independent Non-Executive Director on 16 November 2020.

Ruhaizad holds a Bachelor of Economics and Accounting from the University of Leeds, England. He is a member of the Malaysian Institute of Certified Public Accountants (MICPA) since 1995 as well as a member of the Malaysian Institute of Accountants (MIA).

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

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

Board Committees Membership(s)

- Risk Management Committee (Chairman)
- Audit Committee
- Nomination and Remuneration Committee

SENIOR MANAGEMENT TEAM PROFILE

As At 30 April 2021

DATUK AZMI BIN AHMAD

Group Managing Director and Group Chief Executive Officer

Malaysian l Male l Aged 62
(Key Personnel)

Datuk Azmi's profile is listed in the Directors' Profile on page 34 of this Annual Report.

SHAMSUL BIN SAAD

Deputy Chief Executive Officer

Malaysian | Male | Age 57
(Key Personnel)

Shamsul's profile is listed in the Directors' Profile on page 37 of this Annual Report.

AHMAD HASSANUDIN BIN AHMAD KAMALUDDIN

Group Risk & QHSSE Director

Malaysian l Male l Aged 75
(Key Personnel)

Ahmad Hassanudin's profile is listed in the Directors' Profile on page 36 of this Annual Report.

AHMAD FAIRUZ BIN AZMI

Group Chief Operating Officer

Malaysian l Male l Aged 38
(Key Personnel)

Ahmad Fairuz Bin Azmi was appointed as Group Chief Operating Officer of AMRB on 1 April 2021.

Ahmad Fairuz started his career as an Electric and Electronics Engineer with Easter Offshore Pte Ltd (Singapore) and rose up to Business Development Manager cum Subsea Engineer in Alam Subsea Pte Ltd (Singapore). Then, he joined Alam Hidro (M) Sdn Bhd as Manager, ROV Services. Prior joining to Alam Maritim, he served as an Executive Director of ROV Resources (M) Sdn Bhd before resigned on 26 March 2021. He manages all the operations, which include overall planning, developing and implementing plans for effective project execution, operational and technical matters. Hands on in a lot of offshore projects in the early days and involves in most of the operation matters during his management.

He holds a Masters of Business Administration from University Technology MARA graduated in 2013 and Bachelor of Engineering (Hons) in Electronic from Staffordshire University, United Kingdom in 2007. He also holds HND in Telecommunication Engineering from British Malaysia Institute, UniKL Malaysia in 2006.

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

SENIOR MANAGEMENT TEAM PROFILE
As At 30 April 2021

MD NASIR BIN NOH
Group Chief Financial Officer

Malaysian | Male | Aged 54
(Key Personnel)

Md Nasir bin Noh was appointed as Chief Financial Officer on 2 January 2015. He is responsible for Group Finance functions, and he brought with him over 20 years of experience in the areas of auditing, financial accounting and management and corporate finance.

Prior to joining the Group, Md Nasir served in different financial related positions within the banking, telecommunications, automotive, property and construction, aviation and maritime industries. He holds a professional accounting qualification from the Association of Chartered Certified Accountants, UK. He is a chartered accountant registered with the Malaysian Institute of Accountants.

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

NUR AZNITA BINTI TAIP
General Manager, Group Corporate Services & Joint Company Secretary

Malaysian | Female | Aged 48
(Key Personnel)

Nur Aznita binti Taip was appointed as General Manager of Group Corporate Services in January 2017 and Joint Company Secretary with effect from 8 March 2017.

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

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

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

NURANISMA BINTI AHMAD
Assistant General Manager, Group Corporate Services & Joint Company Secretary

Malaysian | Female | Aged 46
(Key Personnel)

Nuranisma binti Ahmad initial career as an accountant commenced when she joined AMRB in 1998. Climbing through the ranks to her present position, Nuranisma was appointed as Joint Company Secretary on 1 September 2016. She is responsible for the financial operations, financial reporting, budgeting and forecasting, treasury, tax compliance and quality governance within the Group.

Nuranisma graduated with a Degree in Accountancy from Mara University of Technology and is a Registered Chartered Accountant with the Malaysian Institute of Accountants (membership number: 24553). She has wide exposures in various due diligence exercises during acquisitions, listing exercise on Main Board, Bursa Malaysia and various road shows prior to listing.

Nuranisma acquired her MBA specializing in Corporate Governance from Putra Business School, University Putra Malaysia. Overseeing integrity, financial risk, compliance management and other corporate secretarial matters, Nuranisma is also a registered member of the Malaysian Institute of Chartered Secretaries and Administrator (membership number MAICSA 7067610). She is qualified to act as a Secretary under Section 241 of the Companies Act 2016 (SSM PC No: 202008000939).

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

SENIOR MANAGEMENT TEAM PROFILE
As At 30 April 2021

SAIFUL FAIZ BIN MOHD AZIZ @ AHMAD LATFI
General Manager, Offshore Installation and Construction Business Operations

Malaysian | Male | Aged 57

Saiful Faiz bin Mohd Aziz @ Ahmad Latfi appointment as General Manager of Offshore Installation and Construction Business Operations was with effect from 10 October 2016.

Prior to this, he served as Head of Project Services and later General Manager for Alam Swiber Offshore Sdn Bhd. His extensive experience for over 28 years in the Petrochemical and oil and gas industries includes working on projects execution for refineries, oil terminal, gas plant, fabrication of jackets and topside as well as transportation and installation works for offshore pipeline and platforms.

Saiful graduated from University of Technology Malaysia in Diploma of Mechanical Engineering (Marine) Marine Engineering. He has previously worked for Malaysia Marine and Heavy Engineering, Crest Petroleum, TL Offshore Sdn Bhd and Sime Sembawang Engineering.

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

ABU HUSSEIN BIN MOHAMED
General Manager, Fleet Management Division

Malaysian | Male | Aged 61

Abu Hussein bin Mohamed was appointed as General Manager – Fleet Management Division on 4 March 2020. He is responsible for the Offshore Support Vessel (OSV) fleet readiness and reliability, ensuring a safe and efficient services to the clients

Abu Hussein started his career as a sea going engineer with PNSL Berhad and rose up the rank to Chief Engineer on board various types of vessels. Then, he served as Technical Superintendent with PNSL. He joined Petronas Maritime Services as Senior Surveyor and conducted ship vetting/safety inspections for Petronas Chartered vessels. During his tenure with Petronas, he was also assigned to supervise the new building of five Clean Product Tankers and 5 harbour tugs for Sungai Udang Port contracted to Petronas. He also served with other few shipping companies in Senior Management capacity and responsible for safe operations of fleet vessels prior joining AMSB.

He holds a Diploma in Marine Engineering from Ungku Omar Polytechnic and Class 1 Certificate of Competency.

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

ALVIN CH'NG YI MING
Head of Global Subsea Business

Malaysian | Male | Aged 40

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

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

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

SENIOR MANAGEMENT TEAM PROFILE
As At 30 April 2021

MOHD NOOR BIN OSMAN
General Manager, Group Human Resource

Malaysian | Male | Aged 68

Mohd Noor bin Osman was appointed as General Manager – Group Human Resource on 21 November 2010. He is responsible for managing overall Human Resource and talent related initiatives as well as supporting business planning and quality initiatives.

Mohd Noor has served previously in various Human Resource capacities for PETRONAS including, but not limited to Senior Manager HRM & Admin PETRONAS GAS and General Manager HRM & Admin PETRONAS CARIGALI.

He holds a Bachelor Degree in Economics from University of Malaya and Master of Science in Human Resource from Strathclyde University, UK.

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

ROSMAN BIN NORDIN
General Manager, Group Internal Audit & Risk Management

Malaysian | Male | Aged 47

Rosman bin Nordin's appointment as Head of Group Internal Audit and Risk Management was with effect from 10 October 2016.

He has over 20 years of insights and valuable experience, covering a range of fields: Internal Audit Controls, Risk Management, Compliance, Finance, Projects, JV Accounting and Strategic Planning. Predominantly, he acquired his experience from his 15 years of exposure in PETRONAS Carigali where he was the Senior Audit Manager for the upstream & downstream ventures, covering domestic and international regions.

During his tenure, he has conducted numerous audits in international major Oil & Gas companies, Joint Operated Companies, Joint Operated Blocks, EPC Contractors and involved in several Due Diligence, Operatorship take overs and farm in equities. He was also the Finance Head in Diyarbekir Oil & Gas project based in Ashgabat, Turkmenistan from 2003 to 2006 during exploration and EPCIC phase until the 1st oil production commenced under the USD2 Billion of project investment.

Later, he led Finance in tripartite project namely SK305 in PCPP Operating Company from 2006 to 2009 of which the joint shareholders are PETRONAS Carigali, PVEP and PERTAMINA.

His commendable journey continued in ADCO, the prominent National Oil Company of UAE based in Abu Dhabi as the Audit Senior for 2 years before he joined Puncak Oil and Gas Sdn Bhd as their Senior Manager, Audit, Risk & Compliance for 3 years prior to joining Alam Maritim Group.

He is also the trainer with PETRONAS Learning Centre ("PLC") where he has conducted finance and audit skill group training within Finance fraternity.

Rosman qualified as an Accountant from the Northern University of Malaysia in 1997 and acquired his MBA from the Open University of Malaysia in 2015. He is a Chartered Accountant of the Malaysia Institute of Accountants and a Member of the Institute of Internal Auditors, United Arab Emirates (UAE) and recently acquired his Certified System Investigator ("ACSI").

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

SENIOR MANAGEMENT TEAM PROFILE
As At 30 April 2021

SITI HAJAR BINTI ABDUL RANI
Group Head, Health, Security, Safety and Environment

Malaysian | Female | Aged 38

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

She has been with the company since 2005 and has more than 10 years of broad-based HSSE experience in Offshore Support Vessel (OSV), subsea and offshore installation and construction (OIC) industry. She has played an important role to lead the Company's effort towards the achievement of Corporate HSE objectives. She holds an MBA specialised in Strategic Management from University of Technology Malaysia (UTM) and Bachelor Degree in Maritime Management from University of Malaysia Terengganu (UMT). She is also a certified IRCA OSHAH 18001 Lead Auditor and Safety and Health Officer Competency (SHO).

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

MUHAMMAD ZAWIR BIN SJAFII
General Manager of International Gateway Services Sdn. Bhd.
(subsidiary of Alam Maritim (M) Sdn Bhd)

Malaysian | Male | Aged 35

Muhammad Zawir Sjafii commenced his initial career with the Group as an accountant in 2010. He holds the various position throughout his tenure with the Group and on 25th September 2018 he has been appointed as General Manager of International Gateway Services Sdn. Bhd. (IGS) *(formerly known as Alam Offshore Logistics & Services Sdn. Bhd.)*. He is responsible for managing IGS in order to support the Group's fleet engaging in transportation, ship forwarding and agent, ship chandelling, managing yard, warehouse facilities and other related activities in Kemaman and Labuan. Besides, he was also involved in managing and monitoring third party agents appointed by the Group throughout Malaysia. For 2019 and beyond, he had been assigned to re-engineer IGS and strengthen further to cater not only for increased Group's logistics and provisions need, but also to cater for regional market demands.

He has been with the Company since 2010 and has more than 6 years of shipping agency experience in Offshore Support Vessel (OSV), Subsea and Offshore Installation and Construction (OIC) industry. He has played an important role to lead the Company's effort towards the achievement of Company objectives. He holds a Bachelor of Accounting from Mara University of Technology (UiTM).

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

SUSTAINABILITY STATEMENT

FY2020 SAW ALAM MARITIM RESOURCES BERHAD ("AMRB" OR "THE GROUP") REMAINING ASTUTE AND RESILIENT IN THE FACE OF VARIOUS CHALLENGES FLOODING THE OPERATING ENVIRONMENT DUE TO MAINLY THE ONSET OF THE COVID-19 PANDEMIC AS WELL AS THE BREAKDOWN OF COLLABORATION OF THE ORGANISATION OF THE PETROLEUM EXPORTING COUNTRIES ("OPEC") +ALLIANCE LED BY RUSSIA. THE GLOBAL ECONOMY, ALONG WITH THE WIDER OIL AND GAS INDUSTRY, WERE ADVERSELY IMPACTED BY THE ABOVE TWO EVENTS AS ECONOMIC FEASIBILITY BECAME MORE VOLATILE AND UNCERTAIN COMPARED TO THE PRE-PANDEMIC PERIODS AND AFTERMATH OF THE COLLAPSE OF THE OPEC+ALLIANCE.

Thankfully our shifting business model as an integrated solutions provider has underpinned our ability and resolve to identify issues affecting the Group and devise specific plans of action to mitigate the pandemic's effects on our sustainability.

Our purposeful and continuous endeavor to achieve operational excellence has sustained us through the pandemic's effects, domestic geopolitical instability, oil and gas price volatility, OPEC's production cut disputes, the rocky United States of America ("USA") electoral landscape, the USA-China trade dispute, armed clashes in the Middle East and more. Nevertheless, the Group is strengthened by its commitment towards continuing its sustainability endeavors and remaining diligently attentive across our business segments, stakeholders and operating environment to preserve the Group's operational and competitive status.

Turbulence in the operating environment did not significantly hinder AMRB's efforts to effectively meet its contractual obligations. This is because we have built a strong foundation through the establishment of our Sustainability Agenda based on the principles of Shared Values which shaped our character based on cohesiveness, loyalty, integrity and professionalism, and iCARE Cultural Beliefs that guide how we work. These values and cultural transformation are the enabler in bringing strategies to life. In this regard, our Corporate Vision represents the goal of what we aspire to be as an organization. It provides clarity and a common reference throughout Group to drive us towards a shared purpose. The Vision, however, does not stand alone. It is supported by our Mission Statement, business strategic direction and our cultural values. Each of these elements are clearly inter-related and work in tandem with one another to form our Corporate Agenda. They govern our collective thoughts, actions and behaviors and provide the fundamental guidance to our business conduct and, thus, effectively facilitate uncompromised delivery and sustainability of our commitments.

As with the previous year, the Group is determined to emerge from these difficult circumstances stronger and more operationally robust. We plan to continue focusing on cash flow optimisation, effective Group-wide integrated processes for better work efficiency as well as project execution safety and cost-efficiency. These focus areas require excellent functional support that beckons the Group to optimise resource acquisition and management, energy reduction and societal impacts to sustain long-term business feasibility.

In lieu of this, the Group's Vision and Mission are very much anchored to our Shared Values and iCARE Cultural Beliefs when it comes to executing contract commitments. This is in line with our belief that this approach helps address our short and medium-term trepidations while aiding our strategies and plans to support a longer term response to value creation.

SUSTAINABILITY AGENDA & MATERIAL MATTERS

AMRB continued fortifying its capabilities in delivering on the identified key materiality matters in our businesses and operations during the year under review. Our materiality matters progress and output are underscored by our focus on operational and QHSSE sustainability. Future aspirations for our material scope involves the cohesive collaboration from all relevant stakeholders and not just the corporate entity.

FY2020 saw the Group improving efforts in overall sustainability integration in relation to our broader economic, environmental and social impact. This integration has seen our businesses and operations realise significant benefits when it comes to our capabilities in:

Enhancing our Risk Management Framework and its implementations.

Promoting innovation and technology with strategic alliances.

Attracting new and potential customers to increase order book value.

Maintaining our license to operate with clients through our strong track records and capabilities.

Responding to responsible investment and better capital security.

Continuously improving in our productivity and optimising our operational cost.

Improving brand value and reputation with customers and authorities.

The Group strives to manage implementation of policies so that our value chain and supply chain are capable in achieving domestic and international standards as well as sustainability best practices. We aim to further outline our sustainability goals moving forward so that all stakeholders and business segments are acutely aware of the Group's plans to improve its operations. The Group strives to be consistent in its sustainability reporting efforts while denoting any significant enhancements made in any of our sustainability-related goals and material matters.

However, given the operating environment circumstances during FY2020 that hindered the Group's operational feasibility, we sought to retain our existing sustainability reporting scope with improved / broader disclosures targeted for the upcoming reports.

The AMRB Corporate Sustainability Statement ("the Statement") for FY2020 was prepared by the Senior Management Team of the Group. The Statement was reported to the Board Risk Management Committee ("BRMC") and Board of Directors ("the Board") for consideration and approval. Feedback and inquiries relating to this report, including any unethical and unlawful behaviour by an employee or any of the subsidiaries, may be channelled in confidence to:

Encik Ahmad Hassanudin bin Ahmad Kamaluddin
(Group Risk & QHSSE Director)
Tel : +603 90582244
Fax : +603 90596845
Email : info@alam-maritim.com.my

Letters may be directed to:

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

REPORTING SCOPE & BOUNDARY

REPORTING PERIOD:
1 January 2020 to 31 December 2020

REPORTING CYCLE:
Annual

REPORTING FRAMEWORKS

Bursa Securities' Main Market Listing Requirement Practice

Bursa Malaysia Corporate Governance Guide (3rd Edition)

Bursa Malaysia Sustainability Reporting Guide (2nd Edition)

SUSTAINABILITY STATEMENT

The FY2020 reporting scope includes key projects, initiatives, activities, information and changes by AMRB under its materiality matters. This Statement also expounds on the sustainability targets and improvements encompassing both the Group's on-shore and off-shore operations. In relation to the COVID-19 situation, we have disclosed in this report significant mitigation efforts and activities to curb the effects of the pandemic within employees, workplace environments and other involved stakeholders.

Only AMRB's Malaysian operations that are wholly owned by the Group are covered in this Statement, which consist of the following:

- **Alam Maritim Resources Berhad**
- **Alam Maritim (M) Sdn Bhd**
- **International Gateway Services Sdn Bhd (formerly known as Alam Offshore Logistics & Services Sdn Bhd)**
- **Alam Food Industries (M) Sdn Bhd**
- **Alam Maritim Properties (M) Sdn Bhd**

Information, activities and performance data outside the reporting scope are not disclosed in this Statement. While no external assurance was garnered for the Statement, deep consideration will be made for it as and when our reporting scope and boundaries evolve.

12 UNITED NATIONS SUSTAINABILITY DEVELOPMENT GOALS ADOPTED

No environmental spills

Zero fatalities

Zero incidents of corruption reported

6.11 million man-hours without a Loss Time Incident (as of 31 December 2020)

963 days without a Loss Time Incident (as of 31 December 2020)

100% of the members of the Board of Directors and Group Management Committee briefed on the new Anti-Bribery and Anti-Corruption policy (in compliance with Section 17A)

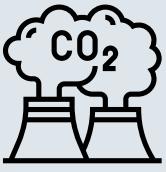
184 total employees (100% Malaysians)

16% of women occupy Director positions

6.11 million man-hours worked

RM15,830,374.35
total paid in employee salaries & benefits

RM18,695.00
total spent on employee training and development programmes



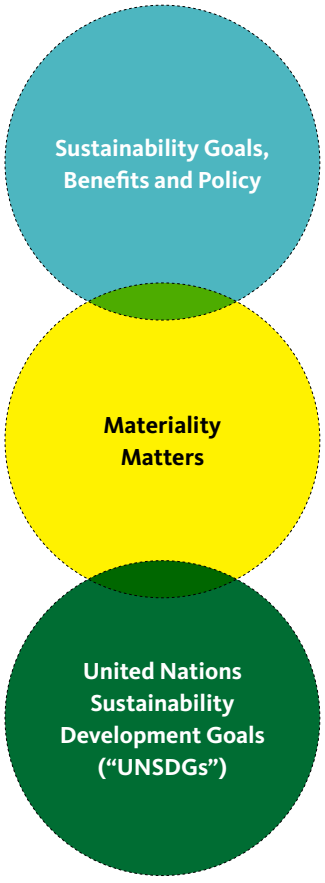
5%
decrease in overall CO_2 emissions

7.5%
decrease in water consumption

18%
decrease in electricity consumption

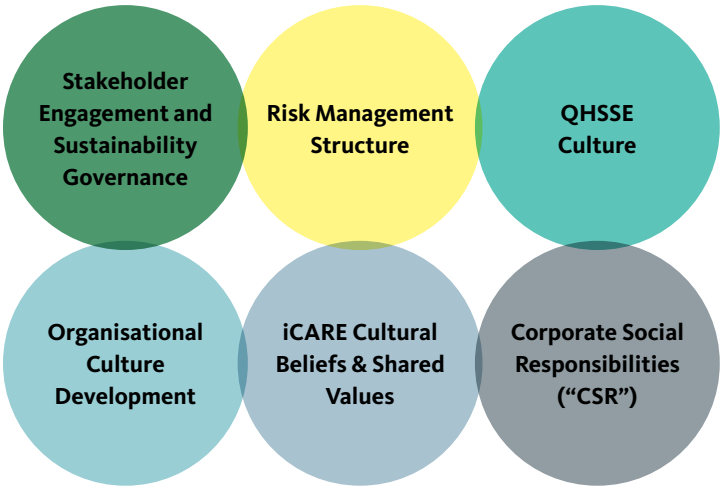
SUSTAINABILITY STRATEGY, FRAMEWORK & MATERIALITY MATTERS

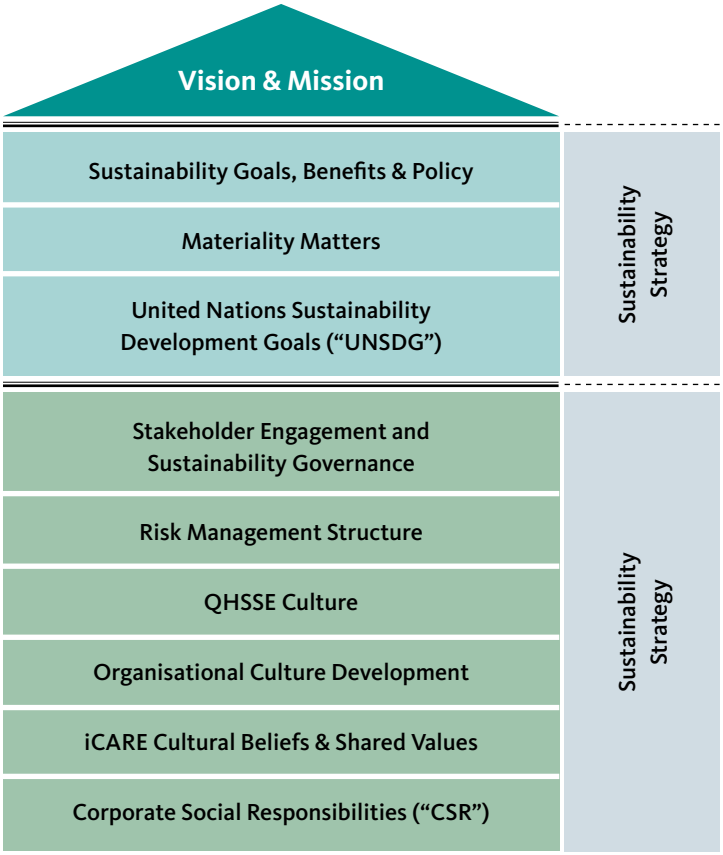
AMRB believes in balancing and integrating the need and risks between Economic, Environmental and Social ("EES") to achieve sustainability. Underpinned by the Group's Vision and Mission, we developed our Sustainability Strategy revolving around three (3) fundamental elements that lay the foundational aspects of the Group's framework, values, structure and practices. These three (3) elements are:



SUSTAINABILITY STATEMENT

The Sustainability Strategy is implemented through various Sustainability Initiatives that encompass our many stakeholders. These initiatives are:





AMRB's Integrated Sustainability Strategy and Implementation

SUSTAINABILITY GOALS, BENEFITS AND POLICY

Sustainability Goals

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

MATERIALITY MATTERS

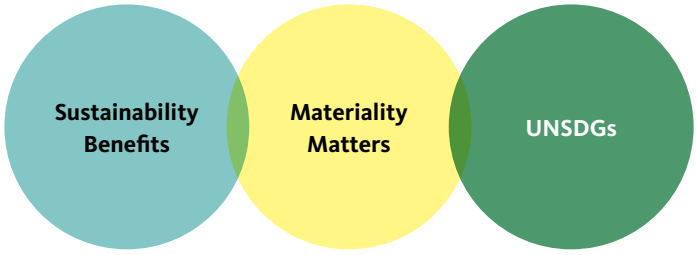
Compiling and consolidating employee and stakeholder feedback in FY2017, AMRB had identified the following materiality matters that directly and indirectly influences business practices, strategy, activities and application. The Group deems that all materiality matters are of equal importance as they are interrelated and co-dependent on each other's impact and significance for an effective Sustainability Strategy implementation:

Sustainability Benefits

1. Corporate Governance
   i. Enhancing Risk Management
   ii. Maintaining HSSE License to Operate
   iii. Promoting Good Corporate Governance & Integrity
   iv. Enhancing Innovation for Business Continuity
   v. Securing Capital
   vi. Enhancing Customer Relationship Management
2. Organisation Culture Development
   i. Improving Shared Values and Work Culture
   ii. Improving Productivity
3. Quality & Health, Safety, Security and Environment
   i. Enhancing the QHSSE Culture
4. Corporate Social Responsibility
   i. Enhancing Brand Value and Reputation

Sustainability Policy

We continue to develop commitment statements that encapsulate our three (3) Sustainability Strategy elements, and are aligned with the Group's Mission, Vision, corporate values and culture as well as business objectives, to improve our already robust Sustainability Policy for Board approval:



UNITED NATIONS SUSTAINABILITY DEVELOPMENT GOALS

AMRB continues to make substantial progress in its UNSDG commitments in pursuant of the United Nations' 2030 Agenda for Sustainable Development since 2015. The overarching vision of the UNSDG is to endorse global prosperity by addressing challenges including poverty, inequality and environmental degradation.

Therefore, the Group has continued to integrate key adopted UNSDGs into its materiality matters including our HSSE framework and CSR activities, as well as among our stakeholders, supply chain and the wider community. While we are still in the early stages of UNSDG adoption, we hope to share further progress on our adoption when relevant data and results start to emerge from our adoption efforts.

Moreover, in the future, we hope improve our disclosure capabilities to include important linkages between adopted UNSDG goals and our value creation and business model and identified materiality matters to better showcase the Group's strategic alignment towards its sustainability agenda.

STAKEHOLDERS ENGAGEMENT

Stakeholder engagement remains a critical facet of AMRB to cultivate long-lasting relationships with our stakeholders and instilling a greater comprehension of business activities and value creation capabilities. Improved communication and collaborative efforts with stakeholders are vital for the Group in charting its sustainability development with the relevant goals and performance criteria identified through feedback mechanisms and gap analyses. Moreover, this will help boost overall operational resilience and business excellence in our materiality matters.

In FY2020, the Group continued to actively communicate with stakeholders through a variety of platforms and channels in order to disseminate relevant information in a timely and efficient manner. Due to the COVID-19 pandemic, we increased the use of online mediums and channeled more resources towards improving the necessary digital platforms for easier accessibility of information.

SUSTAINABILITY STATEMENT

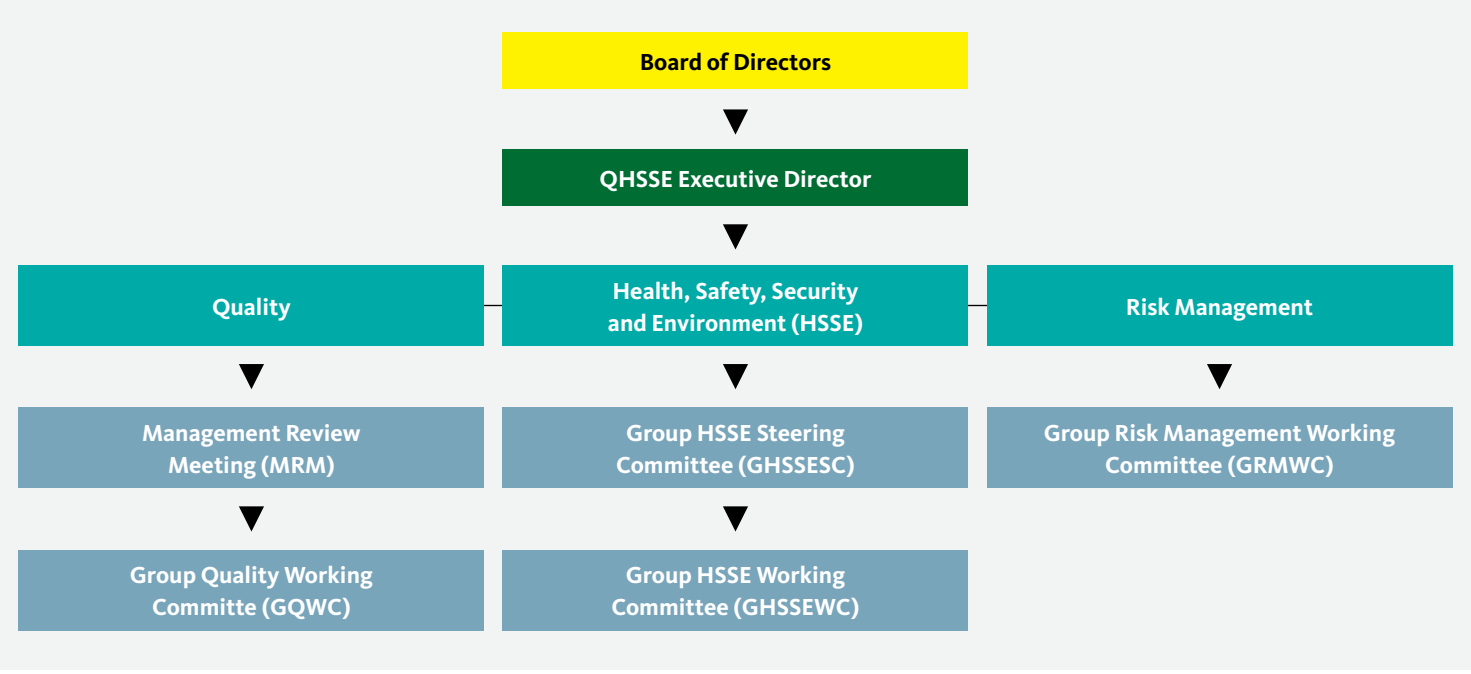
The Group's key stakeholders include our clients, employees, shareholders, investors, the Government and regulatory bodies, the community, partner and suppliers. Each of them are a crucial piece of our business development process from planning and implementation to monitoring and evaluation. As AMRB's operation remain largely unchanged from the previous year, our stakeholder engagement table remains unaffected from FY2019 although the frequency of the engagement channel used may differ due to the pandemic:

Stakeholder Group	Engagement Approach	Frequency	Outcomes And Values
CUSTOMERS	Tender / Bidding Briefings	As and When	1. Project Requirements 2. Compliance 3. Service Delivery 4. Solutions Consultation and Support
	Client evaluation Assessments	Quarterly	
	Project contract administrator meetings	Periodic	
	Tactical Events and Road Shows	Periodic	
	Client Supervision and engagement	Per contract	
	Enquiry Correspondence	As and When	
EMPLOYEES	Managing Director (MD) engagement sessions via intranet / newsletters	Monthly	1. Health, Safety, Security, and Environment 2. Operational Performance Update and Reviews 3. Sustainability Updates and Reviews 4. Business Direction and Initiatives 5. Human Resource Affairs and Personal Development
	Engagement events	Periodic	
	Employee satisfaction surveys	Annually	
	Work Performance and Development Review	Annually	
	Management-Employee Town Hall / Employee Meetings	Periodic	
	Training / Workshops / Team Building	Periodic	
	Corporate Updates via Intranet	As and When	
	Staff Inquiry, Grievance & Whistleblowing	As and When	
SHAREHOLDERS, INVESTORS AND ANALYSTS	Annual Report	Annually	1. Wealth and Value creation 2. Financial Performance and Growth 3. Future prospects 4. Good Corporate Governance 5. Sustainability of Operations
	Annual General Meeting	Annually	
	Financial reports and investor briefings	Quarterly	
	Investor roadshows and events	Periodic	
	Media releases	Periodic	
	Shareholder updates and Bursa announcements	Periodic	
	Company website updates	As and When	
GOVERNMENT AND REGULATORS	Meetings and visits	Periodic	1. Regulatory Approvals and Legal Compliance 2. Good Governance and Responsible Corporate Management 3. Taxes and Levies 4. Solutions Consultation and Support
	Reports	Periodic	
	Participation in government and regulatory events	As and When	
	Facilitating Regulatory Audit and Other Periodical Statutory	Periodic	
	Support Industry / Government Initiatives	Periodic	
	Certification and Licenses	Periodic	
	Tactical Events and Road Shows	Periodic	
	Client Supervision and engagement	Per contract	
	Enquiry Correspondence	As and When	

Stakeholder Group	Engagement Approach	Frequency	Outcomes And Values
COMMUNITY. MEDIA AND GENERAL PUBLIC	Corporate social responsibility activities	Periodic	1 Corporate Social Responsibility 2. Good Governance and Responsible Corporate Management 3. Environmentally Responsible
	Social media	Daily	
	Meeting with the press	As and When	
CONTRACTORS AND SUPPLIERS	Partnership Agreement	As and When	1. Policy, Requirement & Compliance Updates and Review 2. Evaluation Assessment issues 3. Sustainability issues 4. Operational Progress 5. New Business Opportunities 6. Supply and Pricing
	Engagement and Meetings	Periodic	
	Site Visit	Periodic	
	Tender / Bidding Briefings	As and When	
	Procurement, Policy and Regulations Updates	As and When	
	Contractor / Supplier Evaluation Assessment	Annually	

SUSTAINABILITY GOVERNANCE

AMRB operates a robust Sustainability Governance structure with well-established roles and responsibilities that oversee and drive the Group's sustainability agenda, outline relevant Sustainability Strategy goals as well as review the Group's sustainability performance for future enhancements.



SUSTAINABILITY STATEMENT

Leading the Sustainability Governance structure is the QHSSE Executive Director, a position that heads the overall direction of the Group's Sustainability Strategy and is responsible for EES risks, opportunities, goals and measures.

Following the Group's commitment to operational excellence, our governance structure revolves around the Group's QHSSE structure. This structure also involves Risk Management as part of its supporting function with activities that include corporate and financial affairs, human resources and more.

Supporting a cross-functional approach, our structure encompasses the Group Risk Management Working Committee ("GRMWC"), the Executive Committee ("EXCO") and Steering Committee with Management Review Meetings ("MRM").

Our Sustainability Governance is part of the larger Corporate Governance and Risk Management Framework ("CGRMF") that was approved by the Board. The CGRMF defines the Group's roles, responsibilities, overall structure and functional accountability.

The Board's role is to oversee business and risk strategy, organisation, financial viability as well as regulatory compliance across the organisational value chain. This is in line with preserving Governance and Transparency as well as the adoption and implementation of sustainable best practices that matches shareholders' risk appetite.

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

In April 2021, with resignation and early retirement of some of our senior management personnel, notably the Group's COO, Encik Shaharuddin Rahmad @ Warno, the Board has agreed to the appointment of Encik Shamsul Saad as the new Deputy CEO and Executive Director of AMRB. A new COO of the Group, Encik Fairuz Azmi, was also appointed. Following these appointments, and, as part of the key strategic directions, restructuring scheme and rationalisation initiative to further streamline the process of decision making within the Group, the AMRB Board, in April 2021, agreed to the formation of an Executive Committee ("EXCO") to replace the current Alam Management Committee ("AMC"). The EXCO is chaired by the Group MD and CEO, with Encik Shamsul as the alternate Chairman. The formation of the EXCO is an initiative oriented towards best practices, continuous improvement and value creation to reflect the proactive and dynamic approach of the new Senior Management in the Group.

This new portfolio is meant to be value-integrated, focused and adds value. It is to reflect empowered leaders with clear sense of ownership and accountability and be business savvy with excellent competencies to deliver value. It is part of a performance-driven culture and customer focused mindset.

It will facilitate to empower a cohesive team-driven approach towards timely and expeditious decision-making hence, strengthening our execution and accountability devoting to focussed approach and allocation of energy and resources. This initiative demonstrates that it is timely for the leadership in the Group to take the lead from the front and walk-the-talk to forge the Group forward to ensure successful delivery of strategies and realization of the Group's Vision and Mission.

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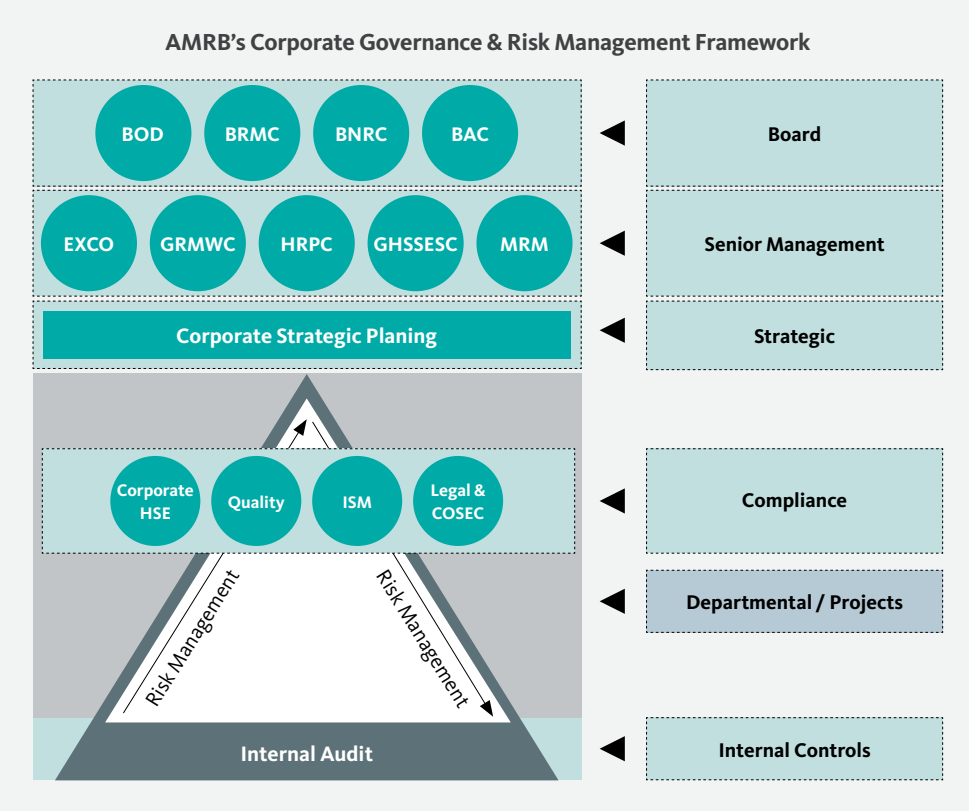
Ultimately, our unique Governance Structure seeks to properly address and manage the Group's overall corporate structure, especially when pertaining to sustainability matters and material issues in our businesses and operations.



SUSTAINABILITY STATEMENT

Committee Level	Main Responsibilities
1. BOARD OF DIRECTORS	• Chaired by the Chairman of the Board • Provide oversight responsibilities to the sustainability agenda and strategies. • Reviews information provided by the QHSSE Director for evaluation of strategies and initiatives. • Approves policy changes, reviews the Board Charter. • Approves Unaudited Quarterly Financial Results and Annual Audited Financial Statements.
2. BRMC	• Chaired by an Independent/ Non-Executive Director. • Approves the Annual Group Risks Profile and Risk Management of the Group. • Approves the quarterly status updates of key risks and mitigation actions as recommended by the GRMWC.
3. BOARD AUDIT COMMITTEE ("BAC")	• Chaired by BAC Chairman (Independent/Non-Executive Director). • Approves the appointment and resignation of external Auditors. • Approves Annual Audit Plan, budget and resources of Internal Audit Department. • Reviews the Audit progress and follow up of all internal controls matters.
4. BOARD NOMINATION & REMUNERATION COMMITTEE ("BNRC")	• Chaired by an Independent Non-Executive Director. • Review manpower planning, remuneration and related policy matters.
5. EXECUTIVE COMMITTEE ("EXCO")	• Chaired by GMD/CEO/Deputy CEO (Alternate) • Review Annual Budget, budget performance and financial matters. • Review Monthly Performance Status, Issues & Proposed Solutions, • Review Project Cost & Status, Issues and Proposed Solutions.
6. GROUP RISK MANAGEMENT WORKING COMMITTEE ("GRMWC")	• Chaired by QHSSE Director. • Attended by CEO, COO and Heads of Department/Divisions and Business Units before quarterly BRMC meetings. • Recommends Annual Group Risks Profile of AMRB Group of Companies for BRMC approval. • Deliberates quarterly status updates of key risks and mitigations by respective Heads of Department (process owners). • Supports to define and establish the Sustainability Policy, goals and expectations. • Supports to review and conduct the Sustainability Policy, goals and strategies. • Addresses the economic, environmental and social (EES) risks, creates risk profile and provides mitigation recommendation for business and operational activities regarding sustainability. • Escalates critical concerns to QHSSE Director, as Chairman of Sustainability Governance, • Provides latest Sustainability data, actions and campaigns for the Management Committee to review performance.
7. MANAGEMENT REVIEW MEETING ("MRM")	• Chaired by QHSSE Director and meets once a year as part of ISO requirements. • Comprises top Management, Heads of Department and Division. • Opportunities for improvement measured through internal/external audit finding. • Continuous improvement on IMS system and other compliance.
8. GROUP QUALITY WORKING COMMITTEE ("GQWC")	• Chaired by QHSSE Director and meets every quarter. • Comprises top Management, Heads of Department and Division. • Reviews and monitors IMS implementation throughout the Group, • Supports to review and conduct the Sustainability Policy, goals and strategies • Produce the annual Corporate Sustainability Statement for review and endorsement. • Implement and act as "Change Agents" to deliver and communicate on Sustainability Policy, goals and strategies, • Escalates critical concerns to QHSSE Director, as Chairman of Sustainability Governance.

SUSTAINABILITY STATEMENT

Committee Level	Main Responsibilities
9. GROUP HSSE STEERING COMMITTEE ("GHSSESC")	• Chaired by the Chairman of the Board • Provide oversight responsibilities to the sustainability agenda and strategies. • Reviews information provided by the QHSSE Director for evaluation of strategies and initiatives. • Approves policy changes, reviews the Board Charter. • Approves Unaudited Quarterly Financial Results and Annual Audited Financial Statements.
10. GROUP HSSE WORKING COMMITTEE ("GHSSEWC")	• Chaired by an Independent/ Non-Executive Director. • Approves the Annual Group Risks Profile and Risk Management of the Group. • Approves the quarterly status updates of key risks and mitigation actions as recommended by the GRMWC.
11. HUMAN RESOURCE PLANNING COMMITTEE	• Chaired by BAC Chairman (Independent/Non-Executive Director). • Approves the appointment and resignation of external Auditors. • Approves Annual Audit Plan, budget and resources of Internal Audit Department. • Reviews the Audit progress and follow up of all internal controls matters.
12. DEBTORS AGEING SUB COMMITTEE & CREDIT REVIEW SUB WORKING COMMITTEE	• Chaired by GMD/CEO. • Review repayment ageing of debtors. • Assess credit risk of a new trade debtors.

Risk Management Enhancement

The Group's Risk Department oversees Enterprise Wide Risk ("EWR") and thus envelopes GRMWC's most crucial functions. In lieu of this, the GRMWC robust decision-making influence affects the general direction and operation of the Group.

The GRMWC utilises risk management as a pertinent tool in its arsenal to help create and make a resolute determination to realise on Group strategies. This is done by identifying internal (e.g. operations and staffing) and external (e.g. legal, compliance, governance and etc.) factors that govern which strategy or area AMRB should hone in on. Additionally, the Committee influences risk management processes and ensures that the risk management policies and procedures are in line with the Group's strategy and risk appetite. It must ascertain that management teams are fully aware of the Company's risk profile and are fully engaged in risk management in their day to day running of the organisatioin. A key driver in here is the need to cultivate an enterprise-wide culture that is risk-aware, able to adequately assess risk and address risk-taking beyond or different from the Company's appetite, and sending a message to management and employees that comprehensive risk management is not a roadblock but instead, an integral component of strategy culture and business operations.

This allows the proper identification of all possible risks (including EES risks) and risk management gaps that could prevent the Group from implementing approved business and sustainability strategies. Moreover, it also enables prospective opportunities in business and operations to arise for the Group to capitalise on.

As with previous year, the Group continues to nurture and ingrain its risk management implementation and philosophy into its workplace culture to cultivate increased risk awareness and culpability. Certainly, our stakeholders including the media, are increasingly scrutinisng Management and the Board in regards to being actively engaged in overseeing strategic risk management processes. These are in conjunction with the approved policies and protocols that match the Group's risk appetite).

Full details on these risk management improvement activities and related initiatives are disclosed in the 'Statement on Risk Management and Internal Control' section of this report on page 96 to 99.

Preserving Our License to Operate (HSSE)

Our ability to deliver results is closely tied to having the license to operate. We have developed strong and sustained HSSE culture that is built around ownership, mindfulness and courage to intervene, where everyone contributes towards the right behaviors and outcomes. We must also ensure compliance with all environmental regulations by our staff as well as contractors.

AMRB's maintained enhancement of HSSE excellence has been the foundational aspect of the Group's success in a highly competitive industry. The Group strongly adheres to regulatory standards and certifications in order to ensure a clean and reputable HSSE track record that has no issues and defects, timely service delivery, optimum resource management as well as zero operational errors.

SUSTAINABILITY STATEMENT

To date, the Group has successfully achieved the following standards. AMRB are always prepared for every annual audit and the necessary renewal exercise as and when they are needed:

Certification & Standards	Awarded To	Validity
IMS STANDARDS OF ISO 9001:2015 (QUALITY MANAGEMENT)	ALAM MARITIM GROUP: - i) Alam Maritim Resources Berhad; ii) Alam Maritim (M) Sdn Bhd; iii) Alam Food Industries (M) Sdn Bhd; iv) Alam Offshore & Logistics Sdn Bhd; and v) Alam Hidro (M) Sdn Bhd	11 March 2021
ISO 14001:2015 (ENVIRONMENTAL MANAGEMENT)	ALAM MARITIM GROUP: - i) Alam Maritim Resources Berhad; ii) Alam Maritim (M) Sdn Bhd; iii) Alam Food Industries (M) Sdn Bhd; iv) Alam Offshore & Logistics Sdn Bhd; and v) Alam Hidro (M) Sdn Bhd.	11 March 2021
OHSAS 18001:2007 (HEALTH AND SAFETY MANAGEMENT)	ALAM MARITIM GROUP: - i) Alam Maritim Resources Berhad; ii) Alam Maritim (M) Sdn Bhd; iii) Alam Food Industries (M) Sdn Bhd; iv) Alam Offshore & Logistics Sdn Bhd; and v) Alam Hidro (M) Sdn Bhd.	11 March 2021

AMRB is also in compliance with the following standards, and to further improve future quality compliance and accreditation to international standards, the following standards are primarily enforced by the QHSSE Department across all subsidiaries alongside the Group's Integrated Management System ("IMS"):

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

As with the previous year, AMRB has continued its implementation of the robust Corporate Security Policy that focusses on universal Group security procedures as a business sustainability endeavour. Due to the COVID-19 health crisis and economic instability, greater focus of this security policy has been applied on Risk Management and QHSSE areas to sustain the Group's safe and healthy record.

Our consistently excellent performance in quality control and regulatory compliance as well as HSSE management has successfully secured industry-wide acknowledgment with the following awards garnered in FY2020:

Date	Achievement Details / Contribution	Client
28 MAY 2020	2019 Repsol Marine Vessel Safety & Operation Excellence Award Winners awarded to MV Setia Fajar	Repsol

SUSTAINABILITY STATEMENT

Upholding Anti-Bribery & Anti-Corruption Standards

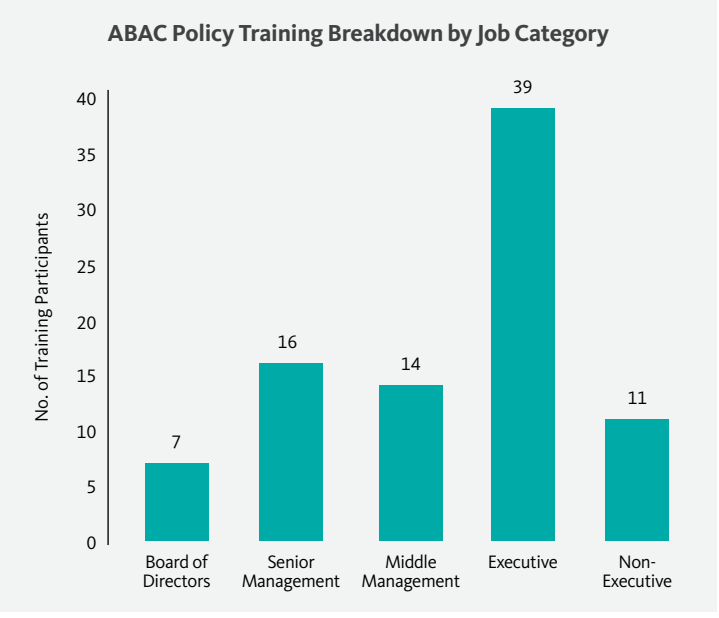
One the key governance highlights of the year under review was crafting and introducing our Anti-Bribery and Anti-Corruption ("ABAC") policy in accordance of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act"). Coming into force on 1 June 2020, the MACC Act indicates that commercial companies are held accountable if discovered to be involved in bribery and other corruption actions within the organisation. Liability can extend to any member of the Board, the Chief Executive Director, Management or employee as well as relevant stakeholders tied to Group's management and operations.

AMRB's ABAC policy was Board-approved and became effective from 24 June 2020 onwards. It has been applied at various organisational levels of the company in relation to both internal and external stakeholders.

The Board receives all important information on the development and implementation of the company's ABAC policy through established Group committees and departments such as the BAC, GRMWC, BRMC, Human Resources & Administration Department ("HRAD") as well as Internal Audit & Risk Management ("IARM").

100% of Board members and Senior Management members have underwent anti-corruption trainings and briefings so far.

Here are some FY2020 training sessions conducted in this regard. ABAC policy training for the Board, senior management was middle management was held on 4 August 2020, while the ABAC policy trainings for executives and non-executives were conducted 8 October 2020 and 1 October 2020 respectively:



100% of staff had below senior management have been briefed on the ABAC policy. All employees, Board members and Senior Management are required to confirm their compliance to the ABAC policy by signing the ABAC Policy Acknowledgement & Personal Integrity Pledge. This pledge form was also made available in an online format as to ease its accessibility to all employees in the organisation.

The COVID-19 pandemic logistically limited our efforts in conducting more briefings and trainings on our ABAC policy. However, we hope that in FY2021 we can organise more ABAC policy-related induction sessions for more of our staff and management personnel to become aware of the Group's anti-corruption agenda.

The Group hopes to instill company-wide awareness and empowerment regarding the importance of our employees' role is in preventing bribery and corruption practices from emerging within the organisation. Our Heads of Department ("HODs") thus have the additional responsibility to constantly remind peers, subordinates and staff of this aforementioned responsibility, as well as the significant liabilities and disciplinary proceedings that could occur should any of corruption practices occur within the Group.

Newly-hired staff will be inducted and briefed on our ABAC policy and other policies during their orientation. Our Employee Handbook ("Handbook") also details our ABAC policy particulars and other ethical conduct protocol including Codes of Conduct & Discipline. AMRB reported zero incidents of corruption in FY2020.

The full and approved ABAC policy framework can be viewed at AMRB's Investor Relations webpage at http://ir.alam-maritim.com.my/v1/ (see 'Corporate Governance' section).

ALAM MARITIM GROUP OF COMPANIES

ANTI-BRIBERY & ANTI-CORRUPTION ("ABAC") POLICY

Doc No	AMGC-AMS-POL-04
Rev No	00
Issue Date	24/06/2020
Page	
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COMMITMENT TOWARDS ANTI-BRIBERY & ANTI-CORRUPTION ("ABAC") POLICY

We, employee and Directors of ALAM Group of Companies ("ALAM"):

1. Are committed to uphold integrity values in practicing business ethics and to maintain good corporate governance among employees, Directors and with the relevant external parties at all time.
2. Acknowledge and shall adhere to the ABAC Policy and ALAM's related Manuals including the Employee Handbook;
3. Shall not compromise to any bribery and corruption practice to safeguard reputation of ALAM and its Stakeholders;
4. Shall prevent, report and mitigate risks against bribery and corruption according to the ABAC Policy and shall monitor fraud risks regularly and effectively;
5. Shall, upon act of bribery and corruption being reported, fully co-operate in any investigation thereto, to ensure a fair due diligent process is carried out;
6. Continuously promote to ALAM's employees, Directors and contractors on zero tolerance of bribery and corruption practices where training on fraud prevention, its management and effective mitigations shall be conducted among ALAM's employees and Directors.

Recommended by:	Reviewed by:	Endorsed by:
Rosman bin Nordin Head, Internal Audit & Risk Management	Hj. Mohd Noor bin Osman Head, Human Resource Management	Datuk Hj. Azmi bin Ahmad Group MD/CEO

Note: The ABAC Policy is effective 24 June 2020 upon approval by the Board of Directors on the same date.

Maintaining Positive Corporate Governance

AMRB's Board recognises the importance of observing and sustaining high corporate governance standards and best practices during business and operational affairs. The Board and Senior Management therefore adhere to the Malaysian Code on Corporate Governance 2017 ("MCCG 2017") and their principles when it comes to overseeing and implementing sustainability initiatives within the Group. More information on the Corporate Governance Framework, Related Party Transaction Policies & Procedures, Board Charter, Remuneration Committee and Policy, Whistle Blowing Policy and Nomination Policy are reported in the 'Corporate Governance Overview Statement' section on pages 77 to 89 of the report.

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

Under the Small Cap category, the Group was honoured for positive investor relations engagements and good corporate governance, and we vow to persist in maintaining a high standard of corporate governance to attain greater transparency while safeguarding shareholder interests.

Board Leadership Diversity

Diversity's role in supporting good corporate governance has not gone unnoticed among AMRB's leadership. This includes the value of Board gender diversity. Since 2010, AMRB's Chairperson of the Board has been a woman, making the Group of the select few, public listed companies in Malaysia who have a woman Chairperson of the Board. This approach to gender diversity has also been cascaded across the organisation. AMRB continues to actively recruit capable women to helm leadership positions across the Group.

This is a challenge given the inherent nature of the industry that we operate in, which is generally more favoured by men, possibly due to the level of physical labour and hazards associated with various jobs. However, AMRB is undeterred in driving diversity and equality across the organization, especially in leadership and management roles. We have made significant progress so far with 16% of all Director positions occupied by women. The effort continues.AMRB will continue to provide full opportunities for any woman to apply to any position within the Group. Hiring and promotion of staff will continue to be on the principle of merit.

However, beyond gender diversity, AMRB looks to cultivate diversity from other perspectives. This includes in terms of the collective talent of the Board. The Board continues to prioritise efforts to recruit Directors and senior leadership personnel from a wide range of professional qualifications and industries. This is in line with ensuring a highly competent Board whose directors possess a wealth of competence and experiences that will enable more astute judgments and more informed and strategic decision making.

A Board that is diverse in terms of its professional skillsets enables multiple and varied opinions to thrive, providing AMRB with new ideas to deliver fresh impetus and renewed vigour within its decision making process. Likewise, AMRB also has directors from different age groups. This is to achieve a healthy balance between proven industry experience and organisational understanding with exposure and understanding of new technology and emerging trends.

Hence, AMRB continues to emphasise the importance of board diversity and this is reflected in the nomination and appointment of its directors.

Ethical & Professional Conduct

AMRB is strongly committed in ensuring an ethical and professional workplace integrity for all of its staff when it comes to business and operation-related matters. In lieu of this, the Group has developed strict ethical conduct guidelines, procedures and best practices pertaining to professional conduct, code of ethics, work ethics, anti-corruption, anti-bribery, fair competition, gift giving and acceptance, business amenities and affiliations with government personnel, distribution and usage of proprietary and confidential information, conflicts of interest as well as copyright infringements within or outside the Group parameters.

Any acts of commercial bribery, kickbacks as well as any other unsanctioned or clandestine payments, gifts, transfers and dealings will undergo the necessary disciplinary actions including verbal warnings, supervisory inquiries, employment dismissal or even legal proceedings.
Internal and external stakeholders are strongly encouraged to report any incidents of ethical breach as well as any other criminal and corruption practices to the established grievance and whistle-blowing mechanisms the company has put in place.

Capital Acquisition

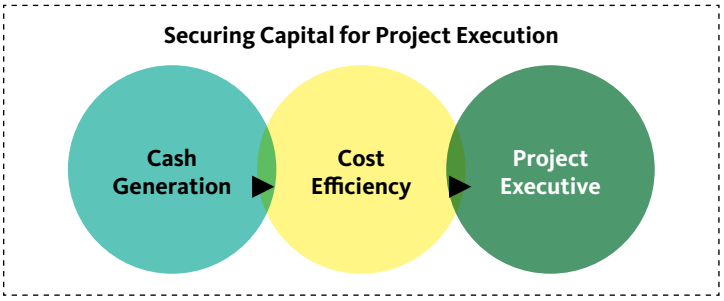
Securing capital remains an ongoing initiative for the Group as it explores new pathways towards raising substantial funds to sustain operationally efficacy, more so during a pandemic period.

The significant amount of our CAPEX and OPEX channelled to the operation and maintaining of our fleet and other business assets, with second-hand ship sales make up a large portion of our ship investments. AMRB foresees ship costs continuing to rise as industry demands for larger vessels with bigger cargo load capacities increase. Our vessels may be internationally mobile, however the seasonal demand cycle of vessel services presents an ever-occurring volatile cost risk that sees consistent expensive expenditures on specialised ships crews as well as for repairs and maintenance for vessels, regardless of vessel usage.

SUSTAINABILITY STATEMENT

As announced on 23 January 2020, AMRB's is continuing its ongoing funding raising exercise of two private placements involving up to 30% of its total issued shares, that could raise up to RM92.78 million, with Bursa Malaysia Securities Berhad Main Market Listing Requirements. Managed by UOB Kay Hian Securities (M) Sdn Bhd, this placement ensures AMRB had sufficient working capital to remain competitive in bolstering our sustainability commitment while concurrently implement cost efficiency measures to promote project execution excellence.

More details on our fund raising exercise can be referred to in the 'Management Discussion & Analysis' section on page 16 of this report.



Customer Relationship & Satisfaction

Striving towards positive and satisfactory customer relationship and experience involves the Group maintaining the highest operating and ethical standards including HSSE excellence that can allow for safer and healthier customer engagement opportunities in light of the COVID-19 pandemic and economic downturns.

By facilitating increased responsiveness, the Group can effectively manage large volumes of client and customer concerns and inquiries with quality solutions and feedback in a timely manner. Our customer engagements are conducted through customer/client feedback, customer/client inspection and site visits, both scheduled and unscheduled, project contractor management meetings as well as audits and assurances regulatory or compliance-based evaluation and assessment exercises and enquiry correspondences.

The delivery of excellent customer service doesn't only rest on customer engagements and providing solutions alone, but also through client and customer feedback mechanisms as well as reactions which can be used to bolster current customer engagement initiatives or introduce new ones.

Moreover, our customers and clients and kept informed through periodic reports on updates and reviews of our projects' progress as well as repairs and maintenance records including remedial and corrective measures commenced. These reports also comprise the QHSSE performance on operational activities and project requirements.

The Group endeavours to bolster its customer engagement services and personnel in order to meet the growing demand of these services, as well as to place greater focus on the human element of our organisation, through more trainings and strategic recruitment initiatives.

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

Supply Chain & Procurement Governance

AMRB continues to maintain good governance and business practices in its supply chain which consist of our contractor and suppliers as they are vital towards the Group's operational feasibility and excellence. We have sustained a competent group of contractors and suppliers over time, since the company's founding, which is rooted in integrity, reliability and trust in addition to their industry aptitude and experience. Paying attention to these crucial facets in our supply chain and procurement partners allows for the Group's business efficiency, sustainability, timeliness and performance delivery to thrive.

We support fair and transparent procurement practices which is embodied through Procurement Policy that outlines a centralised procurement system which manages and consolidates allprocurement transactions and evaluation assessments in a single system. For instance, where feasible, local contractors and suppliers also take precedence over foreign suppliers to bolster the Malaysian economy. Moreover, this policy enhances our contractors' and suppliers' sustainability governance and business practices as those factors play a significant role in AMRB's decision to continue a working partnership with them.

Additionally, the Group seeks to corruption-free bolster supply chain partnerships through its ABAC policy by making sure our contractors and suppliers agree to acknowledge and comply with our ABAC policy by signing the ABAC Policy Acknowledgement & Integrity Pledge by AMSB's Contractors.

The Group also carries out consistent evaluations on current contractors and suppliers to assure product and service quality remain consistent with the Group's high standards, requirements and best practices. We continue to insist that our supply chain partners implement universal ESG best practices in terms of quality control, labour management, work safety and health as well as environmental emission and waste reduction in order to mutually improve in relationship strength and business viability. In fact the operation of the procurement Department has been designed to preserve the continued seamless interaction with businesses and user groups and ensure timely delivery of the correct products meeting the standard and specifications of customers' requirements.

Board & Senior Management attending Anti Bribery & Corruption Risks Awareness Training in August 2020.

Direct Economic Value Created

AMRB has remained resilient amidst the challenges brought about by the COVID-19 pandemic, weakening oil price and trade conflicts as well as the stunted economic growth worldwide, and have thus managed to garner a steady stream of revenue that has kept the Group operationally relevant and competitive throughout FY2020.

Please find key information on FY2020 financial performance in the tables below. Details of financial results are stated in this Annual Report.

RM255 million
in revenue 17% decrease y-o-y

RM120 million PBT and
RM120 million PAT
48% and 49% decrease respectively y-o-y

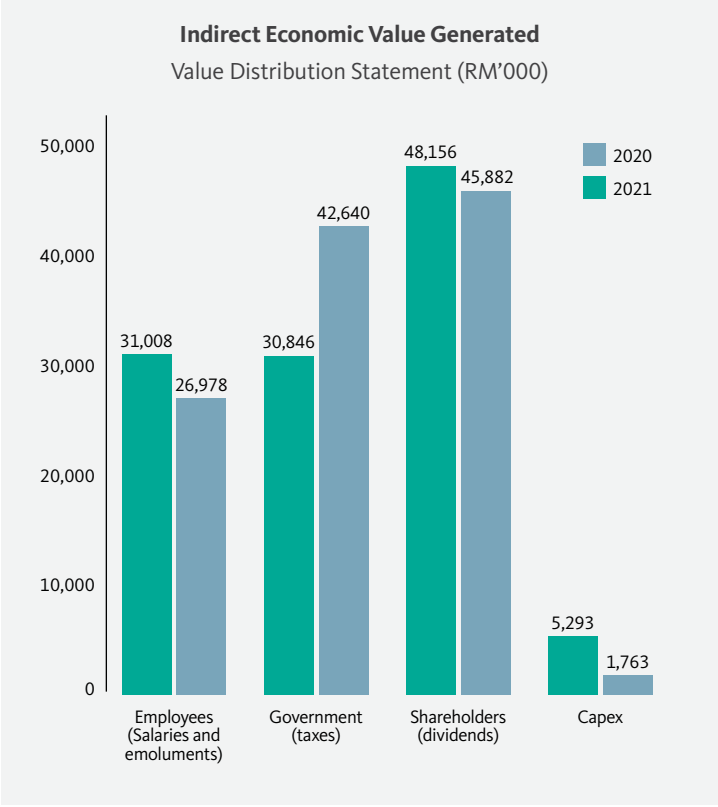
RM25 million in cash,
bank balances and cash equivalents
RM3.38 million decrease y-o-y

RM474 in assets 27% decrease y-o-y

31% share price depreciation
(as at 31 December 2020)

Indirect Economic Value Created

As with previous years, AMRB's consistently generates value for its stakeholders comprised of financial and non-financial values. The graph and pie chart below display the values created and distributed by the Group in FY2020:



ORGANISATIONAL CULTURE DEVELOPMENT

iCARE Cultural Beliefs & Shared Values

In the pursuit of being a best-in-class integrated solutions provider in the industry in line with AMRB's Vision, Mission and business model, the Group has made cognisant efforts in bolstering and transforming its work culture to breed business excellence and productivity. The prevalence of this ingrained transformation cannot be more overstated considering FY2020 saw an obstacle-filled operating landscape. These obstacles included the COVID-19 pandemic, oil price volatility and economic downturn which called for a sustainable workforce and workplace environment in order to maintain our operational quality.

SUSTAINABILITY STATEMENT

Therefore, in the year under review, AMRB progressively stepped up its initiative to further forge a maturing professional workplace culture that emphasises success-inducing values, mind-sets and behaviours in the workplace. This was accomplished by rooting our transformation process in our interlinking Shared Values and iCARE Cultural Beliefs systems. Our Shared Values is the DNA that governs how we operate while our iCARE Cultural Beliefs represent our ability to deliver quality results through discipline, work ethic and accountability. Thus, whilst the Shared Values governs the qualities and desirable traits we need to inculcate for effective teamwork and synergy, iCARE Cultural Bliefs promote qualities of a high performing organization. We need both these values and beliefs to support our Vision and Mission Statement that define our path towards achieving high performance work culture for a sustainable future.

These values and systems together govern our business-related thought processes, decisions and actions and represent a solid foundational strength that our work culture leverages on. The Group embodies and deploys these guiding principles and values to cultivate ownership, success sharing and a sense of belonging in the workforce. Therefore, internalising the iCARE Cultural Beliefs and Shared Values goes beyond a mere value chain exercise – they represent a sustainable value-added pathway towards a high-performing work culture that builds trust, unity, diligence, responsibility, compliance and respectful engagement among employees.

This is why AMRB is beholden to its commitment to ensuring that effective leadership and guidance can foster smoother and faster assimilation of these beliefs and values across the organisation. This is because every single individual working in AMRB plays a vital role in championing the desired change and long-term sustainability we are striving for to help thrive amidst adversity.

Employee Diversity and Inclusivity

The Group strongly supports and inculcates a robustly diverse and inclusive workforce that helps instill shared business excellence, commitment, transparency and value creation within the Group. This is in line with our overall corporate agenda as well as iCARE Cultural Beliefs and Shared Values.

AMRB's employees stem from a varied range of races, creeds, cultures, ethnic backgrounds, genders, ages, experience levels and longevity.

A workplace environment founded upon strong diversity and inclusivity principles is critical towards fostering a more representative alignment of our company's operating environment. Moreover, it also contributes towards building a collective pool of distinctive ideas, thoughts and actions that can ultimately contribute to business sustainability through a high-performing work culture.

The Group strongly adheres to a non-discriminatory hiring policy. All our employees are hired based strictly on capability and expertise and who are willing to embody the company's iCARE Cultural Beliefs and Shared Values in work tasks and interactions.

The Group has 184 employees across its businesses as of 31 December 2020. Additionally, we have 425 Seafarers from diverse countries. Our workforce comprises of permanent and contract employees, as well as key executives and non-executives. We support local talents at operating locations, with 100% of our staff being Malaysians.

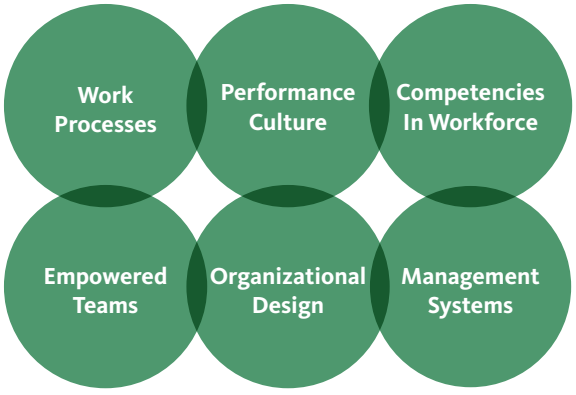
Holistic Productivity Improvement

AMRB holistically views productivity improvement that focusses on increasing human capital while also developing the Group's work culture, systems, processes and procedures as well as organisational composition.

The Group strategically tackles productivity improvements by implementing these six (6) enablers. These are based on industry best practices which will boost productivity alongside promoting improved cost efficiency.

Ultimately, our stakeholders will reap these productivity improvement benefits which will subsequently bolster their capability to contribute towards the Group's business sustainability and operational efficiency.

Securing Capital for Project Execution



Human Resource Management

The Group has made significant efforts in ensuring all employees know the rights and benefits they are entitled to while working for the Group through their orientation process when they join the company.

Additional measures also include company inductions, trainings, our Handbook and Human Resources-organised workshops held in both Bahasa Malaysia and English for better understanding and dissemination of the relevant policies, protocols and guidelines.

The following table highlights areas covered under AMRB's Human Resources Management which includes human rights, labour standards, staff benefits and more accorded to employees:

Compensation and Benefits	• The Group is committed to paying all employee the statutory monthly minimum wage and overtime compensation in accordance with the current national labour regulations. • We provide equal opportunity and the fair treatment to wages and salary. • We provide group insurance and Employees' Share Option Scheme ("ESOS") to those who are eligible.
Foreign Employment Arrangement	• The Group has in place comprehensive process and procedures when hiring foreign employees which will protect their rights of employment.
Communications with Senior Management	• The Group has a periodic schedule where Senior Management and Board members conduct site visits at facilities and operation sites. These visits serve as a platform for proactive engagement with our employees on-site. • Meetings and discussions are regularly conducted, with Town Hall sessions organised to update employees on the Group's strategic initiatives, business developments, policy awareness and achievements as well as targets set by the Group.
Policy of Notice Period for Significant Changes in Operation	• The notice period for any significant change in operations varies from two(2) weeks to up to 12 months, depending on the level of severity, priority and impact of the change. • Termination procedures are as per the contractual offer letter of employment unless it differs where then procedures will follow the Employment Act 1955.
Non-Discriminatory Policy	• The Group subscribes to non-discrimination based on their relevant merits and competency regardless of gender, race, nationality, religion, age, disability, sexual orientation, marital status, union membership/affiliation/activity, employment status or political affiliation. • We respect the rights of employees to practise their religion during their working hours, • We allow employees to have the right to join any organisation as well as freedom of association with any organisation as per applicable laws. • We practice no child and young person labour, and no forced labour in any kind of work.
Anti-Bribery and Anti-Corruption ("ABAC") and Harassment	• The Group applies a zero-tolerance policy on any form of bribery and corruption practices, harassment, abuse as well as discrimination based on any personal characteristic and maintaining a workplace that is free from abuse, harassment, sexual harassment, intimidation and any other unsafe working condition. • We have set up a proper channel for whistleblowing and grievance mechanism for an employee to report on any incident. • Policy on Anti-Bribery and Anti-Corruption ("ABAC") was approved and effective in June 2020.
Talent Management and Development	• The Group is committed to a healthy, high-performance organisation where we place high priority on knowledge and skills development. • We are committed to value our employees' achievements through yearly performance management reviews and career succession planning. • Further emphasis will be highlighted in the "Talent Management and Development" of this Annual Report.

The Group continues to monitor any updates to global or domestic human rights policies and labour laws in order to keep our policies up-to-date and complaint with regulations. We also endeavour to supervise our employees' comprehension of these policies so that they continue to be aware of their rights and if needed, act on those rights when called for. This will help to promote better workplace harmony within the Company.

We are determined to act upon any possible reported incidents related to bullying, harassment, corruption, human rights violations, labour law non-compliance and other workplace indecencies through our whistleblowing channel and grievance mechanisms. We did not receive any such reported cases in FY2020.

SUSTAINABILITY STATEMENT

Employee Appreciation & Long Service Award

AMRB's continues to acknowledge diligent and loyal employees by paying tribute to the perseverance and contribution they have given the company through their service. Acknowledgement is also granted based on impactful discussions and feedback the employee has presented for the company's overall policy improvements and enhanced business sustainability.

The Long Service Award appreciation award ceremony is held every ten (10) years to celebrate our employees' long-term tenure in the Group. The last Long Service Award ceremony was held in March 2019 where there was a total of 28 award recipients. Moreover, distinctive awards are bestowed on long-time offshore staff and crew members who have been with AMRB for ten (10) years and more.

Socio Non-Compliance

AMRB strictly complies with the Malaysian Employment Act 1955 as well as the requirements of the Minimum Wages Order 2016. We are pleased to report that there were no breaches in these regulations in FY2020.

TALENT MANAGEMENT & DEVELOPMENT

Employee Training & Development

Key highlights for AMRB's training and development in FY2020 are shown below:

RM18,695.00 total training spend

112 total training hours

92 training participants

1.22 average training hours per participant

RM203.21 average training spend per participant

AMRB continues to champion our workforce's development and growth as doing so leads to the Group's high-performance work culture that is fundamentally driven by our skilled and capable employees. In FY2020, seven (7) public trainings and six (6) major in-house programmes were conducted with a total employee training and development budget of RM18,695.00.

Both types of trainings cover technical training and upskilling, soft skills training as well as coaching and leadership development.

The onset of the COVID-19 pandemic during the year under review called for safer measures to be implemented in employee training and development programmes. Where applicable, the Group utilised online platforms such as video calls, virtual meeting spaces and online training courses to primarily interact and train in order to reduce physical communication with one another.

Below are employee training and development initiatives held in FY2020:

No	Training / Course Attended	Type of Training	Organiser	Date	No. of Participants
1	Anti-Corruption / Bribery Online Training Solution	Legal	LS HUMAN CAPITAL SDN BHD	4 August 2020	28
2	Certified Environmental Professional in Schedule Waste Management	Safety and Health	CePSWaM	10 August 2020	1
3	Opito T-Bosiet with Ebs & Travel Safely by Boat (Code: 5906)	T-Bosiet	SEQU	7 September 2020	1
4	Incorporation of Companies & What Company Secretaries must Comply with	Leadership	MAICSA	28 September 2020	2
5	Anti-Bribery and Anti-Corruption (ABAC)	Legal	ALAM MARITIM (M) SDN BHD	1 October 2020	48
6	MBRS FIR Prepares Financial Statements	Knowledge	SSM	4 November 2020	1
7	Maicsaannual Governance Conference2020 : New Decade Governance – Influence. strategy.impact	Thinking and Leadership	MAICSA	2 December 2020	2

Our in-house programmes focus on:
a) Enhancing leadership quality
b) Improving teamwork, communication and general management competencies
c) Instilling core technical knowledge and specialised skills for respective functions

Candidates selected for the in-house programmes are placed in a 3-to-5-year structured development programme where they are subjected to position-related on-the-job training. The Human Resource Planning Committee ("HRPC") will evaluate candidates once in six (6) months and then present the results to the Board for further consideration and approval. Employees who complete the programme are deemed prepared to progress onto the next level of their careers with their newly learnt knowledge and skills equipped. 85 new candidates selected for the programme have successfully completed the programme. As denoted in the previous year, we continue to explore a novel approach towards human capital training and development in our company. Progress of its planning and implementation is still in its early stages, and the Group will share the evolvement of this new employee development approach with employees and stakeholders periodically.

Hiring and Attrition Trends

AMRB hired 27 new employees in FY2020, while 32 employees underwent attrition in the same year. This was attributed to the negative trends and effects of the COVID-19 pandemic that saw operational sustainability become increasingly challenging as our employees' lives started to get increasingly affected with economic, health and safety concerns and repercussions.

New Hires

Citizenship	No. of New Hires	% of New Hires
Malaysian	27	14.67%
Non-Malaysian	0	0%

SUSTAINABILITY STATEMENT

In FY2020, despite the numerous lockdowns as well as the COVID-19 virus negatively influencing economic landscape and job market, the Group had a healthy attrition rate when compared to industry peers. The Group managed to retain 88% of individuals in managerial positions and above as shown below which helped the company maintain its overall top leadership talent bank:

Attrition Rates

Job Category (as of December 2020)	Resigned	Active	Attrition Rate
Managerial and above	2	24	8.33%
Executive and below	30	160	18.75%

Employee Spiritual Growth & Development

Following previous years' trend, the Group continues its daily Halaqah Al-Husna, a brief talk encompassing Islamic faith given to our Muslim staff to guide their spiritual growth journey. Monthly Halaqah Perdana forums on specific subjects are also held with respected speakers, scholars and subject matter experts invited to share personal insights and lessons with our staff.

HEALTH, SAFETY, SECURITY AND ENVIRONMENT ("HSSE")

Our excellent HSSE grants us the approval and license to operate in a highly competitive industry. This is why AMRB has continuously strived to preserve the exemplary health and safety standards across our operations and branches by stringently complying with the HSSE Plan, Policy, and Standards. This is in addition to complying to MARPOL, International Safety Management ("ISM") Code and good governance laws and regulations.

Guided by carefully-crafted SOPs, policies and safety handbook, employees are required to adhere to robust health and safety protocol and behaviour ingrained in our work culture and values, be it onshore or offshore environments. Cultivating a safe work environment also implores the removal and mititgation of identified risks, hazards and possible flaws from every facet of our operating processes.

To promote better awareness and compliance of risk aversion protocol and safety procedures, employees are required to undertake specialised job-specific trainings and briefings. These trainings and briefings, alongside already established HSSE programmes, strongly instill in them vital work tenets with detailed directives and safeguards.

The below visual denotes our Health, Safety and Environment Management System ("HSEMS") policy – including the HSSE Management Systems principles, Drug and Alcohol Policy, ISM Code and Stop Work Policy – which supports the Group's overarching health and safety management framework and standards:

COVID-19 Pandemic

The onset of the COVID-19 pandemic spurred an immediate health and safety movement within the organisation as all employees and staff were strongly encouraged to undertake stringent protective actions to avoid possible infections.

Strict SOPs that went above and beyond the Ministry of Health's recommendations were adopted at our workplace environments. These included the provision of hand sanitisers at key workspace entry points as well as providing adequate face masks to our employees.

Only one (1) COVID-19 positive case detected among our staff, contracted after working hours, which the Group immediately acted to mitigate the situation to prevent any viral spread to other employees as well as safeguard the overall safety of the workspace.

The Group got 22 of its employees tested, which all came back negative, and undertook desanitisation of its workspaces. The Group also implemented a rotational work-from-home ("WFH") schedule for all of its employees.

HSSE Performance

In FY2020, AMRB continued its excellent HSSE performance track record in spite of the COVID-19 health situation. As of 31 December 2020, the Group successfully logged in 6.11 million man-hours without any Loss Time Incident ("LTI"). This takes into account the 2.42 million man-hours worked in FY2020.

We are grateful that all levels of our organisation continue to champion and adhere to the increasingly effective implementation of HSSE in our operations which has helped the Group to better inculcate a safe and healthy work environment and better performance output.









No fines or censures were issued to the Group in FY2020.

Job Category (as of December 2020)	Total Cases 2019	Total Cases 2020
Unsafe Acts / Conditions	9,588	7,891
Near Miss	0	3
Environmental Spillage / Fire / Explosion	1	0
Property / Equipment Damage	2	4
First Aid	1	2
Medical Treatment	1	0
Restricted Work	0	0
Injurious Lost Time	0	0
Fatality	0	0

SUSTAINABILITY STATEMENT

Free from LTI incident	
Days as of (31 December 2020)	963
Man Hours (as of 31 December 2020)	6,111,546.5

On 7 October 2020, the Group proactively marked the achievement of 5 million man-hours without LTI with reverence through a small congregated prayer reading.

The session began at the start of Solat Asar at our in-house Surau Al-Husna.

The Group continues to be humbly grateful of our LTI achievement and that our offshore and onshore staff remain safe, healthy and productive under our HSSE agenda.

Vessel Visitation & Crew Engagement

AMRB remains resolved in nurturing trust and robust communication with its fleet crew through numerous employee engagements that include regular vessel visits. This ensures the Group's Vision, Mission and business goals are aligned with our crew to produce a united and committed workforce working towards the same targets.

Various on-site visits and virtual engagement sessions through online platforms were conducted in a safe and efficient manner to ensure both Management and employees understand each other's needs and expectations.

These visits and virtual engagements also help leadership to deliberate and set approved performance objectives. In FY2020, the Group held 16 visits and virtual engagements to multiple fleets.

These visits are detailed below:

HSSE Visits	Date	Location	Description
Management Visit Conducted Onboard	17 February 2020	MV Setia Rentas	Visit by AGM, Marine Assurance
	9 March 2020	Bahtera Azalea	Visit by Operations Director, Subsea
	11 March 2020	T1201	Visit by Corporate HSSE
	12 March 2020	MV Setia Erat	Visit by AGM, Marine Assurance
	17 May 2020	OLV Venture 1	Visit by SWS COO, Operation
	24 May 2020	OLV Venture 1	Visit by SWS COO, Operation
	24 June 2020	MV Setia Wangsa	Visit by AGM, Marine Assurance
	1 September 2020	Taha Assafa	Visit by SM, Corporate HSSE
		MV Setia Jihad	Visit by SM, Corporate HSSE
	5 September 2020	MV Setia Gigih	Visit by SM DPA
	7 September 2020	Bahtera Azalea	Visit by Operation Director, Subsea
	13 November 2020	MV Setia Gigih	Virtual engagement by Senior DPA, Manning & HSSE Representative
	9 December 2020	MV Setia Rentas	Virtual engagement by GMD, GM Fleet and SM HSE
	16 December 2020	MV Setia Zaman	Virtual engagement by GM Fleet, Operation Manager and SM HSE
Roving Visit Conducted Onboard	4 February 2020	MV Setia Fajar	Visit conducted onboard by KSB Base HSSE representative for five (5) days sailing with the vessel to its planned location.

Management Visit on Board Bahtera Azalea

Roving Activities Onboard

Virtual engagement by GMD, Datuk Azmi and GM Fleet, Abu Hussein, SM HSE, Siti Hajar with MV Setia Rentas Master and Chief Engineer

Virtual engagement by GM Fleet, Abu Hussein, Operation Manager, Captain Pragesan, SM HSE, Siti Hajar with MV Setia Zaman Master via WhatsApp call.

Virtual engagement by Senior DPA, Manning & HSSE Representative via Zoom with MV Setia Gigih crews.

SUSTAINABILITY STATEMENT

Marine Crew Engagement

AMRB usually holds annual engagement sessions with our Marine Crews to consistently update the crew on risk management and assessment, incident lesson learnt as well as any HSSE policy changes. However, given the COVID-19 pandemic's presence and the subsequent Movement Control Order ("MCO") lockdowns, we were unable to conduct any sessions in FY2020. We plan to resume these sessions in FY2021 when the situation is safe to do so for all parties involved.
HSSE Training Highlights

HSSE Training Highlights

HSSE trainings are continuous provided to onshore and offshore employees by the HSSE Department. We annually deliver a new sense mindfulness and knowledge to employees as well as reminding them of current HSSE guidelines to ensure the appropriate controls and measures are in place for employees to be safe while productive.

In FY2020, we held five (5) HSSE trainings and programmes as shown here:

HSSE Training Programmes	No. of Attendees
Lock Out Tag Out ("LOTO") Awareness Training	13 marine crew members & 5 staff members
Job Safety Analysis ("JSA") Refresher Training	10 staff members
PD&T Incident Investigation Report & Tripod Beta Awareness Training (online)	4 marine crew members & 8 staff members
Petronas Marine Top 4 Engagement Session 2020	8 marine crew members & 3 staff members
In-house Ship Safety Officer Course	10 marine crew members

LOTO Awareness Training

PD&T Incident Investigation Report & Tripod Beta Awareness Training

Ship Safety Officer Course

Health and Safety Campaign

AMRB conducts multiple Health and Safety campaigns on a yearly basis to educate employees on adopting HSSE best practices. This is especially prevalent in FY2020 given the COVID-19 health crisis emerging worldwide.

For these reasons and more, the Group launched the 1 Alam Monsoon Safety Campaign 2020 / 2021 on 3 November 2020. The launch event was held at the AMSB Multipurpose Hall and participated by shore and onshore staff physically and via virtual channels.

This campaign aims to proliferate alertness and proactive behaviour across the organisation when it comes to safeguarding the employees' own health and safety status to prevent the jeopardisation of workplace environment safety as well as business operations.

The campaign adopted the "Stay Alert" tagline, which means paying full attention to your surrounding situation and being ready to handle anything that might suddenly transpire. Our campaign applies to every single Group employee on every level. Whether they are on duty or off duty – at home or at the office – we want to strongly encourage our employees to continuously observe the basic principles of this campaign in every activity they engage in to safeguard their safety and health status during and outside of work.

We remind our employees to be constantly alert about the various hazards and risks associated with monsoons, including those in the context of certain tasks, environments, situations, surrounding changes, communication factors, abnormal sounds and movements as well as behaviours.

Our official campaign poster serves as an easy reference for employees on the potential risks during the monsoon season:

Petronas Marine Top 4 Engagement Session 2020

SUSTAINABILITY STATEMENT

Date	Location	No. of Crew Members Screened
19 January 2020	MV Setia Cekap	6
7 February 2020	MV Setia Fajar	5
10 February 2020	MV Setia Budi	5
23 February 2020	MV Setia Teguh	5
11 March 2020	MV Setia Azam	6
14 May 2020	MV Setia Gigih	6
10 June 2020	MV Setia Erat	6
8 July 2020	MV Setia Azam	6
26 July 2020	MV Setia Zaman	4
5 August 2020	MV Setia Teguh	7
16 August 2020	MV Setia Fajar	14
2 September 2020	MV Setia Jihad	12
	MV Setia Assafa	16
14 September 2020	MV Setia Azam	6
7 October 2020	HQ Office	10
29 November 2020	MV Setia Rentas	14
1 December 2020	MV Setia Qaseh	7
2 December 2020	KSB Office	2
16 December 2020	IGS	2

The Group continues to ensure that it remains safe, healthy and operationally viable, as the pandemic's effects extend into FY2021, with more relevant Health and Safety campaigns conducted for employees and Management.

Drug & Alcohol Testing and Inspections

The HSSE Department diligently complies to the Drug and Alcohol Policy and conducts unscheduled drug tests for its offshore and onshore employees as part of this compliance.

In FY2020, 139 total employees were tested, all with negative results. Shown here are the unannounced drug tests carried out on offshore and onshore employees in FY2020:

In FY2020, unannounced KSB Base onboard inspections were also conducted by the appointed KSB Base representative to ensure a hazard-free workspace that's environmentally-friendly, healthy and safe for employees. In FY2020, 22 total inspections of this nature were conducted at the following locations:

KSB Base Inspection Locations
MV Setia Wira
MV Setia Cekap
MV Setia Rentas
MV Setia Gigih
MV Setia Budi
MV Setia Teguh
MV Setia Azam
MV Setia Iman
MV Setia Taha Assafa
MV Setia Erat
MV Setia Luhur
MV Setia Wangsa
MV Setia Zaman
MV Setia Fajar

Mentor-Mentee Programme

AMRB continues to hold its annual time-honoured Mentor-Mentee programme. Designated as staff welfare under the HSSE Department, the programme constitutes active sharing of knowledge and insight among shore staff and vessel crew members.

The role of mentoring (Mentor) is embodied by mostly non-technical office staff while vessel crew members are those that are mentored (Mentee), which allows a strong rapport and fortified working relationships to emerge between office employees and vessel crew members.

Our Mentor-Mentee programme operates on these three (3) key objectives:

- Motivate employees to achieve improved performance levels
- Instill a sense of commitment, awareness, cooperation and responsibility for the Group.
- Develop close working relationships and goodwill among employees and Management to boost business cohesion.

Due to the MCO restrictions started on 18 March 2020 as well as health and safety concerns arising from the COVID-19 pandemic, our Mentor-Mentee programme was largely put on hold in FY2020. However, KSB Team members managed to conduct an onboard Mentor-Mentee visit at MV Setia Teguh on 23 February 2020 which was before the MCO was enacted.

SUSTAINABILITY STATEMENT

Career Advancement & Succession Planning

AMRB's industry longevity and competitive edge relies heavily upon the leadership and decision-making prowess of its senior management, which is why the Group is has in place its Self Development Pipeline ("SDP") plan that underpins our highly effective career advancement and self-development framework.

By focusing on identifying and developing core the core competencies of attitude, skill and knowledge in potential candidates within the Group, we are able to prepare high quality talent for succession planning and subsequently elevate them towards top or senior-level leadership. Our succession planning also strategically serves to make available succession-ready leaders to foster seamless leadership transition without any major operational shifts.

In collaboration with the Malaysian Maritime Academy ("MMA"), selected candidates will undertake a comprehensive 6-D transition procedure intended to improve their leadership and decision-making abilities.

VESSEL FUEL & ENERGY MANAGEMENT

As fuel remains a prime resource in AMRB's operations, the Group continuously monitors its fuel consumption to ensure optimal utilisation in our vessels' high-standard workability while safeguarding the environment from any negative effects of this consumption. Therefore, the Group has installed the proper protocol and procedures on place in order to safely procure and use the correct fuel, handle and store fuel appropriately as well as supervise fuel usage in each machine and vessel. No environmental spills related to AMRB occurred in FY2020.

Clean Fuel & Emissions Management

Instead of cutting costs and using Marine Gas Oil ("MGO") with high sulphur content, AMRB uses low-sulphur Marine Gas Oil ("MGO") that only contains 0.1% or less sulphur content. As one of the cleanest fuel sources in the industry, low-sulphur MGO mitigates any harmful effects that regular fuel consumption might have on our air quality. Where possible, the Group also uses bio-degradable in its operations.

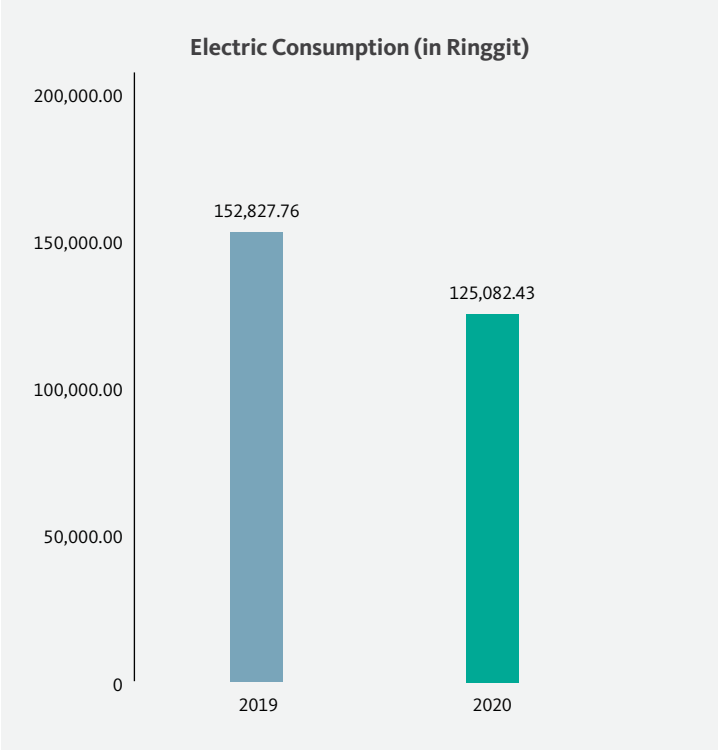
We are also in compliance with the latest emission management standards by the International Maritime Organisation ("IMO") to reduce our environmental footprint and air pollution by decreasing the sulphur content released into the atmosphere through ship fuel consumption.

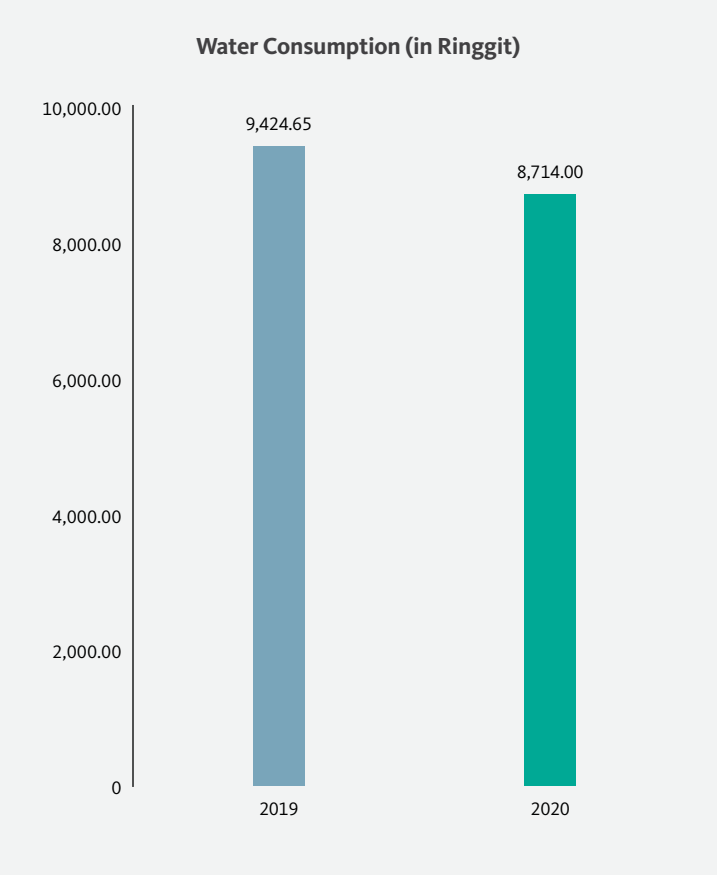
Energy Efficiency

The Ship Energy Efficiency Plan ("SEEMP"), which has been scrutinised and approved by the Malaysian Marine Department and periodically evaluated by AMRB's ISM Department, are installed in all of our vessels to guide energy efficiency management and success in our fleet. As recognition for the Group's sustainability and environmental protection-related endeavours in the industry, the Ministry of Transport Malaysia bestowed us with the Best Practice for Fuel-Efficient Operation Award in Malaysia World Maritime Week 2018.

Reflecting our organisation's universal approach to energy efficiency in our onshore operations, our office and related staff are encouraged to practice energy-saving initiatives on a personal level or as a collective force through meaningful behaviours such as carpooling, switching off lights when not in use, printing document only when necessary, unplugging machines after use, shutting down computers at the end of the work day and more.

AMRB's electricity consumption in FY2020 decreased year-on-year due to the company-wide WFH policy which reduced the number of employees coming into the office and subsequently decreased office electricity usage. This in addition to our established energy-saving practices which have effectively helped to manage our electricity consumption in the past, and we hope to continue this trend of decreased electricity consumption going forward.





The Group's water consumption saw a year-on-year reduction in FY2020. While this reduction was partly due to the WFH which decreased the usage of office utilities, water consumption reduction can also be attributed to our continued policies to mitigate needless resource usage in order to safeguard our environment. We are determined to adhere to this solution of reduced resource usage going forward, in a feasible manner for our Group and its operations.

WASTE MANAGEMENT & POLLUTION PREVENTION

Waste Management Plan

Waste management planning is governed by Marine Pollution ("MARPOL") 73/78, which consists of six (6) annexes with defined pollutant categories containing specific pollution controls and regulations for each category in regards to reducing sea and ocean pollution, including garbage disposal, oil and air pollution.

All vessels abide by Annex VI, as we enforce air pollution mitigation through SEEMP and our Fleet Management to supervise its implementation and effectiveness. With these measures already conforming with our Health, Safety and Environment Management System ("HSEMS") policy, the ISM Department continues to further develop its Annex VI framework strategy and application for better execution. Simple SEEMP requirements already fully observed include modest initiatives such as:

- **Reduce, Reuse, Recycle relevant materials**
- **Separate and dispose waste via provided garbage management facility**
- **Landfill or disposal sites remain last disposal options**
- **Turning off any equipment or lights not in use to save energy**
- **Reduce carbon footprint and fuel consumption e.g. carpooling**
- **Reduce water wastage e.g. shorter showers**

Garbage Management Plan

A robust garbage management plan is in place in every vessel we operate. On-board waste separation is conducted, with recyclables such as plastic, paper and glass to be recycled onshore. Other waste products undergo treatment, recovery or disposal onshore, with some permitted wastes undergoing on-board incineration. Only food waste without any packaging is allowed to be disposed at sea through MARPOL-approved protocols.

Waste Recycling

AMRB strongly adheres to waste segregation in its recycling efforts. By segregating recyclable waste from non-recyclable waste in a diligent manner, the Group contribute towards the larger recycling initiative within the industry and country as a whole.

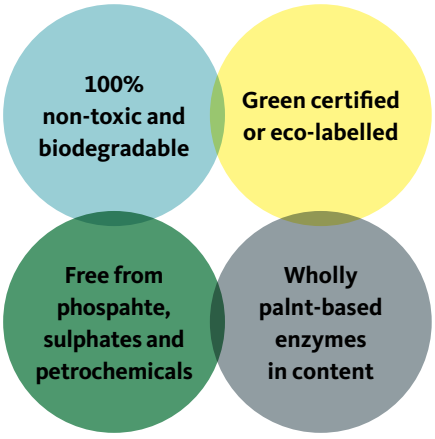
Not only does proper waste disposal and segregation preserve our environment's cleanliness, it also results in company cost savings as we reduce the utilisation of final disposal sites.

SUSTAINABILITY STATEMENT

Biodiversity

AMRB is committed to the conservation of marine life and environment, and have made significant efforts and stringently complied with the related policies and guidelines in reducing harmful effluent disposal in marine environment.

For instance, we have recently started utilising environmentally-friendly laundry detergent in compliance which is one of the ISO 14001 targets for our vessels. The criteria for environmentally friendly detergent is as follows:



The Group will continue monitoring its surrounding operating environment and business operations, especially the potential wider impact of fuel usage, to ensure no harmful effects befall the greater biodiversity and ecosystem.

While the onset of the COVID-19 pandemic has halted ongoing biodiversity dialogues with our relevant stakeholders, vaccine roll-outs leading to possibly lesser MCO lockdowns bodes well for the reactivation of discussions pertaining to biodiversity improvement initiatives in order to bolster the Group's larger sustainability agenda.

Environmental Non-Compliance

The Group adheres to the environmental-related regulatory standards and guidelines in place through its sustainability initiatives addressing its materiality matters, and thus we have not been fined or censured by the authorities in FY2020.

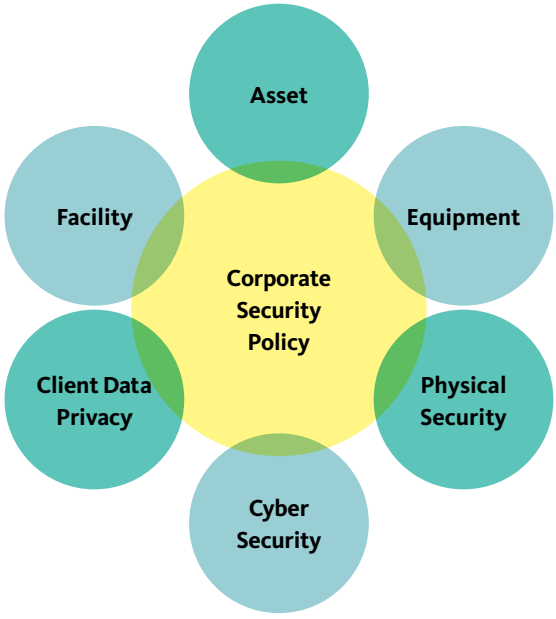
SECURITY

AMRB views security as one of the organisation's primary interests, as securing our workplace, operations and data not only protects our employee's welfare but also our business sustainability. Our Corporate Security Policy ("CSP") therefore was officially enacted in FY2019 as a holistic security management framework that integrates multiple security factors, as seen below:

Our CSP framework is based on International Ship Security ("ISPS code"), Social Security under Maritime Labour Convention 2006 ("MLC '06") and Cyber Security, controlling social media. The Group ensures that feedback and suggestions from relevant stakeholders, partners, clients, regulatory establishments and insurance companies are taken into account to bolster our security policy's cohesiveness and workability.

Client, customer and other third-party data are safely retained in our company's data repositories and infrastructure that's protected with multiple safeguards that consistently maintained and updated.

We also fully comply with the Personal Data Protection Act ("PDPA"). In FY2020, zero data breaches occurred.



CORPORATE SOCIAL RESPONSIBILITY ("CSR")

RM11,000
total spent on CSR activities

480
total hours volunteered

2
charities supported

AMRB continues its commitments towards upholding CSR as a vital facet in its overall company agenda to positively impact the wider community, more so during a pandemic year.

CSR motivates the Group to contribute to the greater good of society and encourages volunteerism among employees to bolster strong compassionate traits, moral values and community bonding. This is in line with our iCARE and our Shared Values.

The Group is also Shariah-compliant as it donates a portion of its annual profits to selected charitable causes. Moreover, the Group cultivates CSR initiatives that benefit its own employees through welfare assistance which aid them through their major unforeseen crises.

Furthermore, we strongly support a work-life balance for our employees by advocating a heathy social life and making time or donations through volunteering efforts. This agenda is primarily driven by the Kelab Sukan Rekreasi and Kebajikan AMRB ("KSRK") where recreational sports activities are organised for employees to nurture a healthier and balanced lifestyle away from offices or other work environments.

Regular KSRK activities include aerobics, badminton, bowling football and hiking. Our KSRK programme also serves as an indirect community networking and staff bonding initiative, in addition to its pronounced health benefits. Here are our organised CSR activities in FY2020:

- **Annual Beriadah Sambil Berbakti ("BSB")**

Ten (10) AMRB employees and their family members visited Kampung Chiong and Kampung Tebang Baru in Gerik, Perak to help the predominantly-Muslim Indigenous communities there to prepare for the imminent Ramadan season. Cash and suitable donations were provided to them, including clean diapers, specialty milk, school supplies and donated cash for numerous necessities and bills for their homes.

Total amount sponsored: RM5,000

- **Kempen Gerobok #1AlamKitaKongsiRezeki 3.0**

A charity box was set up at AMRB's Surau Al-Husna to allow staff to donate daily necessities and staples. Employees were encouraged to donate items such as cooking oil, rice, flour, condensed milk and other groceries to be distributed to families in need within the company. These encompassed those who had a family income of less than RM4,000 a month as well as single employees earning less than RM3,000 monthly.

This campaign continues from the success of our Charity Box Project – 1Alam Kita Kongsi Rezeki (Gerobok Amal). The collection for this particular charity ran since May 2019.

Total amount sponsored: RM6,000 per year

FINANCIAL CALENDAR

29 JUNE 2020

- Notice of Fifteenth Annual General Meeting

30 JUNE 2020

- Annual Report 2019
- First Quarter Report on consolidated results for the financial period ended 31 March 2020

03 JULY 2020

- Annual Audited Account for year ended 31 December 2020

18 AUGUST 2020

- Fifteenth Annual General Meeting

28 AUGUST 2020

- Second Quarter Report on consolidated results for the financial period ended 30 June 2020

30 NOVEMBER 2020

- Third Quarter Report on consolidated results for the financial period ended 30 September 2020

31 MARCH 2021

- Fourth Quarter Report on consolidated for the financial period ended 31 December 2020

31 MAY 2021

- Annual Audited Accounts for the year results for the financial year ended 31 December 2020

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

This Statement is augmented with a Corporate Governance Report, which provides detailed disclosures on the application of each Practice as codified in the Malaysian Code on Corporate Governance 2017 ("MCCG") during the financial year under review. The Corporate Governance Report is available on the Company's website as well as via the announcement made on the website of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

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

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

A: BOARD LEADERSHIP AND EFFECTIVENESS

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

Board Roles and Responsibilities

The Board has the collective responsibility for the overall conduct and performance of the Group's business and affairs by maintaining effective control over management oversight, setting the strategic direction of the Group and promoting ethical conduct in its business dealings. In discharging its roles and responsibilities, the Board is mindful of the need to safeguard the interests of all stakeholders.

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

Board Meetings

During the year, the Board and Board Committees have met regularly to deliberate on matters under their purview. Directors have devoted sufficient time to prepare, attend and actively participate during the Board and/or Board Committees meetings. The Board held eleven (11) meetings during the year. The Board also has attended one (1) meeting in August 2020 prior to Annual General Meeting ("AGM") to deliberate on AGM's matters.

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

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

The Board members have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated by the MMLR of Bursa Malaysia. The attendance of the members of Board at the Board meetings, Extraordinary General Meeting ("EGM") and 15th AGM for the financial year ended 31 December 2020, were as follows:-

Board of Directors	Designation	Board Meeting Attendance	Extraordinary General Meeting	15th AGM Attendance	% of Attendance
Fina Norhizah binti Haji Baharu Zaman *(Chairman)*	Independent Non-Executive Director	11/11	1/1	1/1	100%
Datuk Azmi bin Ahmad	Non-Independent Executive Director	11/11	1/1	1/1	100%
Shaharuddin bin Warno @ Rahmad *(Resigned w.e.f 5 February 2021)*	Non-Independent Executive Director	11/11	1/1	1/1	100%
Ahmad Hassanudin bin Ahmad Kamaluddin	Non-Independent Executive Director	11/11	1/1	1/1	100%
Dato' Haji Ab Wahab bin Haji Ibrahim	Independent Non-Executive Director	11/11	1/1	1/1	100%
Mohammad Suhaimi bin Mohd Yasin *(Resigned w.e.f 13 October 2020)*	Independent Non-Executive Director	8/8	1/1	1/1	100%
Ahmad Ruhaizad bin Hashim *(Appointed w.e.f 16 November 2020)*	Independent Non-Executive Director	2/2	-	-	100%

Board Activities

Among the key activities of the Board during FY2020 were as follow:

Strategy

- Reviewed and approved the Group's 3 Years Strategic and Business Plan.
- Reviewed and approved the Group's 2021 Operational Budget.
- Reviewed and deliberated on the Group's Proposed Restructuring Scheme.

Financial

- Reviewed and approved the full year results for the financial year ended 31 December 2019.
- Reviewed and approved the Director's Report and Audited Accounts for the financial year ended 31 December 2019.
- Reviewed and approved the Quarterly Results.

Risk and Internal Controls

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

Governance

- Approved 2019 Annual Report Statements.
- Annual Board Effectiveness Evaluation for the financial year ended 31 December 2019.
- Reviewed the Proposed Adoption of the Company's Constitution.
- Reviewed the tenure of the Directors.
- Established and identified succession plan for leadership within the Group.
- Received quarterly human resources updates.
- Received quarterly health, safety, security and environmental updates.

Board Composition

As at 31 December 2020, the Board consists of six (6) members comprising of three (3) Non Independent Executive Directors ("NIED") and three (3) Independent Non-Executive Directors ("INED"). Currently, 50% of the Board members are INEDs, complying with the Paragraph 15.02 of the MMLR of Bursa Securities.

The three (3) INEDS the Company, namely Puan Fina Norhizah binti Haji Baharu Zaman, Dato' Haji Ab Wahab bin Haji Ibrahim and Encik Ahmad Ruhaizad bin Hashim are not the former employees of the Company. They 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. These values are most clearly illustrated in the Board Committees chaired by the INEDs, namely the BAC, BRMC and BNRC.

The INEDs are not involved in the day-to-day management of the 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

The profiles of the respective Directors are set out on pages 33 to 38 of this Annual Report.

Succession Planning

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

Appointment to the Board

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

For new appointments of INED, the assessment 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 Malaysia and MCCG.

Annual Assessment of Directors

The Board conducts an evaluation of its members and the Board Committees on an annual basis. For FY2020, the Board Effectiveness Evaluation ("BEE") was conducted internally by the BNRC with the assistance of the Group Corporate Secretarial Department. The assessment considered the contribution and performance of Directors as regards to their competency, time commitment, integrity and experience in meeting the needs of the Group and suggestions to enhance board effectiveness. All assessments and evaluations carried out by the BNRC in the discharge of its functions were properly documented.

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

Overall, the results of year 2020 BEE indicate healthy Boardroom dynamics with good working relationships among the Board members. Based on the year 2020 BEE results, the Board will continue to focus on the followings to maintain the Company's competitiveness:

- expedite plan towards talent scouting and succession planning;
- management of key risks;
- management of human capital;
- performance of key business units; and
- strategic planning.

Tenure of Independent Directors

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

The on-going evaluation also further ensure the effectiveness of the Board as a whole in discharging their duties and responsibilities despite the duration of service for two (2) INEDs have exceeded nine (9) years.

Independence of the Board of Directors

During the financial year under review, the Board of Directors assessed the independence of its INEDs based on criteria set out in Paragraph 1.01 of the MMLR of Bursa Malaysia. To date, all three (3) INEDs satisfy the following independence criteria:-

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

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

Apart from the above criteria, the independence of the INEDs is assessed annually through the BEE Survey. This exercise involves questionnaires that cover principles, perspective and personal insights of the respective directors and are completed by all INEDs on themselves and on their peers. For the FY2020, the BNRC has assessed and concluded that none of the Independent Directors have any business or other relationship which could materially interfere with the exercise of independent judgement, objectivity or the ability to act in the best interests of the Company. The BNRC will continue, on an annual basis, to assess the independence of INEDs.

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

At the forthcoming 16th AGM, the Company will seek its shareholders' mandate to retain Dato' Haji Ab Wahab bin Haji Ibrahim and Puan Fina Norhizah binti Haji Baharu Zaman as INEDs of the Company. Dato' Haji Ab Wahab and Puan Fina Norhizah have served the Company as INEDs for a cumulative period of over nine (9) years.

Re-Appointment and Re-Election of Directors

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

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

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

The BNRC's recommendations on the Directors standing for re-election at the forthcoming AGM are stated in Explanatory Note 2 under the Notice of the 16th AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Directors' Remuneration

In line with MCCG, the remuneration of Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise to manage the Group effectively. 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 INEDs and NIEDs are drawn based on internal guidelines, considering the level of responsibilities, expertise and contribution to the Board and Board Committees. They are also benchmarked against the survey of remuneration packages of other public listed companies in similar industry and within the same band of market capitalisation.

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

In the case of NIEDs, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular NIED concerned. The remuneration of the NIEDs will be reviewed by the BNRC and recommended to the Board thereafter. All NIEDs are paid directors' remuneration taking into account any additional responsibilities undertaken such as a Director acting as Chairman of a Board Committee and membership of Board Committees. In addition, meeting allowance is paid in accordance with the number of Board and Committee Meetings attended by each of them. The directors' fees are approved by the shareholders at the AGM in accordance with the Company's Constitutions.

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

The directors' remuneration which include the executive directors who are also top senior management for FY2020 is presented below:-

	BOARD OF DIRECTORS				
Description	**Director's Fee (RM'000)**	**Salary & Bonus (RM'000)**	**Emoluments & Benefits* (RM'000)**	**Meeting Allowance (RM'000)**	**Total (RM'000)**
Fina Norhizah binti Haji Baharu Zaman	113	-	-	17	130
Datuk Azmi bin Ahmad	-	943	113	-	1,056
Shaharuddin bin Warno @ Rahmad *(Resigned w.e.f 5 February 2021)*	-	743	89	-	832
Ahmad Hassanudin bin Ahmad Kamaluddin	-	644	-	-	644
Dato' Haji Ab Wahab bin Haji Ibrahim	104	-	-	17	121
Mohammad Suhaimi bin Mohd Yasin *(Resigned w.e.f 13 October 2020)*	78	-	-	12	90
Ahmad Ruhaizad bin Hashim *(Appointed w.e.f 16 November 2020)*	12	-	-	4	16

* *Emoluments & Benefits include variable allowances, EPF, SOCSO and EIS contributions.*

Range (RM'000)	**No. of Top Senior Management**
200 - 600	-
601 - 1,000	3

Board Training and Knowledge Acquisition

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

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

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

In the quest for continuous learning and acquisition of relevant skills and knowledge to enhance their business expertise and professionalism, the Directors attended the following seminars, conferences and training programmes in year 2020:-

Courses/Trainings	Attended by
MIA's Directors Dialogue on Integrated Reporting Audit Oversight Board Conversation with Audit Committee Program Awareness & Compliance Training on Malaysia's Anti-Corruption Laws Briefing & Training on the Company's Anti-Bribery Framework & Policies	DAW
Awareness and Complying with Malaysia's Anti-Corruption Law Briefing & Training on the Company's Anti-Bribery Framework & Policies	DAA
Awareness and Complying with Malaysia's Anti-Corruption Law Briefing & Training on the Company's Anti-Bribery Framework & Policies	MSY
Awareness and Complying with Malaysia's Anti-Corruption Law Briefing & Training on the Company's Anti-Bribery Framework & Policies	AHK
Awareness and Complying with Malaysia's Anti-Corruption Law Briefing & Training on the Company's Anti-Bribery Framework & Policies	SAR

FN - Puan Fina Norhizah binti Haji Baharu Zaman
DAA - Datuk Azmi bin Ahmad
SR - Encik Shaharuddin bin Warno @ Rahmad
AHK - Encik Ahmad Hassanudin bin Ahmad Kamaluddin
DAW - Dato' Haji Ab Wahab bin Haji Ibrahim
MSY - Encik Mohammad Suhaimi bin Mohd Yasin

The Directors will continuously undergo other relevant training programmes and 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Code of Ethics

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

Whistle Blowing Policy

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

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

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

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

Anti-Corruption Policy

The Board has approved the Company's Anti Bribery and Corruption Policy ("ABAC") effective 24 June 2020 incompliance to the Section 17A of the MACC Acts 2009. The ABAC Policy and its implementation is effective from 24 June 2020.

Directorship in Other Companies

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

Embracing the Corporate Governance Culture

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

B : EFFECTIVE AUDIT AND RISK MANAGEMENT

1. BAC

The BAC comprises exclusively INEDs and is chaired by an INED. Two (2) of the BAC members is a member of the Malaysian Institute of Accountants (MIA) thus fulfilling the requirement of the MMLR of Bursa Malaysia.

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

Assessment of External Auditors

The BAC performs annual assessment of the processes and performance of the external auditors and had during the year assessed the quality of audit encompassing the performance of the External Auditors, the quality processes/ performance of the engagement team, audit team independence, objectivity and professionalism, audit scope and planning, audit fees, audit communication and interaction. The external auditors have provided their written assurance to the Group in respect of their independence for FY2020. Based on these assessments, the BAC recommends the re-appointment of the external auditors at the forthcoming AGM.

The Board, through the BAC maintains a formal and transparent relationship with the External Auditors. The BAC had convened two (2) meetings with the External Auditors without the presence of Executive Directors and officers to discuss the audit findings for financial year ended 2020.

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

An assessment of the objectivity, independence and quality of service delivery of the Group's external auditors for FY2020 audit, was conducted in early May 2021, facilitated by the Internal Audit Department and no major gaps have been identified.

The BAC has obtained the assurance from external auditors confirming their independence.

In respect of fees, the details of the statutory audit and non-audit fees incurred for FY2020 are set on page 143 of the Financial Statements of this Annual Report. To ensure full disclosure of matters, the external auditors are regularly invited to attend BAC meetings as well as general meetings of the Company.

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

The Statement on Directors' Responsibility in respect of the preparation of the audited financial statements of the Group is set out on page 107 of the Financial Statements book of this Annual Report.

Internal Audit Function

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

The Internal Audit function is independent of the activities and operations of other operating units in the Group and has unrestricted access to the BAC and on quarterly basis, the Head of Internal Audit is invited to attend BAC meetings to facilitate the deliberation of Internal Audit reports. The BAC also reviews the Group Internal Audit's recommendations and management responses to these recommendations to ensure any lapses/ deficiencies identified are being dealt with adequately and promptly.

The compositions, summary of activities of the BAC relating to the FY2020 are highlighted on pages 90 to 95 of this Annual Report.

2. Risk Management and Internal Controls

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

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

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

The Statement on Risk Management and Internal Control set out on pages 96 to 99 of this Annual Report provides an overview of the state of risk management and internal controls within the Group.

C: INTEGRITY IN CORPORATE REPORTING AND EFFECTIVE STAKEHOLDERS COMMUNICATION

Communication with Stakeholders

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

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

As part of the Company's commitment towards maintaining effective and open two-way communication with shareholders and investors, the Group Chief Financial Officer ("GCFO") is directly involved in the Company's investor relations activities, whose details is as follows:-

Name : Md Nasir bin Noh
Designation : Group Chief Financial Officer
Email : mdnasir@alam-maritim.com.my

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

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

General Meetings

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

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

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

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

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

On 18 August 2020, the 15th AGM and EGM of the Company were conducted entirely via remote participation and electronic voting. Proceedings of the AGM and EGM were broadcasted to approximately 94 and 55 shareholders and proxies respectively that had registered and logged in to a designated online meeting application.

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Constitution of the Company

The Constitution of the Company was adopted in FY2019 in place of its Memorandum and Articles of Association pursuant to the approval of the shareholders at the 15th AGM held on 18 August 2020. The Constitution regulates the manner in which the Company is governed.

D. KEY FOCUS AREAS AND FUTURE PRIORITIES

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

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

(Pursuant to paragraph 15.26(a) of the MMLR of Bursa Malaysia)

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

The Directors' Report for the audited financial statements of the Company and the Group is outlined on pages 101 to 106 of this Annual Report together with the details of the Company and the Group financial statements for the financial year ended 31 December 2020 which are set out on pages 112 to 188 of this Annual Report.

COMPLIANCE STATEMENT

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

This Statement has been presented and approved by the Board at its meeting held on 25 May 2021.

ADDITIONAL COMPLIANCE INFORMATION
- IN ACCORDANCE WITH APPENDIX 9C OF THE LISTING REQUIREMENTS

Employee Share Option ("ESOS")

The Company has 2020 ESOS in existence during the financial year. The ESOS was approved by the shareholders of the Company at the Company's Extraordinary General Meeting held on 2 June 2018. As at 31 December 2020, ESOS options over 110,410,742 new ordinary shares were granted to the employees of the Group (including the Executive Directors) as follows:-

Category of employees	No. of ESOS options granted as at 31 Dec 2019	& granted as at 31 Dec 2019 of total available*	No. of ESOS options exercised	No. of ESOS options outstanding
Executive Directors	41,600,742	30%	-	41,600,742
Senior Management	21,200,000	15%	-	21,200,000
Other Employees	47,610,000	34%	-	47,610,000
TOTAL	**110,410,742**		**-**	**110,410,742**

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

AUDIT AND NON-AUDIT FEES

A breakdown of fees for statutory audit and non-audit services incurred by the Company and on group basis for the financial year ended 31 December 2020 is set out on page 143 of the Financial Statements of the Annual Report 2020.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and/or its subsidiaries involving the interest of the Directors and major shareholders, either still subsisting at the end of the financial year ended 31 December 2020 or entered into since the end of the previous financial year.

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

Fund Raising Exercises

During the financial year ended 31 December 2020, the Group has issued redeemable convertible notes and private placements as part of its fund raising exercises. The proceeds raised from these fund raising exercises are used for working capital, vessel maintenance/ dry docking, general banking and other corporate purposes, where applicable.

Details of these fund raising exercises are disclosed on page 102 of the Financial Statements of the Annual Report 2020.

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 2020 ("FY2020") are as follows:

Member	Number of Meetings Attended	% of Meetings Attended
Dato' Haji Ab Wahab bin Haji Ibrahim Chairman *(Independent Non-Executive Director and a Member of the Malaysian Institute of Accountants)*	6/6	100%
Fina Norhizah binti Haji Baharu Zaman *(Independent Non-Executive Director)*	6/6	100%
Mohamad Suhaimi bin Mohd Yasin *(Independent Non-Executive Director)* *(Resigned w.e.f. 13/10/2020)*	5/5	100%
Ahmad Ruhaizad bin Hashim *(Independent Non-Executive Director)* *(Appointed w.e.f 16/11/2020)*	1/1	100%

Composition and Attendance

The BAC Chairman, Dato' Haji Ab Wahab bin Haji Ibrahim is a member of the Malaysian Institute of Accountants ("MIA") thereby complying with the Companies Act 2016 and the Bursa Listing Requirements that requires at least one (1) member of the Audit Committee must be a qualified Accountant within the composition of BAC members.

There were three (3) Independent Non-Executive Directors ("INED") in the BAC during FY2020. Effective 13 October 2020, Encik Mohamad Suhaimi bin Mohd Yasin has resigned as the BAC Member, replaced by Encik Ahmad Ruhaizad bin Hashim effective from 16 November 2020.

A total of four (4) quarterly BAC and two (2) special BAC meeting were conducted in FY2020. The Notice to the BAC meetings was circulated as per the required notice period by the Company Secretary who is the Secretary to the BAC meeting.

Upon invitation by the BAC, the Non-Independent Executive Directors, Group Chief Financial Officer ("GCFO"), Head of Internal Audit and representatives of the External Auditors has attended the BAC meetings.

Time was also set aside for the External Auditors to have private discussions with the BAC in the absence of Non Independent Executive Directors and the Management. Four (4) 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 of Internal Audit.

Minutes of all six (6) BAC meetings in FY2020 were prepared by the Secretary of the BAC and were distributed to each BAC members where the BAC Chairman reviewed the Minutes and confirmed it in each BAC meeting in FY2020.

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

Article 15.09: Composition of the Audit Committee:

1) A listed issuer must appoint an audit committee from amongst its directors which fulfils the following requirements:
   a) the audit committee must be composed of not fewer than three (3) members;
   b) all the audit committee members must be non-executive directors, with a majority of them being independent directors; and
   c) at least one (1) member of the Audit Committee -
      (i) must be a member of the Malaysian Institute of Accountants; or
      (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and -
         (aa) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
         (bb) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
      (iii) fulfils such other requirements as prescribed or approved by the Exchange.

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

Article 15.10 Chairman of the Audit Committee
The members of an audit committee must elect a chairman among themselves who is an independent director.

Article 15.11 Written Terms of Reference
An audit committee must have written terms of reference which deal with its authority and duties, and such information must be made available on the listed issuer's website.

Article 15.12 Functions of the Audit Committee
Without limiting the generality of paragraph 15.11 above, a listed issuer must ensure an audit committee, amongst others, discharges the following functions:

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

AUDIT COMMITTEE REPORT

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

Article 15.13 Attendance of other directors and employees
A listed issuer must ensure that other directors and employees attend any particular audit committee meeting only at the audit committee's invitation, specific to the relevant meeting.

Article 15.14 Procedure of Audit Committee
An audit committee may regulate its own procedure, in particular -
(a) the calling of meetings;
(b) the notice to be given of such meetings;
(c) the voting and proceedings of such meetings;
(d) the keeping of minutes; and
(e) the custody, production and inspection of such minutes.

Article 15.15 Audit Committee Report
(1) A listed issuer must ensure that its board of directors prepare an audit committee report at the end of each financial year that complies with subparagraphs (2) and (3) below.
(2) The audit committee report must be clearly set out in the annual report of the listed issuer.
(3) The audit committee report must include the following:
    (a) the composition of the audit committee, including the name, designation (indicating the chairman) and directorship of the members (indicating whether the directors areindependent or otherwise);
    (b) [deleted]
    (c) the number of audit committee meetings held during the financial year and details of attendance of each audit committee member;
    (d) a summary of the work of the audit committee in the discharge of its functions and duties for that financial year of the listed issuer and how it has met its responsibilities;
    (e) a summary of the work of the internal audit function.

Article 15.16 Reporting of breaches to the Exchange
Where an audit committee is of the view that a matter reported by it to the board of directors of a listed issuer has not been satisfactorily resolved resulting in a breach of these Requirements, the audit committee must promptly report such matter to the Exchange.

Article 15.17 Rights of the Audit Committee
A listed issuer must ensure that wherever necessary and reasonable for the performance of its duties, an audit committee must, in accordance with a procedure to be determined by the board of directors and at the cost of the listed issuer -
(a) have authority to investigate any matter within its terms of reference;
(b) have the resources which are required to perform its duties;
(c) have full and unrestricted access to any information pertaining to the listed issuer;
(d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
(e) be able to obtain independent professional or other advice; and
(f) be able to convene meetings with the external auditors, the person(s) carrying out the internal audit function or activity or both, excluding the attendance of other directors and employees of the listed issuer, whenever deemed necessary.

Article 15.18 Quorum of an Audit Committee
In order to form a quorum in respect of a meeting of an audit committee, the majority of members present must be independent directors.

Article 15.19 Retirement and Resignation
In the event of any vacancy in an audit committee resulting in the non-compliance of paragraphs 15.09(1) and 15.10 above, a listed issuer must fill the vacancy within 3 months.

Article 15.20 Review of the Audit Committee
The nominating committee of a listed issuer must review the term of office and performance of an audit committee and each of its members annually to determine whether such audit committee and members have carried out their duties in accordance with their terms of reference.

AUDIT COMMITTEE REPORT

DUTIES AND RESONSIBILITIES OF THE BOARD AUDIT COMMITTEE ("BAC") OF ALAM MARITIM GROUP OF COMPANES

The duties and responsibilities of the BAC are:

(a) Financial Reporting

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

(b) Related Party Transactions

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

(c) Audit Reports

- To prepare the annual BAC report to the Board which includes the composition of the BAC, its terms of reference, 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 2017 for inclusion in the Annual Report.

(d) Risk Management and Internal Control

- To consider annually the Risk Management Framework adopted within the Group and to be satisfied that the methodology employed allows the identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will allow the Group to minimize losses and maximize opportunities;
- To ensure that the system of internal control is soundly conceived and in place, effectively administered and regularly monitored;
- 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 organization for internal auditing are communicated down through the Group specifically:
  - To review 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 to be informed 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.

AUDIT COMMITTEE REPORT

(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 ("ML") as well as the assistance given by the employees of the Group in order to be satisfied that appropriate action is being taken.

(g) Other Matters

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

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

- Reviewed 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;
- Reviewed 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;
- Private sessions between Independent Non-Executive Directors with the External Auditors without any executives present;
- Reviewed the performance of the external auditors and made recommendations to the Board for the renewal of the external auditors and their remuneration;
- Reviewed the BAC Report, Statement on Risk Management and Internal Control and Corporate Governance Statement prior to their inclusion in the Company's Annual Report.
- Reviewed the Annual Internal Audit Plan and Budget to be carried out for the Company and the Group prepared by the Internal Auditors and the External Auditors respectively;
- Reviewed the audit results, followed up of the recommendations' deadlines for the Company and Group's internal controls improvement and the performance of the internal audits in 2020.

STATEMENT ON INTERNAL AUDIT FUNCTION

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

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

Throughout FY2020, there were three (3) audit resources in IARM Department to undertake key risk audit areas within the Group of which all internal audit areas planned has been successfully completed and reported. Nevertheless, the current internal audit resource strength is continuously trained and monitored to ensure that the planned risk-based internal audits and risk management functions are well executed.

The BAC approves the Group Internal Audit's annual audit plan, financial budget and human resource requirements to ensure the function is adequately resourced by competent and proficient internal auditors.

AUDIT COMMITTEE REPORT

During the FY2020, a total of approximately RM272,031.00 was incurred as part of resource allocation for the IARM, covering mainly on manpower and incidental costs such as travelling and training costs.

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

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

The main activities performed by IARM in FY2020 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 as per the approved Annual Audit Plan;
- Ascertaining the extent of compliance with established policies, procedures and statutory requirements;
- Ascertaining the extent to which the Group's assets are accounted for and safeguarded from losses of all kinds;
- Appraising the reliability and usefulness of information developed within the Group;
- Recommending improvements to the existing systems of controls;
- Carrying out investigations and special reviews requested by the Management and/or the BAC; and
- Identifying opportunities to improve the operations and processes in the 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 IARM and the status updated in the subsequent audits.

This report is made in accordance with a resolution of the Board dated 25 May 2021.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors of Alam Maritim Resources Berhad ("the Board") is committed to maintaining a sound risk management and internal control system. Each business unit or functional group has implemented its own control processes under the leadership of the Group Managing Director (GMD) / Chief Executive Officer (GCEO), who is responsible for good business and regulatory governance. The Board is pleased to provide the following statement outlines the nature and scope of Alam Maritim Resources Berhad and its subsidiaries' ("the Group") risk management and internal control for the Financial Year ended 31 December 2020 ("FY2020").

RESPONSIBILITY

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

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

A Board Risk Management Committee ("BRMC") was established and maintained in accordance with Section 22 of the Capital Markets and Services Act 2007 (CMSA) to provide risk oversight and ensure prudent risk management of Alam Maritim' business and operations. At its meetings in FY2020, the BRMC reviewed, deliberated and provided advice on matters pertaining to the key corporate risks, risk assessment of projects and operations, and developed the mitigation strategies and action plans.

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

KEY INTERNAL CONTROL PROCESS

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

1. CONTROL ENVIRONMENT

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

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

1.3 Operating structure with clearly defined lines of responsibility and delegated authority.
The operating structure includes defined delegation of responsibilities to the committees of the Board and the management team.

2. RISK MANAGEMENT

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

3. BOARD RISK MANAGEMENT COMMITTEE ("BRMC")

3.1 The BRMC is responsible for the Risk Management of the Group. The committee comprises six (6) members, including Independent Non-Executive Directors and Non-Independent Directors. The Group Chief Financial Officer, Head of Group Internal Audit and Risk Management attended BRMC meetings as invitees.

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

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

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

4. RISK MANAGEMENT FRAMEWORK

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

Three (3) Line of Defense in Risk Management

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

5. ACCOUNTABILITY AND RISK TOLERANCE

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

5.2 Our level of risk tolerance is expressed through the use of a risk impact and likelihood matrix with an established risk tolerance boundary demarcating those risks that are deemed to have "exceeded risk tolerance" and those which have not. We have a structured framework where all relevant risks level and mitigations' effectiveness from each Departments are assessed during quarterly engagements with HOD, followed by quarterly deliberations in the GRMWC and BRMC. The risk, detail issues, contributing factors, risks' impact as well as mitigations are assessed to ensure the respective departments' objectives are not hampered by their identified risks. Ultimately the Group's corporate agenda and objectives are met as desired, where the remedial actions are planned, executed and monitored regularly.

6. RISK MANAGEMENT REPORTING

6.1 The Risk Management Framework provides a comprehensive regular review and reporting. On continuing basis, the Group Internal Audit and Risk Management Department co-ordinates with all HOD to regularly review and update their respective 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.

6.2 To ensure that our RMF and processes remain sound and are in compliance with International recognised standards, we had revised our existing Matrix and renamed Business Risk Assessment ("BARA") which have been incorporated into existing procedures. Under this approach, BARA will identified four (4) parameters will be assessed in determining the root cause of the risks i.e. Human, Environment, Asset and Reputation (collectively known as "HEAR" factors).

7. CONTROL ACTIVITIES

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

7.2 Strategic Business Planning, Budgeting and Reporting
Regular and comprehensive information provided by management for monitoring of performance against strategic plan, covering all key financial, investment and operational indicators. On a quarterly basis, the Group 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.

8. INSURANCE AND PHYSICAL SAFEGUARD

8.1 Adequate insurance and physical safeguard on major assets in place to ensure that the assets of the Group are sufficiently covered against any liabilities that will result in material damage, claim or losses to the Group.

8.2 A yearly policy renewal exercise is undertaken by Management to review the coverage based on the current fixed asset register and the prevailing market price for the same or similar item, where applicable. The underwriter also assists by conducting a risk assessment, which helps the Group to assess the adequacy of the intended coverage to meet contractual requirement as well as the compliance purpose.

9. INFORMATION AND COMMUNICATION

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

9.2 The 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.

10. EFFECTIVE REGULAR MONITORING

10.1 Management Visit
Directors and Senior Management conduct regular visits to marine vessels, branch offices, project sites, customers and business partners' offices to review the Group's operations and gain better understanding to facilitate cognizant in decision making capability.

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

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

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Bursa Malaysia Listing Requirements, the external auditors have reviewed this Risk Management and Internal Control Statement. Their review was performed in accordance with the scope set out in the Recommended Practice Guide (RPG) no. 5 issued by the Malaysian Institute of Accountants ("MIA").

Based on their review, the external auditor have reported to the Board that nothing has come to their attention that cause 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 no. 5 does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and management thereon. The external auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

CONCLUSION

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

This Statement on Risk Management and Internal Control has been prepared in accordance to the Bursa Malaysia Listing Requirements and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. This Statement has been approved by the Board at its meeting on 25 May 2021.

FINANCIAL STATEMENTS

for the Financial Year Ended
31 DECEMBER 2020

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DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and the Company for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and other information relating to the subsidiaries, associates and joint ventures are disclosed in Notes 17, 18 and 19 to the financial statement respectively.

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

FINANCIAL RESULTS

	Group RM	Company RM
Net loss for the year	(119,826,754)	(2,241,796)
Attributable to:		
Equity holders of the Company	(119,826,754)	(2,241,796)
Non- controlling interest	(361,768)	-
	(119,826,754)	(2,241,796)

In the opinion of Directors, the results of the operations of the Group and the Company during financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividend has been paid or declared by the Company since the date of the last report.

RESERVES AND PROVISIONS

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

DIRECTORS' REPORT

ISSUE OF SHARES AND DEBENTURES

During the financial year, the total number of issued ordinary shares of the Company was increased from 1,035,019,974 to 1,368,882,406 by way of conversion of Redeemable Convertible Notes and Private Placements comprising 333,862,432 new ordinary shares issued at the average price of RM0.09 per shares.

The newly issued ordinary shares rank pari passu in all respects with the existing shares of the Company. There were no other issuance of shares during the financial year.

There were no debentures issued during the financial year.

EMPLOYEES' SHARE OPTION SCHEME

The Company has an Employees' Share Option Scheme (""ESOS""), which was approved at the Extraordinary General Meeting on 10 January 2019 by its members, for all the eligible employees of the Company.

The details of the ESOS are contained in the By-Laws and the salient features of the ESOS are disclosed in Note 36 to the financial statements.

The number of class of shares in respect of which the option has granted during the financial year as follows:

Expiry date	Exercise price (RM)	Number of shares
21 April 2021	RM 0.075	33,123,223

Details of options granted to Directors are disclosed in the section on Director's interests in this report.

DIRECTORS

The Directors of the Company in office from the beginning of the financial year to the date of this report are:

Fina Norhizah Binti Haji Baharu Zaman
Dato' Haji Ab Wahab Bin Haji Ibrahim
Datuk Azmi Bin Ahmad**
Ahmad Hassanudin Bin Ahmad Kamaluddin**
Ahmad Ruhaizad Bin Hashim (Appinted w.e.f 16.11.2020)
Mohammad Suhaimi Bin Mohd Yasin (Resigned w.e.f 13.10.2020)
Shamsul Bin Saad (Appointed w.e.f 02.03.2021)
Shaharuddin Bin Warno @ Rahmad** (Resigned w.e.f 05.02.2021)

** These Directors also Directors of the Company's subsidiaries.

DIRECTORS OF SUBSIDIARIES

The Directors of the Company's subsidiaries in office during the financial year and during the year from the end of the financial year up to the date of this report (not including those Directors listed above) are:

Samuel Bernard Sassoon
Ho Swee Peng

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Group and the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

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

DIRECTORS' REMUNERATION

Details of Directors' remuneration are disclosed in Note 10 to the financial statements.

DIRECTORS' INTEREST

According to the register of Directors' shareholding under section 59 of the Companies Act, 2016, the interests of Directors in office at the end of the financial year in the ordinary shares of the Company and its related corporations during the financial year are as follows:

	Number of Ordinary Shares			
		During the year		
	As at 1.1.2020	Bought	Sold	As at 31.12.2020
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	9,900	-	-	9,900

DIRECTORS' REPORT

DIRECTORS' INTEREST

	Number of Ordinary Shares			
		During the year		
	As at 1.1.2020	Bought	Sold	As at 31.12.2020
Direct interest				
Ahmad Hassanudin Bin Ahmad Kamaluddin	1,875	-	-	1,875
Fina Norhizah Binti Haji Baharu Zaman	34,000	-	-	34,000
Indirect Interest				
Datuk Azmi Bin Ahmad*	330,581,061	-	-	330,581,061
Shaharuddin Bin Warno @ Rahmad	330,415,436	-	-	330,415,436
Ahmad Hassanudin Bin Ahmad Kamaluddin**	123,750	-	-	123,750

* Include interest by virtue of 165,625 shares held by spouse
** Interest by virtue of shares held by spouse

	Number of options over ordinary shares				
	As at 1.1.2020	Expired	Granted	Exercised	As at 31.12.2020
Datuk Azmi Bin Ahmad	2,773,383	-	4,160,074	-	6,933,457
Shaharuddin Bin Warno @ Rahmad	2,773,383	-	4,160,074	-	6,933,457
Ahmad Hassanudin Bin Ahmad Kamaluddin	2,773,383	-	4,160,074	-	6,933,457

By virtue of the abovementioned Directors' interest in the Company, these Directors are also deemed to have interests in the subsidiaries of the Company to the extent of the Company's interest in the subsidiaries.

None of the other Directors in office at the end of the financial year have interest in shares of the Company or its related corporations during the financial year ended 31 December 2020.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

There were indemnities coverage and insurance premiums paid for the Directors and officers of the Group and the Company during the financial year.

HOLDING COMPANY

The Directors regard SAR Venture Holdings (M) Sdn. Bhd., a company incorporated and domiciled in Malaysia, as the Company's immediate holding company.

SIGNIFICANT AND SUBSEQUENT EVENTS

Details of significant and subsequent events are disclosed in Note 43 to the financial statements.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and the Company were made out, the Directors took reasonable steps:

a) to ascertain that proper action had been taken in relation to the writing-off of bad debts and the making of allowance for expected credit losses, and have satisfied themselves that all known bad debts had been written-off and that adequate allowance had been made for expected credit losses; and

b) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business have been written down to their estimated realisable values.

At the date of this report, the Directors are not aware of any circumstances:-

a) which would render the amount written off for bad debts or the amount of the allowance of expected credit losses inadequate to any substantial extent in the financial statements of the Group and the Company; or

b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or

c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate; or

d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and the Company misleading.

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

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

b) any contingent liability of the Group and the Company which has arisen since the end of the financial year. 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, in the opinion of the Directors, will or may substantially affect the ability of the Group and the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and the Company for the financial year in which this report is made except as disclosed on the Note 43 to the financial statements.

DIRECTORS' REPORT

AUDITORS

The auditors, Al Jafree Salihin Kuzaimi PLT, have indicated their willingness to be continue in office.

Auditors' remuneration are as follows:

	Group RM	Company RM
Al Jafree Salihin Kuzaimi PLT	196,300	50,500

There were no indemnity given to or insurance effected for auditors of the Group and the Company during financial year.

Signed on behalf of the Board in accordance with a resolution of the Directors dated on 27 May 2021

DATO' HAJI AB WAHAB BIN HAJI IBRAHIM
Director

DATUK AZMI BIN AHMAD
Director

Kuala Lumpur

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act, 2016

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 of the Group and the Company are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2020 and financial performance of the Group and the Company for the financial year ended 31 December 2020.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors dated on 27 May 2021.

DATO' HAJI AB WAHAB BIN HAJI IBRAHIM
Director

DATUK AZMI BIN AHMAD
Director

STATUTORY DECLARATION

Pursuant to Section 251(1)(B) of the Companies Act, 2016

I, MD NASIR BIN NOH, the Officer primarily responsible for the financial management of ALAM MARITIM RESOURCES BERHAD, do solemnly and sincerely declare that the accompanying financial statements are, to the best of my knowledge and belief, 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 above-named MD NASIR BIN NOH)
in the state of Kuala Lumpur in the Federal Territory)
on 27 May 2021)

MD NASIR BIN NOH

Before me,

Commissioner for Oaths
Kuala Lumpur, Malaysia

INDEPENDENT AUDITORS' REPORT

To The Members of Alam Maritim Resources Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Alam Maritim Resources Berhad ("the Company") and its subsidiaries ("the Group"), which comprise the statements of financial position as at 31December 2020 of the Group and the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on accompanying pages.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2020, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Material uncertainty related to going concern

We draw attention to Note 2.1 to the financial statements which indicates that the Group incurred loss for the year ended 31 December 2020 of RM119,826,754 and its current liabilities exceeded its current assets by RM20,250,138 as at 31 December 2020. These conditions indicate, along with other matters set forth in Note 2.1 to the financial statements, the existence of a material uncertainty which may cause significant doubt about the ability of the Group to continue as a going concern. However, the Group is currently undergoing restructuring scheme that is targeted to be completed in 2022. Our opinion is not modified in respect of this matter.

Independence and other ethical responsibilities

We are independent of the Group and the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the key audit matters
1. Impairment of Group's property, vessels and equipment As at 31 December 2020, the carrying value of vessels is RM169,890,971, representing 77% of the Group's property, vessels and equipment and 36% of the Group's total assets. The prolonged periods of certain vessels being idle were impairment indicators assessed by management. An assessment was performed in accordance with the requirements of MFRS 136: Impairment of assets. The recoverable amounts for vessels that are laid up are determined based on fair value less costs to sell ("FVLCTS"), and for assets identified for continuing use, these are determined based on value-in- use ("VIU"). An impairment loss of RM35,269,159 million for the vessels was recognised during the financial year.	**Our procedures included, amongst others:** • Evaluated and validated management's assessments for impairment indicators for the vessels based on the financial results during the year; • For vessels with impairment indicators, we have performed the following procedures: In relation to the FVLCTS for vessels that are laid up: • We have discussed with management on the basis of the expected selling price and checked the estimated selling price with valuation performed by independent valuers and offers received from potential buyers, where available; • We have compared the selling price of recent disposals of vessels against the preliminary offer prices to assess the average loss/gain rates on disposal;

INDEPENDENT AUDITORS' REPORT
To The Members of Alam Maritim Resources Berhad
(Incorporated in Malaysia)

Key Audit Matters	How our audit addressed the key audit matters
1. Impairment of Group's property, vessels and equipment (cont'd.) We focused on this area as significant estimates and judgements were applied in arriving at the fair value and VIU calculations. Refer to Note 3(b)(iii) on critical accounting judgements and key sources of estimation of uncertainty, Note 2(g) and Note 2(u) of significant accounting policies and Note 13 the financial statements.	**Our procedures included, amongst others: (cont'd.)** • For laid up vessels, we have compared the conditions of these vessels by corroborating to operational and lay up reports from third parties; In relation to the VIU for vessels identified for continuing use: • We have evaluated the reasonableness of key assumptions used by management in arriving at the projected cash flows (i.e. likelihood of award of tender) by comparing to historical and market data: • We held discussions with management on future prospects of the Group's business in its surrounding region; • Understood the likelihood of awards of future prospects and checked the information with bidding document, correspondences with potential customers and scope of work of similar projects performed by the Group; • Compared management's discount rates against the industry's weighted average cost of capital; and • Tested the mathematical accuracy of the VIU calculations prepared by management.
2. Revenue and costs recognition - offshore construction contract The Group recognised revenue from offshore construction contract of RM107,361,419 million. The revenue recognised from the offshore construction contract represent 42% of total revenue of the Group for the financial year ended 31 December 2020. Revenue recognition of a construction contract is inherently complex and we focused on this area because there are significant management estimates and judgements involved in determining the: • Stage of completion; • Extent of the construction costs incurred to date; • Estimated total construction costs; and • Need to estimate liquidated ascertained damages ("LAD") on the project where the estimated completion date is beyond the contractual completion date. Refer to Note 3 (b) (v) on critical accounting judgements and key sources of estimation uncertainty, Notes 2(r) and 2(n) on summary of significant accounting policies and Notes 4 and Notes 22 to the financial statements.	**Our procedures included, amongst others:** • We tested the operating effectiveness of the key controls in respect of the review and approval of the project budget to assess the reliability of the budget. • We identified and assessed the significant estimates and judgements made by management in the recognition of the revenue and costs arising from contruction contract. • This was performed by corroborating the stage of completion and extent of costs incurred to date on the project by agreeing to internal or external quantity surveyors' latest valuations. • We assessed the reasonableness of the estimated total construction costs of the project by agreeing to supporting documentation such as approved budgets, quotations, correspondences, contracts and variation orders with sub- contractors. • We have also agreed, on a sample basis, costs incurred to the supporting documentation such as subcontractor claim certificates and invoices from vendors. • With regards to potential delays, we assessed the potential cause of any delay by inspecting correspondences with project owner and corroborated key judgment applied by management in assessing any requirements for considerations of LAD to determine the transaction price of the project.

INDEPENDENT AUDITORS' REPORT

To The Members of Alam Maritim Resources Berhad
(Incorporated in Malaysia)

Information other than the financial statements and auditors' report thereon

The Directors of the Group and the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of and the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Annual Report 2020, which expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we concluded that there is material misstatement, we are required to communicate the matter to the Directors of the Company and take appropriate action.

Responsibilities of the Directors for the financial statements

The Directors of the Group and the Company are responsible for the preparation of the financial statements of the Group and the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT
To The Members of Alam Maritim Resources Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also: (cont'd.)

- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not act as auditors are disclosed in Note 17 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Group and the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

AL JAFREE SALIHIN KUZAIMI PLT
(AF 1522)
CHARTERED ACCOUNTANTS

AIZUL IZUAN BIN ABDUL HAMID
No. 03509/07/2022 J
CHARTERED ACCOUNTANTS

Dated: 27 May 2021
Selangor, Malaysia

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2020

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Revenue	4	**255,210,093**	306,669,474	**-**	-
Cost of sales	5	**(273,231,997)**	(292,505,574)	**-**	-
Gross (loss)/profit		**(18,021,904)**	14,163,900	**-**	-
Other income	6	**7,053,732**	7,179,197	**3,592,778**	5,025,454
Employee benefits expenses	7	**(17,053,076)**	(18,151,637)	**(406,977)**	(301,806)
Other expenses		**(71,202,792)**	(68,099,179)	**(1,780,048)**	(37,132,216)
Operating (loss)/profit		**(99,224,040)**	(64,907,719)	**1,405,753**	(32,408,568)
Finance costs	8	**(5,909,068)**	(5,237,685)	**(3,460,439)**	(2,985,213)
Share of results of joint ventures		**(14,440,346)**	(10,607,967)	**-**	-
Loss before taxation	9	**(119,573,454)**	(80,753,371)	**(2,054,686)**	(35,393,781)
Taxation	11	**(253,300)**	472,538	**(187,110)**	-
Net loss for the financial year		**(119,826,754)**	(80,280,833)	**(2,241,796)**	(35,393,781)
Other comprehensive loss:					
Other comprehensive loss to be classified to profit or loss in subsequent period (net of tax):					
Foreign currency translation, representing other comprehensive loss for the year, net of tax		**(200,810)**	(893,550)	**-**	-
Total comprehensive loss for the year		**(120,027,564)**	(81,174,383)	**(2,241,796)**	(35,393,781)
Loss attributable to:					
Equity holders of the Company		**(119,464,986)**	(79,479,150)	**(2,241,796)**	(35,393,781)
Non-controlling interests		**(361,768)**	(801,683)	**-**	-
		(119,826,754)	(80,280,833)	**(2,241,796)**	(35,393,781)
Total comprehensive loss attributable to:					
Owners of the parent		**(119,237,672)**	(80,555,934)	**(2,241,796)**	(35,393,781)
Non-controlling interests		**(789,892)**	(618,449)	**-**	-
		(120,027,564)	(81,174,383)	**(2,241,796)**	(35,393,781)
Loss per share attributable to owners of the parent:					
Basic (sen)	12(a)	**(9.66)**	**(8.40)**		
Diluted (sen)	12(b)	**(9.66)**	**(8.40)**		

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

STATEMENTS FINANCIAL POSITION

For the Financial Year Ended 31 December 2020

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Assets					
Non-current asset					
Property, vessels and equipment	13	**220,539,606**	281,165,438	**-**	-
Right of use assets	14	**228,665**	-	**-**	-
Investment property	15	**771,600**	-	**-**	-
Intangible assets	16	**-**	-	**-**	-
Investments in subsidiaries	17	**-**	-	**66,558,440**	66,558,440
Investments in associates	18	**-**	-	**-**	-
Interest in joint ventures	19	**41,198,739**	55,798,939	**-**	-
Deferred tax assets	20	**-**	9,785,947	**-**	-
		262,738,610	346,750,324	**66,558,440**	66,558,440
Current assets					
Inventories	21	**-**	770,697	**-**	-
Amount due from subsidiaries	32	**-**	-	**382,038,061**	414,005,155
Contract asset	22	**6,385,531**	28,945,359	**-**	-
Trade receivables	23	**36,331,363**	96,465,893	**-**	-
Other receivables	24	**113,748,778**	101,888,210	**5,390,417**	5,279,508
Tax recoverable		**448,905**	2,655,839	**-**	-
Cash and bank balances	25	**54,242,363**	71,554,013	**13,836,746**	29,795,917
		211,156,940	302,280,011	**401,265,224**	449,080,580
Non-current asset held for sale	26	**-**	-	**-**	-
Total assets		**473,895,550**	649,030,335	**467,823,664**	515,639,020

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

STATEMENTS FINANCIAL POSITION
For the Financial Year Ended 31 December 2020

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Equity and Liabilities					
Equity					
Share capital	27	**432,981,346**	406,265,386	**432,981,346**	406,265,386
Other reserves	28	**(2,311,041)**	(2,530,165)	**165,616**	-
Accumulated losses	29	**(191,722,136)**	(72,430,956)	**(35,139,574)**	(32,897,778)
		238,948,169	331,304,265	**398,007,388**	373,367,608
Non-controlling interests		**(4,893,557)**	(4,103,665)	**-**	-
Total equity		**234,054,612**	327,200,600	**398,007,388**	373,367,608
Non-current liabilities					
Borrowings	30	**3,710,992**	75,317,251	**-**	65,000,000
Deferred tax liabilities	20	**4,522,435**	14,996,678	**-**	-
Lease liabilities	35	**200,433**	-	**-**	-
		8,433,860	90,313,929	**-**	65,000,000
Current liabilities					
Borrowings	30	**101,442,839**	47,566,781	**55,818,377**	9,000,000
Trade payables	33	**92,484,617**	117,225,520	**-**	-
Other payables	34	**36,927,445**	65,056,767	**13,997,899**	67,983,992
Tax payable		**521,918**	1,666,738	**-**	287,420
Lease liabilities	35	**30,259**	-	**-**	-
		231,407,078	231,515,806	**69,816,276**	77,271,412
Total liabilities		**239,840,938**	321,829,735	**69,816,276**	142,271,412
Total liabilities and equity		**473,895,550**	649,030,335	**467,823,664**	515,639,020

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

STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2020

Group	Attributable to owners of the parent					
	Non-Distributable		Distributable			
	Share capital (Note 27) RM	Other reserves (Note 28) RM	Retained earnings/ (Accumulated losses) RM	Total RM	Non-controlling interest RM	Total equity RM
As at 1 January 2019	396,314,966	654,855	4,939,958	401,909,779	(3,485,216)	398,424,563
Loss for the financial year	-	-	(79,479,150)	(79,479,150)	(801,683)	(80,280,833)
Other comprehensive loss	-	(1,076,784)	-	(1,076,784)	183,234	(893,550)
Expiry of employee share options	-	(2,108,236)	2,108,236	-	-	-
Ordinary shares issued pursuant to the Redeemable Convertible Note ("RCN")	9,950,420	-	-	9,950,420	-	9,950,420
As at 31 December 2019	406,265,386	(2,530,165)	(72,430,956)	331,304,265	(4,103,665)	327,200,600
As at 1 January 2020	**406,265,386**	**(2,530,165)**	**(72,430,956)**	**331,304,265**	**(4,103,665)**	**327,200,600**
Loss for the financial year	**-**	**-**	**(119,464,986)**	**(119,464,986)**	**(361,768)**	**(118,079,148)**
Other comprehensive loss	**-**	**53,508**	**173,806**	**227,314**	**(428,124)**	**(200,810)**
Ordinary shares issued pursuant to the Redeemable Convertible Note ("RCN")	**9,000,000**	**-**	**-**	**9,000,000**	**-**	**9,000,000**
Employee share options granted	**-**	**165,616**	**-**	**165,616**	**-**	**165,616**
Ordinary shares issued pursuant to the Private Placement	**17,715,960**	**-**	**-**	**17,715,960**	**-**	**17,715,960**
As at 31 December 2020	**432,981,346**	**(2,311,041)**	**(191,722,136)**	**238,948,169**	**(4,893,557)**	**234,054,612**

Company	Non-Distributable		Distributable	
	Share capital (Note 27) RM	Other reserves (Note 28) RM	Retained earnings/ Accumulated losses) (Note 29) RM	Total equity RM
As at 1 January 2019	396,314,966	2,108,236	2,496,003	400,919,205
Ordinary shares issued pursuant to the RCN	9,950,420	-	-	9,950,420
Expiry of employee share options	-	(2,108,236)	-	(2,108,236)
Total comprehensive loss for the financial year	-	-	(35,393,781)	(35,393,781)
As at 31 December 2019	406,265,386	-	(32,897,778)	373,367,608
As at 1 January 2020	**406,265,386**	**-**	**(32,897,778)**	**373,367,608**
Ordinary shares issued pursuant to the RCN	**9,000,000**	**-**	**-**	**9,000,000**
Ordinary shares issued pursuant to the Private Placement	**17,715,960**	**-**	**-**	**17,715,960**
Employee share options granted	**-**	**165,616**	**-**	**165,616**
Total comprehensive loss for the financial year	**-**	**-**	**(2,241,796)**	**(2,241,796)**
As at 31 December 2020	**432,981,346**	**165,616**	**(35,139,574)**	**398,007,388**

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 2020

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Loss before taxation	**(119,573,454)**	(80,753,371)	**(2,054,686)**	(35,393,781)
Interest income	**(990,831)**	(1,783,787)	**(3,479,094)**	-
Property, vessels and equipment:				
- Loss on disposal	**-**	1,492,525	**-**	-
- Impairment	**39,290,850**	39,439,339	**-**	-
Depreciation				
- Property,vessels and equipment	**29,141,163**	31,516,018	**-**	-
- Invesment property	**148,400**	-	**-**	-
- Right-of-use assets	**112,516**	-	**-**	-
Finance costs	**5,909,068**	5,237,685	**3,460,439**	-
Trade receivables				
- Impairment loss	**5,125,200**	-	**-**	-
ESOS expenses	**165,616**	-	**165,616**	-
Net unrealised foreign exchange (gain)/loss	**(2,167,011)**	209,947	**(113,685)**	(856,394)
Impairment loss on inventories	**770,697**	-	**-**	-
Share of results of joint ventures	**14,440,346**	10,607,967	**-**	
Impairment loss on interest in joint ventures	**14,600,200**	4,935,914	**-**	-
Impairment loss on interest in subsidiaries	**-**	-	**-**	33,744,680
Operating (loss)/profit before working capital exchange	**(13,027,240)**	10,902,237	**(2,021,410)**	(2,505,495)
Changes in working capital:				
Inventories	**-**	338,658	**-**	-
Contract asset	**22,449,339**	(28,945,359)	**-**	-
Trade and other receivables	**35,123,737**	(78,266,701)	**(14,392,856)**	3,896,184
Trade and other payables	**(52,870,225)**	87,272,857	**(7,910,787)**	3,446,949
Cash flows used in operating activities	**(8,324,389)**	(8,698,308)	**(24,325,053)**	4,837,638
Interest paid	**(5,896,442)**	(5,237,685)	**(3,460,439)**	-
Taxation paid	**(808,814)**	(408,586)	**(187,110)**	-
Net cash flows (used in)/generated from operating activities	**(15,029,645)**	(14,344,579)	**(27,972,602)**	4,837,638

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 2020

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Cash flows from investing activities				
Purchase of property, vessels and equipment	**(9,719,836)**	(9,213,553)	**-**	-
Proceed from disposal of property, vessel and equipment	**-**	1,410,334	**-**	-
Decrease in amounts due from subsidiaries	**-**	-	**26,702,863**	(12,730,468)
Interest received	**990,831**	1,783,787	**3,479,094**	-
Net cash flows (used in)/generated from investing activities	**(8,729,005)**	(6,019,432)	**30,181,957**	(12,730,468)
Cash flows from financing activities				
Proceed from issuance of RCN	**9,000,000**	9,950,420	**9,000,000**	9,950,420
Proceed from issuance of Ordinary Shares	**17,715,960**	-	**17,715,960**	-
Repayment of:				
- Term loans	**-**	(1,100,774)	**-**	(1,000,000)
- MTN	**(26,701,834)**	(1,000,000)	**(18,181,623)**	-
- Hire purchase and finance lease liabilities	**(572,281)**	(294,385)	**-**	-
Movement in sinking fund	**26,701,833**	994,765	**-**	1,818,566
Net cash flows generated from financing activities	**26,143,678**	8,550,026	**8,534,337**	10,768,986
Net increase/(decrease) in cash and cash equivalents	**2,385,028**	(11,813,985)	**10,743,692**	2,876,156
Net foreign exchange difference	**993,656**	-	**-**	-
Cash and cash equivalents at beginning of the financial year	**22,027,392**	33,841,377	**3,093,054**	216,898
Cash and cash equivalents at the end of the financial year	**25,406,076**	22,027,392	**13,836,746**	3,093,054

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

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

1. GENERAL 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 immediate holding company is SAR Venture Holdings (M) Sdn. Bhd., which is incorporated in Malaysia and is an investment holding company.

The registered office and principal place of business 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 and other information relating to the subsidiaries, associates and joint ventures are disclosed in Notes 17, 18 and 19 to the financial statement respectively.

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

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of financial statements

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ('MFRS'), International Financial Reporting Standards and the provisions of the Companies Act, 2016.

The financial statements are expressed in Ringgit Malaysia ("RM").

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain assets and liabilities. The principal accounting policies adopted are set out as follows.

The preparation of financial statements of the Group and the Company are in conformity with MFRS required the use of certain critical accounting estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the report amounts of the revenues and expenses during the reported financial year. It also requires the Directors to exercise their judgment in the process of applying the Group and the Company accounting policies.

2.1 Going concern assumptions

The Group incurred a net loss for the year of RM119,826,754 (2019: RM80,280,833) for the year ended 31 December 2020 and its current liabilities exceeded its current assets by RM20,250,138 as at 31 December 2020.

The Group is currently in the process of formulating the Proposed Restructuring Plan for debt settlement and the plan will mainly primarily comprise the following:

(i) Proposed disposal and realisation of value for non-core assets;
(ii) Proposed disposal of vessels;
(iii) Obtained indulgence for four (4) months from financial institutions until September in order to firm up deals with strategic partners and agree business plan; and
(iv) Application to Corporate Debt Restructuring Scheme ("CDRC") in managing the Proposed Restructuring Plan and corporate exercise.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

a) Basis of preparation of financial statements (cont'd.)

2.1 Going concern assumptions (cont'd.)

The ability of the Group and the Company to continue as going concerns are dependent upon the Group's ability to secure significant contracts from oil and gas segment, their successful profitable operations in the foreseeable future and their ability to comply with the terms set by CDRC.

The Directors have concluded that the combination of the circumstances highlighted above indicate material uncertainties that may cast significant doubt over the ability of the Group to continue as going concern and therefore, may be unable to realise their assets and discharge their liabilities in the normal course of business.

Therefore, the going concern basis used in preparing the financial statements of the Group is significantly dependent on:

(i) Approval being obtained from all the relevant parties on the Proposed Restructuring Plan.
(ii) Timely and successful implementation of the key components of the Proposed Restructuring Plan.
(iii) The ability of the Group to achieve sustainable and viable operations so as to generate sufficient cash flows to enable them to meet their obligations as and when they fall due.

2.2 Changes in accounting policies

On 1 January 2020, the Group and the Company adopted the following new and amended MFRS and Interpretations Committee ("IC") Interpretations mandatory for annual financial periods beginning on or after 1 January 2020.

Descriptions	Effective for annual periods beginning on or after
Amendments to MFRS 2 Share-based Payment	1 January 2020
Amendments to MFRS 3 Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101 and MFRS 108 Definition of Material	1 January 2020
Amendments to MFRS 16: Covid-19-Related Rent Concessions	1 June 2020

The adoption of the above standards and interpretation did not have any material effect on the financial statements of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

a) Basis of preparation of financial statements (cont'd.)

2.3 Standards issued but not yet effective

Descriptions	Effective for annual periods beginning on or after
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to Conceptual Framework	1 January 2022
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual improvements to MFRS 2018 - 2020	1 January 2022
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Directors expect that the adoption of the above standards, if applicable will have no material impact on the financial statements of the Group and the Company in the period of initial application.

b) Basis of consolidation

(i) Business combination

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

Acquisitions on or after 1 January 2011

For acquisitions on or after 1 January 2011, the Group measures the cost of goodwill at the acquisitions date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interest in the acquire; plus
- If the business combination is achieved in stages, the fair value of the existing equity interest in the acquire; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquire either at fair value or at the appropriate share of the acquiree's identifiable net assets at the acquisition date.

The accounting policy for goodwill is set out in Note 2(i)(i).

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

b) Basis of consolidation (cont'd.)

(ii) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale). The cost of investments includes transaction costs.

(iii) Changes in Group composition

Where a subsidiary issues new equity shares to minority interests for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in the statements of comprehensive income.

When a group purchases a subsidiary's equity shares from minority interests for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interests in the subsidiary is accounted for as a purchase of equity interest for which the acquisition method of accounting is applied.

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

(v) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's shares of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

b) Basis of consolidation (cont'd.)

(v) Associates (cont'd.)

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associates at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is summarized in the profit or loss.

When the Group's interest in an associates decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(vi) Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

Joint arrangements are classified and accounted for are as follows:

- A joint arrangement is classified as "joint operation" when the Group or the Company has rights to the assets and obligations for the liabilities relating to an arrangement. The Group and the Company account for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.

- A joint arrangement is classified as "joint venture" when the Group or the Company has rights only to the net assets of the arrangements. The Group and the Company accounts for its interest in the joint venture using the equity method. Investments in joint venture are measured in the the Group and Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(vii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company.

Non-controlling interest in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interest and owners of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

b) Basis of consolidation (cont'd.)

(vii) Non-controlling interests (cont'd.)

Losses applicable to the non-controlling interest in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(viii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(viii) Transactions eliminated on consolidation

Unrealised gains arising from transactions with equity-accounted associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

c) Revenue

Revenue from contracts with customers is recognised by reference to each distinct promise of goods and services (a performance obligation) in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. When the standalone selling prices are not directly observable, they are estimated based on expected cost-plus margin. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The following specific recognition criteria must also be met before revenue is recognised:

(i) Charter hire of vessels, ship catering and other shipping related income

The Group provides vessels and associated services to customers at the request of the customer. Provision of vessels and associated services is single performance obligation. Revenue from chartering and hiring of vessels is recognised over the period based on time lapsed method, determined based on the actual time lapsed relative to the total services period. There is no element of financing contained in the revenue as sales are generally made with a standard credit terms which is consistent with market practices unless otherwise as applicable and disclosed in the financial statements. Accrued income is recognised within trade receivables when the services have been rendered but pending billings to be made.

For income from the hire of third party vessels, it is assessed whether the Group is acting as a principal or an agent. Where it has been assessed that the Group is acting as an agent, income is recognised net of charter costs.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

c) Revenue (cont'd.)

(ii) Revenue from offshore installation and construction

Revenue relating to offshore installation and construction are recognise in accordance with the policy set out in Note 2(n).

(iii) Diving and sub-sea services

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

(iv) Rental of equipment

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

(v) Vessel's management fees

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

(vi) 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.

(vii) Interest income

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

(viii) Dividend income

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

d) Employee benefits

(i) Short term employee benefits

Short-term employment benefits, such as wages, salaries and social security contributions, are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group and the Company.

Short-term accumulating compensated absences, such as paid annual leave, are recognised when the employees render services that increase their entitlement to future compensated absences. Non-accumulating compensated absences, such as sick and medical leaves, are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

d) Employee benefits (cont'd.)

(i) Short term employee benefits (cont'd.)

Profit-sharing and bonus plans are recognised when the Group and the Company has a present legal or constructive obligation to make payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when, and only when the Group and the Company has no realistic alternative but to make the payments.

(ii) Defined contribution plan

Contributions to the statutory pension scheme are recognised as an expense in profit or loss in the financial year to which they relate.

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

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

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 recognised 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.

e) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset when the expenditures for the asset and borrowing costs are being incurred, and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended during any extended periods in which active development is interrupted and ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in profit or loss in the financial year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

f) Income tax

Income tax comprises of current tax and deferred tax. Current tax and deferred tax are charged or credited to other comprehensive income or equity if the tax relates to items that are credited or charged directly to other comprehensive income or equity.

Current tax liabilities are measured based on the amounts expected to be paid, using the tax rates that have been enacted or substantially enacted by the reporting date.

Deferred tax is provided in full, using the liability method, on temporary differences which are the differences between the carrying amount in the financial statements and the corresponding tax base of an asset or liability at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax liabilities and assets are not recognised if the temporary differences arise from goodwill and for initial recognition of assets or liabilities that affect neither accounting profit nor taxable profit. Deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amounts of its assets and liabilities and are measured using the tax rates that have been enacted or substantially enacted by the reporting date.

The carrying amount of the deferred tax assets are reviewed at each reporting date, and the carrying amount is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised. The reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

g) Property, vessels and equipment

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 initial recognition, property, vessels and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, vessels and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives ad 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 to reduce the cost of vessels to its residual value 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.

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

Freehold land has an unlimited useful life and therefore is not depreciated.

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:

	Rate
Long term leasehold land	99 years
Leasehold building	2% to 3%
Vessels	4%
Drydocking	20% to 40%
Diving equipment	10%
Equipment on vessel	10%
Motor vehicles	20%
Computers	33.3%
Office equipment	10%
Furniture and fittings	10%
Renovations	10%

Asset 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.

h) Investment properties

Investment properties, that are held to earn rentals or for capital appreciation or both, are stated at fair value. Gains or losses arising from a change in the fair value of investment properties are recognised in profit or loss during the financial year in which they arise.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less any accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses in accordance with Note 2(j).

The residual values, useful lives and depreciation methods 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 the investment properties.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

h) Investment properties (cont'd.)

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

i) Intangible assets

(i) 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 goodwills 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.

(ii) Other intangible assets

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

j) Impairment of non-financial assets

At each reporting date, the Group and the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amounts of the assets are estimated. Irrespective of whether there is any indication of impairment, the Group and the Company tests an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment annually.

When it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or a cash-generating unit) is less than its carrying amount, an impairment loss is recognised to reduce the carrying amount to its recoverable amount. An impairment loss for a cash-generating unit is firstly allocated to reduce the carrying amount of goodwill allocated to the cash-generating unit, and then, to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

An impairment loss is recognised immediately in profit or loss, unless it reverses a previous revaluation, in which case it is treated as a revaluation decrease.

An impairment loss recognised in prior periods for an asset, other than goodwill, is reversed if there has been a change in the estimate used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation if no impairment loss had been recognised, and is recognised immediately in profit or loss, unless it reverses a previous revaluation, in which case it is treated as a revaluation increase.

k) Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use.

On initial classification as held for sale, non-current assets or disposal groups are measured at the lower of the carrying amounts and fair value less costs to sell. Immediately before the initial classification as held for sale, the carrying amounts of non-current assets or disposal groups are measured in accordance with applicable MFRS.

An impairment loss shall be recognised for any initial or subsequent write down of the assets or disposal groups to fair value less costs to sell. Subsequent increase in fair value less costs to sell shall be recognised as a gain in profit or loss, to the extent of the cumulative impairment loss that has been recognised.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

l) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are initially translated at the exchange rate at the dates of the transactions.

At the reporting date, foreign currency monetary assets and liabilities are translated into Ringgit Malaysia at the exchange rate ruling at that date. Exchange differences arising on the settlement or translation of monetary items are recognised in profit or loss.

Non-monetary assets and liabilities measured at historical cost in a foreign currency are translated using exchange rates at the date of the transactions. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined.

(ii) Net investment in a foreign operation

Exchange differences arising on the monetary items that, in substance, forms part of the Group and the Company's net investment in a foreign operation are recognised in the Group's and the Company's profit or loss. In the consolidated financial statements, such exchange differences are reclassified to equity only if the monetary items are denominated in either the functional currency of the Group and the Company or the foreign operation. Deferred exchange differences are recognised in profit or loss on disposal of the investment.

(iii) Presentation currency

The financial statements of the Group and the Company are presented in Ringgit Malaysia as the shareholders of the Group and the Company are primarily residing in Malaysia. Assets and liabilities are translated from the functional currency, Singapore Dollar, into Ringgit Malaysia using the exchange rate ruling at the reporting date. Income and expenses are translated using exchange rate approximates to those ruling at the date of the transactions. Equity items other than current year's results are translated using the historical rate. All resulting exchange differences are recognised in other comprehensive income and accumulated in equity under the heading of translation reserves.

m) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour costs and overheads, where applicable, that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

n) Construction contract

When the outcome of a construction contract activity can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date. Stage of completion is determined based on the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

When the outcome of a construction contract cannot be estimated reliably, contract revenue are recognised only to the extent of contract costs incurred that it is probable will be recoverable and contract costs are recognised as an expense in the financial year in which they are incurred.

Contract revenue also includes variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they can be measured reliably.

An expected loss on the construction contract is recognised as an expense immediately.

o) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ('FVTOCI'):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss ('FVTPL').

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

o) Financial assets (cont'd.)

(ii) Amortised cost and effective interest method

At initial recognition financial assets are measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

For purchased or originated credit-impaired financial assets, the Group and the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "investment income" line item.

(iii) Debt instruments classified as at FVTOCI

Subsequent measurement of debt instruments depends on the Group and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income ('OCI '), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in profit or loss. Interest revenue and foreign exchange gains or losses which are recognised in profit or loss. OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains or losses are presented in other gains or losses and impairment expenses in other expenses.

- FVTPL: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit or loss within other gains/(losses) in the period in which it arises.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

o) Financial assets (cont'd.)

(iv) Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Where the Group and the Company management have elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit and loss following the derecognition of the investment.

Dividends from such investments continue to be summarised in profit or loss as other income when the Group and the Company right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

(v) Financial assets at fair value through profit or loss ('FVTPL ')

This category comprises only in-the-money derivatives. They are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income in the finance income or expense line. Other than derivative financial instruments which are not designated as hedging instruments, the Group and the Company do not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

(vi) Impairment of financial assets

The Group and the Company recognise a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income ("FVTOCI"), lease receivables, amounts due from customers under construction contracts, as well as on loan commitments and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group and the Company always recognises lifetime ECL for trade receivables, amounts due from customers under construction contracts and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's and the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

o) Financial assets (cont'd.)

(vii) Derecognition of financial assets

The Group and the Company derecognise a financial asset when the contractual right to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group and the Company neither transfer nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group and the Company enter into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

p) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, short-term deposits and other short-term, highly liquid investments that are readily convertible to a known amount of cash with an insignificant risk of changes in value.

q) Provisions

A provision is recognised when the Group and the Company have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are recognised based on a reliable estimate of the amount of the obligation.

r) Contract assets

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the billings to-date and deposits or advances received from customers.

Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

s) Leases

On 1 January 2019, the Group have adopted MFRS 16 Leases ("MFRS 16") which replaces the previous leasing guidance under MFRS 117 Leases. The newly adopted MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet) and requires a lessee to recognise a "right-of-use" asset and a corresponding lease liability at the date on which the leased asset is available for use by the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

s) Lease (cont'd.)

For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently. The Group's activities as lessor are not material to-date.

As allowed by the transitional provision of MFRS 16, the Group have elected to apply the simplified transition approach and not to restate the comparative amounts for the year prior to first adoption. Right-of-use assets and corresponding lease liabilities on right-of-use assets will be measured on transition as if the new rules had always been applied.

Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified assets for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assess whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution rights, then the asset is not identified;

- the lessee has the right to direct the use of the asset. The lessee has this right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where decision about how and for what purpose the asset is used is predetermined, the lessee has the right to direct the use of the asset if either the lessee has the right to operate the asset; or the lessee designed the asset in a way that predetermines how and for what purpose it will be used.

Contract may contain both lease and non-lease components. The Group allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group are lessee, they have elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

(i) As lessee

Lease term

In determining the lease term, the Group consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group re-assess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and affects whether the Group are reasonably certain to exercise an option not previously included in the determination of the lease term, or not to exercise an option previously included in the determination of the lease term. A revision in lease term results in re-measurements of the lease liabilities. See accounting policy on re-assessment of lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

s) Lease (cont'd.)

(i) As lessee (cont'd.)

Right-of-use assets ("ROU")

ROU assets are initially measured at cost, which comprise the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset or the site on which it is located, less any lease incentives received.

ROU assets that are not investment properties are subsequently measured at costs, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group are reasonably certain to exercise a purchase option, the ROU asset shall be depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurements of the lease liabilities. The ROU asset presented as a separate line item in the statement of financial position.

For existing leasehold properties with no corresponding lease liabilities due to full settlement upfront, at initial date of adoption of MFRS 16, these leasehold properties shall continue to be presented as part of property, plant and equipment.

ROU assets that meet the definition of investment property in accordance with MFRS 140 are presented in the statement of financial position as investment property. Subsequent measurement of the ROU asset is consistent with those investment properties owned by the Group (refer to accounting policy Note 2(h) on investment properties).

Lease liabilities

Lease liability is initially measured at the present value of the lease payments that are not paid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- exercise price of a purchase and extension options if the Group is reasonably certain to exercise that option; and
- penalties payments for terminating the lease, if the lease term reflects the Group exercising that option.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

s) Lease (cont'd.)

(i) As lessee (cont'd.)

Lease liabilities *(cont'd.)*

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The Group present the lease liabilities within the borrowings line item in the statements of financial position. Interest expense on the lease liabilities is presented within the finance cost in the statements of comprehensive income.

Re-assessment of lease liabilities

Lease liability is re-measured when there is a change in the future variable lease payments arising from a change in an index or rate, or if there is a revision of in-substance fixed lease payments, or a revision in the lease term, or if there is a change in the Group and the Company estimate of the amount expected to be payable under a residual value guarantee, which are not included in the lease liability until they take effect. When these adjustments to the lease payments take effect, the lease liability is re-measured and adjusted against the ROU assets.

Short term leases and leases of low value assets

The Group have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. Payments associated with short-term leases of tools and equipment for oilfield activities, tools and equipment and chartering of vessels for project based activities of short tenure and leases of low value assets are recognised on a straight-line basis over the lease term as expense in profit or loss.

t) Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains or losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss statement.

(i) Financial liabilities at FVTPL

This category comprises only out-of-the-money derivatives. They are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income. The Group and the Company do not hold or issue derivative instruments for speculative purposes, but for hedging purposes. Other than these derivative financial instruments, the Group and the Company do not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

t) Financial liabilities (cont'd.)

(ii) Other financial liabilities

Other financial liabilities include the following items:

- bank borrowings and the Group and the Company perpetual preference shares are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

- liability components of convertible loan notes are measured as described further below.

- trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

(iii) Derecognition of financial liabilities

The Group and the Company derecognise a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group and the Company also derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

u) Fair value measurement

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

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

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets and liabilities that the Group can access at the measurement date.

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : Unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

v) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

w) Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risk and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and segment liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between group enterprises within a single segment.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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 accompanying disclosures, 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 periods.

a) Judgements made in applying accounting policies

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

(i) Financial guarantee contracts

Financial guarantee contracts relate to a corporate guarantee provided by the Company for the financing facilities granted to a subsidiary and joint ventures.

The Company assumes that there is a significant increase in credit risk when a subsidiary and joint ventures' financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary and joint ventures are unlikely to repay its credit obligation to the bank in full; or
- The subsidiary and joint ventures are continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loan individually using internal information available.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

b) 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:

(i) 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. Charges 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.

(ii) Impairment of receivables

As at 31 December 2020, the Group's trade receivables are grouped based on shared credit risk characteristics and days past due, with expected loss rates assessed based on the Group's historical credit loss experience.

The Group further evaluates the expected credit loss ('ECL') on customers on case-by-case basis, which may be assessed based on indicators such as changes in financial capability of the debtor, and default or significant delay in payments.

The Group's credit risk exposure for trade receivables are set out in Note 40.

(iii) Impairment review of vessels' carrying value

The Group assesses at each reporting date whether there is any indication that the asset may be impaired. To determine whether there is objective evidence of impairment, the Group considers external and internal factors such as the current economic outlook, average utilisation rate as well as ability of the entity to secure long term contract. Where there is objective evidence of impairment, the amount of impairment loss is measured at the difference between the asset's carrying amount and the recoverable amount. The recoverable amount of an asset is a higher of the fair value less cost to sell and its value in use.

To determine fair value less cost to sell requires an estimation on price at which an orderly transaction to sell the asset would take place between market participants under current market condition. While to determine value in use requires estimation on the future cash flows from the asset and choose a suitable discount rate in order to calculate the present value of those cash flows. The amount of impairment on vessels, if any, is as disclosed in Note 13.

<u>Sensitivity to changes in assumptions</u>

The sensitivity tests indicated that with a decrease in the vessels' utilisation rate or daily charter rate by 10%, the recoverable amount will be varied by approximately 7%.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D.)

b) Key sources of estimation uncertainty (cont'd.)

(iv) Impairment of investments in associates and joint ventures

The Group and the Company assesses whether there is any indication that an investment in associates and joint ventures may be impaired at each reporting date.

If indicators are present, these investments are subjected to impairment review. The impairment review comprises a comparison of the carrying amounts and estimated recoverable amounts of the investments.

Judgements made by management in the process of applying the Group's and the Company's accounting policies in respect of investments in associates and joint venture are as follows:

(i) The Group and the Company determines whether its investments are impaired following certain indications of impairment such as amongst others shortfall between Group's cost of investment and share of net assets, significant changes with adverse effects on the investment and deteriorating financial performance of the investment due to observed changes in the economic environment; and

(ii) Depending on their nature and the location in which the investments relate to, judgements are made by management to select suitable methods of valuation such as, amongst others, discounted future cash flows or revised net assets value.

Once a suitable method of valuation is selected, management makes certain key assumptions concerning the future to estimate the recoverable amount of the specific individual investment. These assumptions and other key sources of estimation uncertainty at the reporting date, may have a significant risk of causing material adjustment to the carrying amounts of the investments within the next financial year. Depending on the specific individual investment, assumptions made by management may include, amongst others, assumptions on expected future cash flows, revenue growth, terminal value, discount rate used for purposes of discounting future cash flows which incorporates the relevant risks and expected future outcome based on certain past trends.

(v) Construction contracts

The Group recognises contract revenue based on input method. The stage of completion is measured by reference to the contract costs incurred up to reporting date as a percentage of total estimated costs for each contract. Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract costs, the profitability of the contract, including the foreseeable losses, potential claims (variation orders) to owner of the project and counter claims from subcontractors and liquidated ascertained damages ("LAD") based on expected completion dates of the contract. In making this judgement, the Directors took into consideration the current circumstances and relied on input from the Group's project manager, external consultants, where appropriate, and past experience. In addition, in determining the provision for LAD to be recorded, the Directors also assessed the ability of the Group to recover from the subcontractors, the potential LAD imposed on the Group by the project owners for delays in projects caused directly by the subcontractors.

(vi) Write down and provision for inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of the Group's inventories at the reporting dates is disclosed in Note 21.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

4. REVENUE

Disaggregation of revenue from contracts with customers:

	Group	
	2020 RM	**2019 RM**
Charter hire	**51,009,922**	76,615,732
Offshore installation and construction	**107,361,419**	152,858,267
Diving and sub-sea services	**77,698,287**	59,879,646
Rental of equipment	**114,498**	2,636,634
Other shipping related income	**9,947,893**	4,609,206
Vessel's management fees	**7,345,315**	7,194,938
Ship catering	**1,732,759**	2,875,051
	255,210,093	306,669,474
Geographical Market		
- Malaysia	**255,210,093**	305,003,170
- Singapore	**-**	1,666,304
	255,210,093	306,669,474
Timing of revenue recognition		
- at a point in time	**147,848,674**	153,811,207
- over time	**107,361,419**	152,858,267
	255,210,093	306,669,474

5. COST OF SALES

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

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

	Group	
	2020 RM	**2019 RM**
Wages and allowances	**18,030,036**	12,996,427
Contributions to defined contribution plan - EPF	**1,304,382**	962,530
Social security contributions	**81,379**	66,378
	19,415,797	14,025,335

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

6. OTHER INCOME

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Interest income	**990,831**	1,783,787	**18,655**	1,184,865
Interest income on MTN	**-**	-	**3,460,439**	2,985,213
Gain of foreign exchange:				
- Realised	**85,074**	1,161,894	**-**	-
- Unrealised	**5,550,154**	2,437,269	**113,684**	855,376
Rental of premises	**161,204**	198,223	**-**	-
Other income	**266,469**	1,598,024	**-**	-
	7,053,732	7,179,197	**3,592,778**	5,025,454

7. EMPLOYEES BENEFITS EXPENSES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Salaries, bonuses and allowances	**13,994,739**	14,788,789	**281,977**	280,922
Contribution to defined contribution plan	**1,454,843**	1,512,100	**-**	-
Social security contributions	**96,560**	109,453	**-**	-
Other staff related expenses	**1,506,934**	1,741,295	**125,000**	20,884
	17,053,076	18,151,637	**406,977**	301,806
Cost of sale (Note 5)	**19,415,797**	14,025,335	**-**	-
	36,468,873	32,176,972	**406,977**	301,806

Included in employee benefits expense of the Group is Executive Directors' remuneration amounting to RM2,516,797 (2019: RM3,091,121) as further disclosed in Note 10.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

8. FINANCE COSTS

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Interest expense on:				
Term loans	**582,237**	318,972	**-**	-
Hire purchase and finance lease liabilities	**37,567**	46,738	**-**	-
Sukuk Ijarah MTN	**3,460,439**	2,985,213	**3,460,439**	2,985,213
Revolving credit	**1,624,548**	1,629,548	**-**	-
Other borrowings	**204,277**	257,214	**-**	-
	5,909,068	5,237,685	**3,460,439**	2,985,213

9. LOSS BEFORE TAX

Loss before tax is arrived after charging/(crediting) the following items:

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Non-executive directors' remuneration (Note 10)	**431,478**	335,321	**431,478**	335,321
Auditors' remuneration:				
- Statutory audits	**196,300**	188,762	**50,500**	47,700
Property, vessel and equipment:				
- Depreciation (Note 13)	**29,141,162**	31,516,018	**-**	-
- Impairment loss	**39,290,850**	39,439,339	**-**	-
- Loss on disposal	**-**	1,492,525	**-**	-
Investment property				
- Depreciation (Note 15)	**148,400**	-	**-**	-
Right-of-use assets				
- Depreciation (Note 14)	**112,516**	-	**-**	-
Impairment loss on trade receivables	**5,125,200**	-	**-**	-
Net unrealised foreign exchange (gain)/loss	**(2,167,011)**	2,647,216	**(113,685)**	(1,018)
Impairment loss on interest in joint venture (Note 19)	**14,600,200**	4,935,914	**-**	-
Inventories:				
- Impairment loss	**770,697**	806,074	**-**	-
Impairment loss on interest in subsidiaries	**-**	-	**-**	33,744,680

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

10. DIRECTORS' REMUNERATION

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Executive:				
Salaries and other emoluments	**2,331,195**	2,844,089	**-**	-
Defined contribution plan	**185,602**	247,032	**-**	-
Total executive directors' remuneration	**2,516,797**	3,091,121	**-**	-
Non-executive:				
Fees and other	**357,478**	335,321	**357,478**	335,321
Total non-executive directors' remuneration	**357,478**	335,321	**357,478**	335,321
Total directors'	**2,874,275**	3,426,442	**357,478**	335,321

11. INCOME TAX EXPENSE

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Current tax expense				
Current financial year				
- Malaysia	**616,189**	(4,783,161)	**-**	-
- Singapore	**227,357**	-	**-**	-
Under provision in prior years				
- Malaysia	**825,575**	-	**187,110**	-
	1,669,121	(4,783,161)	**187,110**	-
Deferred tax expense				
Relating to origination and reversal of temporary differences	**(1,415,431)**	4,326,304	**-**	-
Over provision in prior years	**(390)**	(15,681)	**-**	-
	(1,415,821)	4,310,623	**-**	-
Total income tax expense	**253,300**	(472,538)	**187,110**	-

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

11. INCOME TAX EXPENSE (CONT'D.)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 24%) of the estimated assessable profit for the year.

The income tax expense is reconciled to the accounting loss at the applicable tax rate as follows:

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Loss before tax	**(119,573,454)**	(80,753,371)	**(2,054,686)**	(35,393,781)
Taxation at Malaysian statutory tax rate of 24% (2019: 24%)	**(28,278,204)**	(19,380,809)	**(493,125)**	(8,494,507)
Effect of tax rates in other tax jurisdiction	**9,167,690**	12,485,655	**-**	-
Effect of share of result of joint ventures and associates	**601,210**	132,882	**-**	-
Expenses non-deductible for tax purposes	**17,126,470**	930,822	**493,125**	8,494,507
Deferred tax assets not recognised	**1,230,374**	5,374,773	**-**	-
Under provision of income tax in prior years	**825,575**	-	**187,110**	-
Over provision of deferred tax in prior years	**(390)**	(15,861)	**-**	-
Income tax expense/(credit) for the year	**253,300**	(472,538)	**187,110**	-

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

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Other deductible temporary differences	**119,719,654**	114,593,096	**-**	-

The unabsorbed capital allowances of the Group are available indefinitely against future taxable profit of the respective entities within the Group subject to no substantial changes in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority. Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profit of other entities in the Group and they have arisen in entities that have a recent history of losses.

Effective from year of assessment 2019 as announced in the Malaysia Annual Budget 2019, the unutilised tax losses of the Group as at 31 December 2020 and thereafter will only be available for carry forward for a period of 7 consecutive years. Upon expiry of the 7 years, the unutilised tax losses will be disregarded.

12. EARNINGS PER SHARE

a) Basic earnings per share

Basic earnings per share amounts are calculated by dividing loss for the year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	2020 RM	2019 RM
Loss attributable to owners of the parent of the Company	**(119,464,986)**	(79,479,150)
Weighted average number of ordinary shares in issue	**1,237,055,567**	944,404,757
Basic loss per share (sen)	**(9.66)**	(8.40)

b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the loss for the year attributable to owners of the parent 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.

	2020 RM	2019 RM
Loss attributable to owners of the parent of the Company	**(119,464,986)**	(79,479,150)
Weighted average number of ordinary shares in issue	**1,237,055,567**	944,404,757
Adjusted weighted average number of ordinary shares in issue and issuable	**1,237,055,567**	944,404,757
	(9.66)	(8.40)

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

13. PROPERTY, VESSELS AND EQUIPMENT

Group	Long term leasehold RM	Leasehold building RM	Vessels RM	Drydocking RM	Diving equipment and equipment on vessels RM	Motor vehicle RM	Computers, office equipment, and furniture and fittings RM	Renovations RM	Asset under construction RM	Total RM
Cost										
At 1 January 2019	-	12,133,167	603,759,549	50,522,322	126,814,877	5,023,917	7,557,279	5,050,232	-	810,861,343
Additions	-	-	3,324,590	5,880,848	-	-	8,115	-	-	9,213,553
Transfer from non-current assets held for sale (Note 26)	12,039,510	-	-	-	-	-	-	-	-	12,039,510
Disposals	-	-	(7,197,162)	-	(495,669)	-	-	-	-	(7,692,831)
At 31 December 2019	**12,039,510**	**12,133,167**	**599,886,977**	**56,403,170**	**126,319,208**	**5,023,917**	**7,565,394**	**5,050,232**	**-**	**824,421,575**
Additions	**-**	**-**	**-**	**9,602,945**	**-**	**6,000**	**60,167**	**-**	**50,724**	**9,719,836**
Transfer to investment property	**-**	**(920,000)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(920,000)**
Exchange differences	**-**	**-**	**-**	**-**	**(993,656)**	**-**	**-**	**-**	**-**	**(993,656)**
At 31 December 2020	**12,039,510**	**11,213,167**	**599,886,977**	**66,006,115**	**125,325,552**	**5,029,917**	**7,625,561**	**5,050,232**	**50,724**	**832,227,755**

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

13. PROPERTY, VESSELS AND EQUIPMENT (CONT'D.)

Group	Long term leasehold RM	Leasehold building RM	Vessels RM	Drydocking RM	Diving equipment and equipment on vessels RM	Motor vehicle RM	Computers, office equipment, and furniture and fittings RM	Renovations RM	Asset under construction RM	Total RM
Accumulated depreciation										
At 1 January 2019	-	3,175,811	320,272,169	42,797,793	94,871,074	4,406,216	6,860,588	4,072,948	-	476,456,599
Charge for the year	20,269	102,304	19,559,910	2,372,299	8,168,440	428,512	636,054	228,229	-	31,516,017
Transfer from non-current assets held for sale (Note 26)	1,061,245	-	-	-	-	-	-	-	-	1,061,245
Disposals	-	-	(4,662,500)	-	(127,472)	-	-	-	-	(4,789,972)
Impairment	-	-	39,439,339	-	-	-	-	-	-	39,439,339
Exchange differences	-	-	-	(47,344)	(357,058)	-	-	-	-	(427,092)
At 31 December 2019	**1,081,514**	**3,278,115**	**374,582,305**	**45,122,748**	**102,558,908**	**4,834,728**	**7,496,642**	**4,301,177**	**-**	**543,256,137**
Charge for the year	**121,611**	**644,924**	**20,144,542**	**3,485,788**	**4,342,585**	**56,086**	**231,292**	**212,010**	**50,724**	**29,289,563**
Impairment	**-**	**776,216**	**35,269,159**	**-**	**3,245,475**	**-**	**-**	**-**	**-**	**39,290,850**
Transfer to investment property	**-**	**(148,400)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(148,400)**
Exchange differences	**-**	**-**	**-**	**-**	**102,373**	**-**	**(102,373)**	**-**	**-**	
At 31 December 2020	**1,203,125**	**4,550,855**	**429,996,006**	**48,608,536**	**110,249,341**	**4,890,813**	**7,625,561**	**4,513,187**	**50,724**	**611,688,149**
Net book value										
At 1 January 2019	-	8,957,356	283,487,380	7,724,529	31,943,803	617,701	696,691	977,284	-	334,404,744
At 31 December 2019	10,957,996	8,855,052	225,304,672	11,280,422	23,760,301	189,189	68,752	749,055	-	281,165,438
At 31 December 2020	**10,836,385**	**6,662,312**	**169,890,971**	**17,397,579**	**15,076,212**	**139,104**	**-**	**537,045**	**-**	**220,539,606**

NOTES TO THE FINANCIAL STATEMENTS
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13. PROPERTY, VESSELS AND EQUIPMENT (CONT'D.)

The carrying amounts of the property, plant and equipment under finance lease of the Group and the Company are as follows:

	Group	
	2020 RM	**2019 RM**
Motor vehicles	**139,104**	189,189

Details of the terms and conditions of the hire purchase and finance lease arrangements are disclosed in Note 30.

The Group has pledged the following property, vessels and equipment to licensed banks to secure banking facilities granted to the Group as disclosed in Note 30 and the carrying amounts of the said assets are as follows:

	Group	
	2020 RM	**2019 RM**
Leasehold buildings	**6,662,312**	8,855,052
Vessels	**169,890,971**	225,304,671

The Group has performed a review of the recoverable amount of the Group's vessels. Impairment assessment review for each vessels were performed as those assets are able to generate its own identifiable cash inflows. The review led to the recognition of impairment losses of the Group's vessels amounting to RM39,290,850 (2019: RM39,439,339). The impairment recognised in the current financial year was based on the recoverable amount of approximately RM189,664,962 (2019: RM255,519,058). The recoverable amount of the vessels were based on the higher of the assets' fair value less costs to sell and its value in use.

Value in use ("VIU") calculations

Estimating the VIU of the vessels involves estimates made by the directors relating to the future cash inflows and outflows that will be derived from the vessels, and discounting them at an appropriate rate.

VIU was determined by discounting the future cash flows expected to be generated from the continuing use of the vessels and ROV. The following describes each key assumption used:

(i) Revenue

Revenue are estimated based on existing order book and anticipated contracts, which affect the vessels' utilisation rate and daily charter rate.

(ii) Budgeted gross margins

Gross margins are estimated based on forecast margins for order book, management's expectation and past experience

(iii) Discount rate

The discount rate reflects specific risk relating to the assets. The discount rate average used is 6% (2019: 10%).

13. PROPERTY, VESSELS AND EQUIPMENT (CONT'D.)

Valuation judgement by an independent professional valuer

External valuer were engaged to issue valuation reports on 9 group of vessels, which was classified based on similar specification and characteristics. Further assessment performed to estimate the fair value of each vessel in reference to the valuation reports, taking into consideration of significant factors (amongst others vessels' classification, age, year built and engine capacity).

The valuations were carried out by an independent professional valuer, Maphilindo-Insight Sdn. Bhd.

The valuation judgement by the independent professional valuer was derived using the following assumptions:

(i) The type, size, main and auxiliary machinery fitted on board and other specification of the vessels.

(ii) The age of the vessels and its future economic life expectancy.

(iii) The condition of the vessels' hull, machinery and equipment are consistent with its age as noted with the normal wear and tear.

(iv) The current supply and demand for vessels of this type and size in the sales and purchase market.

Sensitivity to changes in assumptions

The sensitivity tests indicated that with a decrease in the vessels' utilisation rate or daily charter rate by 10%, the recoverable amount will be varied by approximately 7%.

14. RIGHT-OF-USE ASSETS

The Group has lease contracts for office buildings with contract terms of 1 to 3 years and the lease contracts do not contain variable lease payments.

Set out below are the carrying amount of right-of-use assets recognised and the movements during the period:

	Group	
	2020	**2019**
As at 1 January	**-**	-
Addition during the year	**341,181**	-
Depreciation	**(112,516)**	-
As at 31 December	**228,665**	-

NOTES TO THE FINANCIAL STATEMENTS
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14. RIGHT-OF-USE ASSETS (CONT'D.)

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group	
	2020	**2019**
As at January		
Addition during the year	**299,656**	-
Accretion of interest	**12,626**	-
Payments	**(81,590)**	-
As at 31 December	**230,692**	-
Current	**30,259**	-
Non-current	**200,433**	-
	230,692	-

The maturity analysis of lease liabilities are disclosed in Note 35.

The following are the amounts recognised in profit or loss:

	Group	
	2020	**2019**
Depreciation expense of right-of-use assets	**112,516**	-
Interest expense on lease liabilities	**12,626**	-
Total amount recognised in statement of comprehensive income	**125,142**	-

NOTES TO THE FINANCIAL STATEMENTS
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15. INVESTMENT PROPERTY

	Group	
	2020 RM	**2019 RM**
Cost		
At 1 January	**-**	-
Transfer from property, vessels and equipments	**920,000**	-
At 31 December	**920,000**	-
Accumulated depreciation		
At 1 January	**-**	-
Transfer from property, vessels and equipments	**135,067**	-
Charge for the year	**13,333**	
At 31 December	**148,400**	-
Net book value		
At 31 December	**771,600**	-

NOTES TO THE FINANCIAL STATEMENTS
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16. INTANGIBLE ASSETS

Group	Goodwill on consolidation RM	Deferred development costs RM	Total RM
Cost			
At 1 January 2019	1,738,224	912,275	2,650,499
Exchange differences	7,592	3,985	11,577
At 31 December 2019	1,745,816	916,260	2,662,076
At 1 January 2020/ 31 December 2020	**1,745,816**	**916,260**	**2,662,076**
Accumulated amortisation and impairment			
At 1 January 2019	1,738,224	912,275	2,650,499
Exchange differences	7,592	3,985	11,577
At 31 December 2019	1,745,816	916,260	2,662,076
At 1 January 2020/ 31 December 2020	**1,745,816**	**916,260**	**2,662,076**
Net book value			
At 31 December 2019/At 31 December 2020	**-**	**-**	**-**

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

Allocation of goodwill

The carrying amount of goodwill is allocated to the Group's cash-generating unit ("CGU") that the goodwill relates to, which is the sub-sea service business.

17. INVESTMENT IN SUBSIDIARIES

	Company	
	2020 RM	2019 RM
Unquoted shares, at cost	**100,303,120**	100,303,120
Less: Accumulated impairment losses	**(33,744,680)**	(33,744,680)
	66,558,440	66,558,440

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

17. INVESTMENT IN SUBSIDIARIES (CONT'D.)

The subsidiaries, which were incorporated in Malaysia, are as follows:

	Name of subsidiaries	Country of Incorporation	Principal activities	Group's effective 2020 %	Group's effective 2019 %
(i)	**Held by the Company:**				
	Alam Maritim (M) Sdn. Bhd. ("AMSB")	Malaysia	Ship owning, chartering and managing and other shipping related activities	**100**	100
	Alam Maritim (L) Inc. ("AMLI")	Federal Territory of Labuan, Malaysia	Investment holding and ship owning	**100**	100
	Alam Maritim Investment Holdings (L) Inc. ("AMIH")^	Federal Territory of Labuan, Malaysia	Investment holding and ship owning	**100**	100
	Alam JV Holding (L) Inc. ("ALAM JV") **	Federal Territory of Labuan, Malaysia	Investment holding and ship owning	**100**	100
	Alam Maritim Global I Ltd. ("AMG") **	British Virgin Islands	Investment holding	**10 0**	100
(ii)	**Held through AMSB:**				
	Alam Hidro (M) Sdn Bhd. ("AHSB")	Malaysia	Offshore facilities construction and installation and sub-sea services	**100**	100
	International Gateway Services Sdn Bhd (formerly known as Alam Offshore Services & Logistics Sdn Bhd) ("IGS")**	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 service	**100**	100
	Alam Maritim Properties (M) Sdn. Bhd. ("AMP")	Malaysia	Property owner and management	**100**	100

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

17. INVESTMENT IN SUBSIDIARIES (CONT'D.)

The subsidiaries, which were incorporated in Malaysia, are as follows: (cont'd.)

	Name of subsidiaries	Country of Incorporation	Principal activities	Group's effective 2020 %	Group's effective 2019 %
(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 Al Jafree Salihin Kuzaimi PLT

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.

18. INVESTMENTS IN ASSOCIATES

	Group 2020 RM	Group 2019 RM
Unquoted shares, at cost	**61,699,516**	61,699,516
Less: Impairment loss	**(61,699,516)**	(61,699,516)
	-	-

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

18. INVESTMENTS IN ASSOCIATES (CONT'D.)

(i) Summarised consolidated statements of financial position

	TH-Alam Holdings (L) Inc.	
	2020 RM	2019 RM
Assets and liabilities		
Non-current assets	**171,175,399**	203,655,648
Current assets	**16,725,881**	29,621,016
Total assets	**187,901,280**	233,276,664
Non-current liabilities	**124,066,812**	189,280,210
Current liabilities	**81,975,487**	33,093,691
Total liabilities	**206,042,299**	222,373,901
Net (liabilities)/assets	**(18,141,019)**	10,902,763

(ii) Summarised consolidated statements of comprehensive income

	TH-Alam Holdings (L) Inc.	
	2020 RM	2019 RM
Revenue for the year	**37,148,217**	32,611,867
Depreciation of property, vessel and equipment	**(32,920,595)**	(30,151,193)
Impairment on property, vessel and equipment	**(20,976,338)**	(10,336,312)
Interest income	**67,781**	79,929
Interest expense	**(7,367,579)**	(9,944,453)
Loss for the year, representing total comprehensive income	**(29,043,782)**	(18,734,340)

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

	TH-Alam Holdings (L) Inc.	
	2020 RM	2019 RM
Net assets as at 31 December	**(18,141,019)**	10,902,763
Loss for the year, representing total comprehensive income	**(29,043,782)**	(18,734,340)
Investment in associates	**49%**	49%
Carrying value of Group's investment in associates	**(8,889,099)**	5,342,354
Group's share of results of associates	**(14,231,453)**	(9,179,827)

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18. INVESTMENTS IN ASSOCIATES (CONT'D.)

Details of the associates are as follows:

	Name of associates	Country of Incorporation	Principal activities	Group's effective 2020	Group's effective 2019
(i)	**Held through AMLI:**				
	TH-Alam Holdings (L) Inc. ("THAH") ••	Federal Territory of Labuan, Malaysia	Investment holding	**49**	49
	TH-Alam Holdings (L) Inc. ("THAH") **	Federal Territory of Labuan, Malaysia	Investment holding	**49**	49
(ii)	**Held through THAH:**				
	Alam-JV DP1 (L) Inc. ("AJVDP1") **	Federal Territory of Labuan, Malaysia	Ship owning	**49**	49
	Alam-JV DP2 (L) Inc. ("AJVDP2") **	Federal Territory of Labuan, Malaysia	Ship owning	**49**	49

** Audited by firms other than Al Jafree Salihin Kuzaimi PLT

19. INTEREST 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.

	Group 2020 RM	Group 2019 RM
Unquoted shares, at cost	**93,134,378**	93,134,378
Share of post-acquisition reserves	**1,618,980**	1,618,980
	94,753,358	94,753,358
Redeemable preference shares	**6,000,000**	6,000,000
Less: Impairment loss	**(59,554,619)**	(44,954,419)
	41,198,739	55,798,939

NOTES TO THE FINANCIAL STATEMENTS
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19. INTEREST 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 financial statements of the joint ventures and not the Group's share of those amounts.

(i) Summarised statements of financial position

	ALAM-PE (H) Group RM	ARLI RM
2020		
Assets and liabilities		
Non-current assets	**90,980,065**	**74,838,121**
Cash and cash equivalent	**1,046,467**	**133,470**
Other current assets	**20,624,858**	**14,249,887**
Total assets	**112,651,390**	**89,221,478**
Trade and other payables	**15,638,814**	**25,945,797**
Other current liabilities	**48,844**	**112,636,063**
Total liabilities	**15,687,658**	**138,581,860**
Net assets/(liabilities)	**96,963,732**	**(49,360,382)**
2019		
Assets and liabilities		
Non-current assets	103,934,848	85,884,525
Cash and cash equivalent	1,500,729	164,897
Other current assets	32,433,212	35,197,301
Total assets	137,868,789	121,246,723
Trade and other payables	7,889,809	20,540,385
Other current liabilities	100,000	118,737,103
Total liabilities	7,989,809	139,277,488
Net assets	129,878,980	(18,030,765)

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19. INTEREST IN JOINT VENTURES (CONT'D.)

(ii) Summarised statements of comprehensive income

	ALAM-PE (H) Group RM	ARLI RM
2020		
Revenue	**2,622,254**	**2,768,965**
Depreciation of property, vessels and equipment	**(10,997,268)**	**(8,828,512)**
Impairment on property, vessels and equipment	**(9,875,519)**	**2,217,893**
Loss before tax	**(32,962,860)**	**(13,831,378)**
Income tax expense	**(1,417)**	**-**
Total comprehensive loss for the financial year	**(32,964,277)**	**(13,831,378)**
2019		
Revenue	14,698,237	10,678,244
Depreciation of property, vessels and equipment	(11,066,255)	(8,745,666)
Impairment on property, vessels and equipment	(44,115,273)	(24,385,756)
Interest expense	-	(3,923,485)
Loss before tax	(45,145,021)	(35,042,728)
Income tax expense	(46,719)	-
Total comprehensive loss for the financial year	(45,191,740)	(35,042,728)

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

	ALAM-PE (H) Group RM	ARLI RM
2020		
Net assets as at 31 December	**96,963,732**	**(49,360,382)**
Total comprehensive loss for the financial year	**(32,964,277)**	**(13,831,378)**
Interest in joint venture	**51%**	**51%**
Carrying value of Group's interest in joint ventures	**49,451,503**	**(25,173,795)**
Group's share of joint ventures	**(16,811,781)**	**(7,054,003)**
2019		
Net assets as at 31 December	129,878,980	6,354,991
Total comprehensive loss for the financial year	(45,191,740)	(35,042,728)
Interest in joint venture	51%	51%
Carrying value of Group's interest in joint ventures	66,238,280	3,241,045
Group's share of joint ventures	(23,047,787)	(17,871,791)

NOTES TO THE FINANCIAL STATEMENTS
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19. INTEREST IN JOINT VENTURES (CONT'D.)

Details of the joint ventures are as follows:

	Name of joint ventures	Country of Incorporation	Principal activities	Group's effective 2020 %	Group's effective 2019 %
(i)	**Held by the AMSB:**				
	Alam Eksplorasi (M) Sdn. Bhd. ("AESB") **	Malaysia	Ship owning, operating and chartering	**60**	60
	Alam Synergy I (L) Inc. ("AS I")**	Federal Territory of Labuan, Malaysia	Ship owning, operating and chartering	**60**	60
	Alam Synergy II (L) Inc. ("AS II")**	Federal Territory of Labuan, Malaysia	Ship owning, operating and chartering	**60**	60
	Alam Synergy III (L) Inc. ("AS III")**	Federal Territory of Labuan, Malaysia	Ship owning, operating and chartering	**60**	60
	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 owning, ship management, ship operation, maintenance and consultancy	**60**	60
	Alam Brampton (L) Inc. ("ABLI") **	Federal Territory of Labuan, Malaysia	Ship owning, ship management, ship operation, maintenance and consultancy	**51**	51
	Alam Fast Boats (L) Inc. ("AFBLI") **	Federal Territory of Labuan, Malaysia	Ship owning, operating and chartering	**60**	60

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For the Financial Year Ended 31 December 2020

19. INTEREST IN JOINT VENTURES (CONT'D.)]

Details of the joint ventures are as follows: (cont'd.)

	Name of joint ventures	Country of Incorporation	Principal activities	Group's effective 2020 %	Group's effective 2019 %
(ii)	**Held through AMLI: (cont'd.)**				
	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 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 owning, ship management, ship operation, maintenance and marine consultancy	**51**	51
	Globe Alam Marine Offshore Services Co. ("Globe Alam") **	Saudi Arabia	Offshore facilities construction and installation services	**40**	40
(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**	51
	Alam-PE II (L) Inc. ("ALAM-PE II") **	Federal Territory of Labuan, Malaysia	Ship owning, operating and chartering	**51**	51
	Alam-PE III (L) Inc. ("ALAM-PE III") **	Federal Territory of Labuan, Malaysia	Ship owning, operating and chartering	**51**	51
	Alam-PE IV (L) Inc. ("ALAM-PE IV") **	Federal Territory of Labuan, Malaysia	Ship owning, operating and chartering	**51**	51

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

19. INTEREST IN JOINT VENTURES (CONT'D.)

Details of the joint ventures are as follows: (cont'd.)

	Name of joint ventures	Country of Incorporation	Principal activities	Group's effective 2020 %	Group's effective 2019 %
(iii)	**Held through ALAM-PE(H): (Cont'd)**				
	Alam-PE V (L) Inc. ("ALAM-PE V") **	Federal Territory of Labuan, Malaysia	Ship owning, operating and chartering	**51**	51
	Alam-PE Holdings Sdn. Bhd. ("ALAM-PE(H)SB") **	Malaysia	Ship management	**51**	51
(iv)	**Held through AMIH:**				
	Deepsea Leader Venture (L) Inc. ("DLV") **	Federal Territory of Labuan, Malaysia	Ship owning, ship management, ship operation, maintenance and marine consultancy	**51**	51
(v)	**Held through DLV:**				
	MDSV 1 (L) Inc. ("MDSV") **	Federal Territory of Labuan, Malaysia	Ship owning, operating and chartering	**51**	51
	OLV Offshore Services (M) Sdn. Bhd. ("OLV") **	Malaysia	Ship owning, ship management, ship operation, maintenance and marine consultancy	**51**	51
(vi)	**Held through Alam JV:**				
	Wide Global (L) Inc. ("WG") **	Federal Territory of Labuan, Malaysia	Investment holding and ship owning	**50**	50
(vii)	**Held through AHSB:**				
	Subsea Worldwide Solutions Sdn. Bhd. ("SWS") **	Malaysia	Providing offshore under water and subsea services	**50**	50

** Audited by firms other than Al Jafree Salihin Kuzaimi PLT

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

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20. DEFERRED TAXATION

	Group	
	2020 RM	**2019 RM**
At 1 January	**5,210,731**	5,530,733
Recognised in profit or loss (Note 11)	**(1,415,821)**	4,310,623
Exchange differences	**727,525**	(4,630,625)
At 31 December	**4,522,435**	5,210,731
Presented after appropriate offsetting as follows:		
Deferred tax assets	**-**	(9,785,947)
Deferred tax liabilities	**4,522,435**	14,996,678
	4,522,435	5,210,731

The components and movement 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 allowances RM
At 1 January 2020	**14,996,678**
Recognised in profit or loss	**(11,201,768)**
Exchange differences	**727,525**
At 31 December 2020	**4,522,435**
At 1 January 2019	11,068,345
Recognised in profit or loss	8,558,958
Exchange differences	(4,630,625)
At 31 December 2019	14,996,678

20. DEFERRED TAXATION (CONT'D.)

Deferred tax assets of the Group:

	Unabsorbed capital allowances RM
At 1 January 2020	**(9,785,947)**
Recognised in profit or loss	**9,785,947**
At 31 December 2020	**-**
At 1 January 2019	(5,537,612)
Recognised in profit or loss	(4,248,335)
At 31 December 2019	(9,785,947)

21. INVENTORIES

	Group	
	2020 RM	2019 RM
At cost:		
Raw materials	**1,248,356**	1,248,356
Spare parts	**328,415**	328,415
Less: Impairment losses	**(1,576,771)**	(806,074)
	-	770,697

22. CONTRACT ASSET

	Group	
	2020 RM	2019 RM
Current		
Contract assets		
Construction contracts	**6,385,531**	28,945,359

The contract assets primarily relate to the Group's rights to consideration for work performed but not yet billed at the reporting date for its construction activities. The contract assets will be transferred to trade receivables when the rights become unconditional.

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23. TRADE RECEIVABLES

	Group	
	2020 RM	**2019 RM**
Third parties	**116,691,501**	146,780,105
Accrued charter hire income	**13,241,956**	38,162,682
	129,933,457	184,942,787
Less: Allowance for expected credit losses	**(93,602,094)**	(88,476,894)
Trade receivables, net	**36,331,363**	96,465,893

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2019: 30 to 90 days) 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 40.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2020 RM	**2019 RM**
Neither past due nor impaired	**1,613,740**	14,505,993
1 to 30 days past due not impaired	**11,343,847**	10,356,153
31 to 60 days past due not impaired	**572,767**	11,542,114
61 to 90 days past due not impaired	**2,404,123**	10,564,798
91 to 120 days past due not impaired	**-**	11,395,649
More than 121 days past due not impaired	**20,396,886**	38,101,186
	34,717,623	81,959,900
Impaired	**93,602,094**	88,476,894
	129,933,457	184,942,787

Trade receivables that are neither past due nor impaired

As at 31 December 2020, the Group has trade receivables amounting to RM1,613,740 (2019: RM14,505,993) that were 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.

23. TRADE RECEIVABLES (CONT'D.)

Trade receivables that are past due but not impaired

As at 31 December 2020, the Group has trade receivables amounting to RM34,717,624 (2019: RM81,959,900) that are past due at the reporting date but not impaired.

At the reporting date, 36% (2019: 65%) 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.

Trade receivables that are impaired

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to those debtors that exhibit significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

The reconciliation of movement in the impairment loss of trade receivables is as follows:

	Group	
	2020 RM	**2019 RM**
At 1 January	**88,476,894**	88,476,894
Charge for the year (Note 9)	**5,125,200**	-
At 31 December	**93,602,094**	88,476,894

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.

24. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Amount due from related parties:				
- Joint ventures	**164,619,797**	130,776,253	**4,931,823**	4,936,168
- Associates	**5,019,391**	47,321	**37,179**	45,870
	169,639,188	130,823,574	**4,969,002**	4,982,038
Less: Impairment loss	**(61,043,414)**	(61,043,414)	**-**	-
	108,595,774	69,780,160	**4,969,002**	4,982,038
Deposits	**190,747**	231,049	**-**	-
Prepayments	**3,078,395**	13,901,654	**-**	-
Sundry receivables	**1,883,862**	17,975,347	**421,415**	297,470
Total other receivables	**113,748,778**	101,888,210	**5,390,417**	5,279,508

Amount due from related parties are unsecured, non-interest bearing and repayable on demand.

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24. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D.)

The reconciliation movement in the impairment loss of other receivables is as follows:

	Group	
	2020 RM	**2019 RM**
At 1 January/At 31 December	**61,043,414**	61,043,414

Other information of financial risks of other receivables are disclosed in Note 40.

25. CASH AND BANK BALANCES

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Cash on hand and at bank	**27,807,628**	24,399,417	**13,836,746**	3,093,054
Deposits with licensed bank (a)	**26,434,735**	47,154,596	**-**	26,702,863
Cash and bank balances	**54,242,363**	71,554,013	**13,836,746**	29,795,917
Less: Bank overdrafts (Note 30)	**(2,401,552)**	(3,232,912)	**-**	-
Amount set aside as sinking fund (b)	**(11,577,212)**	(38,279,046)	**-**	(26,702,863)
Amount set aside as margin deposits for bank guarantee facilities (c)	**(14,857,523)**	(8,014,663)	**-**	-
Total cash and cash equivalents	**25,406,076**	22,027,392	**13,836,746**	3,093,054

(a) The weighted average effective interest rate per annum and the remaining maturity of deposits of the Group as at 31 December 2020 are 2.4% (2019: 2.4%) and 36 days (2019: 36 days) respectively.

(b) Amounts set aside as sinking fund are pledged to secure the borrowings as disclosed in Note 30.

(c) Guarantee to third parties for the performance obligations by the subsidiaries. No liability is expected to arise.

Other information on financial risks of cash and bank balances are disclosed in Note 40.

The currency exposure profile of cash and bank balances as at end of the reporting period is as follows:

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Ringgit Malaysia	**53,510,937**	70,558,068	**13,836,746**	29,795,917
United State Dollar	**126,000**	1,722	**-**	-
Singapore Dollar	**605,426**	994,223	**-**	-
	54,242,363	71,554,013	**13,836,746**	29,795,917

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

26. NON-CURRENT ASSET HELD FOR SALE

	Group	
	2020 RM	2019 RM
At 1 January	-	10,978,265
Transfer to property, vessels and equipment:		
Cost (Note 13)	-	(12,039,510)
Accumulated depreciation (Note 13)	-	1,061,245
At 31 December	-	-

27. SHARE CAPITAL

	Number of share of ordinary shares		
	Amount		
	Share capital (issued and fully paid) Units	Share capital (issued and fully paid) RM	Total RM
At 1 January 2020	**1,035,019,974**	**406,265,386**	**406,265,386**
Addition	**333,862,432**	**26,715,960**	**26,715,960**
At 31 December 2020	**1,368,882,406**	**432,981,346**	**432,981,346**
	865,962,692		
At 1 January 2019	924,460,921	396,314,966	396,314,966
Addition	110,559,053	9,950,420	9,950,420
At 31 December 2019	1,035,019,974	406,265,386	406,265,386

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary share carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

28. OTHER RESERVES

Group	Premium paid of non-controlling interest RM	Foreign currency translation reserve RM	Employee share option option reserve RM	Total RM
At 1 January 2020	**(4,639,834)**	**2,109,669**	**-**	**(2,530,165)**
Foreign currency	**-**	**53,508**	**-**	**53,508**
Options granted during the year	**-**	**-**	**165,616**	**165,616**
At 31 December 2020	**(4,639,834)**	**2,163,177**	**165,616**	**(2,311,041)**

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

28. OTHER RESERVES (CONT'D.)

Group	Premium paid on acquisition of non-controlling interest RM	Foreign currency translation reserve RM	Employee share option option reserve RM	Total RM
At 1 January 2019	(4,639,834)	3,186,453	2,108,236	654,855
Foreign currency	-	(1,076,784)	-	(1,076,784)
Expiry of employees share options	-	-	(2,108,236)	(2,108,236)
At 31 December 2019	(4,639,834)	2,109,669	-	(2,530,165)

Company	Employee share option option reserve RM	Total RM
At 1 January 2020	**-**	**-**
Options granted during the year	**165,616**	**165,616**
At 31 December 2020	**165,616**	**165,616**
At 1 January 2019	2,108,236	2,108,236
Expiry of employees share options	(2,108,236)	(2,108,236)
At 31 December 2019	-	-

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 36. 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.

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For the Financial Year Ended 31 December 2020

29. RETAINED EARNINGS

During the financial year, the Company is under single-tier tax system, tax on the Company's chargeable income is a final tax and any dividend distributed will be exempted from tax in the hands of shareholders.

30. BORROWINGS

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Short term borrowings				
Secured:				
Bank overdrafts (Note 25)	**2,401,552**	3,232,912	**-**	-
Term loans	**8,985,590**	2,225,779	**-**	-
Sukuk Ijarah MTN	**55,818,377**	9,000,000	**55,818,377**	9,000,000
Hire purchase and finance lease liabilities (Note 31)	**302,975**	517,131	**-**	-
	67,508,494	14,975,822	**55,818,377**	9,000,000
Unsecured:				
Revolving credits	**33,934,345**	32,590,959	**-**	-
	101,442,839	47,566,781	**55,818,377**	9,000,000
Long term borrowings				
Secured:				
Term loans	**3,555,838**	9,971,390	**-**	-
Sukuk Ijarah MTN	**-**	65,000,000	**-**	65,000,000
Hire purchase and finance lease liabilities (Note 31)	**155,154**	345,861	**-**	-
	3,710,992	75,317,251	**-**	65,000,000
Total borrowings				
Bank overdrafts (Note 25)	**2,401,552**	3,232,912	**-**	-
Revolving credits	**33,934,345**	32,590,959	**-**	-
Term loans	**12,541,428**	12,197,169	**-**	-
Sukuk Ijarah MTN	**55,818,377**	74,000,000	**55,818,377**	74,000,000
Hire purchase and finance lease liabilities (Note 31)	**458,129**	862,992	**-**	-
	105,153,831	122,884,032	**55,818,377**	74,000,000

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

30. BORROWINGS (CONT'D.)

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

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Not later than 1 year	**101,139,864**	47,049,650	**55,818,377**	9,000,000
Later than 1 year not later than 2 years	**801,065**	17,044,845	**-**	14,400,000
Later than 2 years not later than 5 years	**2,754,773**	57,926,545	**-**	50,600,000
Later than 5 years	**-**	-	**-**	-
	104,695,702	122,021,040	**55,818,377**	74,000,000

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		Company	
	2020 %	2019 %	2020 %	2019 %
Bank overdrafts	**6.60**	6.60	**-**	-
Term loans	**4.92**	5.00	**-**	-
Sukuk Ijarah MTN	**5.63**	5.00	**5.00**	5.00
Revolving credits	**2.24**	3.80	**-**	-

(a) Bank overdraft:

The secured bank overdrafts of the Group are secured by deposits with licensed banks of the Group as disclosed in Note 25.

(b) Term loan

(i) First legal charge over the leasehold building, vessels and investment properties 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.

30. BORROWINGS (CONT'D.)

(c) Sukuk Ijarah MTN Facility

The Sukuk Ijarah MTN are secured by:

(i) a first legal charge over the designated accounts as defined in the Trust Deed;
(ii) third party second fixed legal charge over each of the Sukuk Ijarah MTN assets and assignment of all insurance thereon and charter contracts; and
(ii) sinking fund as disclosed in Note 25.

(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 as disclosed in Note 25.

31. HIRE PURCHASE AND FINANCE LEASE LIABILITIES

	Group	
	2020 RM	**2019 RM**
Future minimum lease payments:		
Not later than 1 year	**310,769**	565,321
Later than 1 year and not later than 2 years	**162,949**	234,876
Later than 2 year and not later than 5 years	**-**	123,508
Total future minimum lease payments	**473,718**	923,705
Less: Future finance charge	**(15,589)**	(60,713)
Present value of finance lease liabilities (Note 30)	**458,129**	862,992

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

31. HIRE PURCHASE AND FINANCE LEASE LIABILITIES (CONT'D.)

	Group	
	2020 RM	**2019 RM**
Analysis of present value:		
Not later than 1 year	**302,975**	517,131
Later than 1 year and not later than 2 years	**155,154**	224,823
Later than 2 year and not later than 5 years	**-**	121,038
	458,129	862,992
Less: Amount due within 12 months (Note 30)	**(302,975)**	(517,131)
Amount due after 12 months (Note 30)	**155,154**	345,861

The Group's hire purchase and finance lease liabilities bear flat interest rates of 2.77% (2019: 2.77%) per annum.

Other information on financial risks of hire purchase and finance lease liabilities is disclosed in Note 41.

32. AMOUNT DUE FROM SUBSIDIARIES

Amount due from subsidiaries are non-trade in nature, unsecured and repayable on demand except for an amount of RM55,726,125 (2019: RM74,000,000) which bears interest rate between 5.2% per annum and 5.6% per annum (2019: between 5.2% per annum and 5.6% per annum).

Included in amount due from subsidiaries are an amount related to financial guarantee given by the Company to its subsidiaries for banking facilities amounting to RM10,000,000.

Further details on related party transactions are disclosed in Note 38.

33. TRADE PAYABLES

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Third parties	**92,484,617**	117,225,520	**-**	-

Trade payables of the Group are non-interest bearing and the normal trade credit terms granted to the Group ranges from 30 to 90 days (2019: 30 to 60 days).

Other information on financial risks of trade payables is disclosed in Note 40.

34. OTHER PAYABLES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Current:				
Amounts due to related parties:				
- Joint ventures	**16,469,779**	38,973,223	**-**	58,127,834
- Associates	**2,955,178**	3,782,072	**-**	-
	19,424,957	42,755,295	**-**	58,127,834
Financial guarantee	**-**	-	**-**	3,600,000
Accrued expenses	**16,840,713**	21,149,629	**3,401,597**	5,949,098
Sundry payables	**661,775**	1,151,843	**10,596,302**	307,060
	36,927,445	65,056,767	**13,997,899**	67,983,992

Amounts due to related parties are unsecured, non-interest bearing and repayable on demand.

Financial guarantee is a guarantee given by the Company to its subsidiaries for banking facilities .

Other information on financial risks of other payables is disclosed in Note 40.

35. LEASE LIABILITIES

	Group	
	2020 RM	2019 RM
Current:		
Obligation under right-of-use asset	**30,259**	-
Non-current:		
Obligation under right-of-use asset	**200,433**	-

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

35. LEASE LIABILITIES (CONT'D.)

The remaining maturities of lease liabilities as at 31 December are as follows:

	Group	
	2020 RM	**2019 RM**
Maturity of lease liabilities :		
Within one year	**30,259**	-
More than 1 year and less than 2 years	**122,118**	-
More than 2 years and less than 5 years	**78,315**	-
	230,692	-

36. EMPLOYEE SHARE OPTIONS SCHEME ("ESOS")

Company has implemented the New ESOS with effect from 2 April 2019 ("Effective Date of New ESOS"), being the date on which the Company is in full compliance with Paragraph 6.43(1) of the Main Market Listing Requirements of Bursa Securities.

Pursuant to the above, the Existing ESOS shall be terminated on 2 April 2019 ("Termination Date of Existing ESOS") and replaced by the New ESOS. As at the Termination Date of the Existing ESOS, the Company has a total of 80,549,000 Outstanding Options, including 36,247,050 Exercisable ESOS Options, all of which shall no longer be exercised into new AMRB Shares.

The maximum number of new AMRB Shares which may be issued and allotted pursuant to the exercise of the New ESOS Options shall not in aggregate exceed 15.0% of the total number of issued shares of the Company (excluding treasury shares) at any point of time during the duration of the New ESOS.

Subject to any adjustments which may be made under the New ESOS By-Laws, the aggregate number of new AMRB Shares that may be offered and allotted to an Eligible Person shall be at the sole and absolute discretion of the ESOS Committee after taking into consideration, amongst other factors, the job grading, length of service, performance appraisal and past and future contributions of the Eligible Person and such other factors that the ESOS Committee may deem relevant subject to the following:

- that the executive directors, non-executive directors and senior management do not participate in the deliberation or discussion of their own allocation;
- not more than ten per cent (10.0%) of the new AMRB Shares available under the Proposed New ESOS shall be allocated to any Eligible Person who, either singly or collectively through Person Connected with the Eligible Person, holds 20.0% or more in the issued share capital of the Company; and
- the AMRB Shares available under the ESOS allocated for the executive directors, non- executive directors and senior management personnel of the Company collectively shall not exceed 50.0% of the total new AMRB Shares available under the Proposed New ESOS.

36. EMPLOYEE SHARE OPTIONS SCHEME ("ESOS") (CONT'D.)

Subject to any adjustments made under these New ESOS By-Laws and pursuant to the Listing Requirements, the Subscription Price shall be determined by the ESOS Committee and shall be based on the five(5)-day VWAMP of AMRB Shares immediately preceding the date of offer, with a discount, if any, provided always that such discount is not more than ten per cent (10.0%), if deemed appropriate, or such other percentage of discount as may be permitted by any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time during the option period. The Subscription Price as determined by the ESOS Committee shall be conclusive and binding on the grantee.

The Proposed New ESOS, when implemented, shall be in force for a period of five (5) years from the effective date of implementation of the Proposed New ESOS. The Company may, if the Board deems fit and upon the recommendation of the ESOS Committee, extend the New ESOS for a period of up to a maximum of five (5) years, commencing from the day after the date of expiration of the original five (5) years period .

The ESOS Committee may terminate the ESOS at any time before the Date of Expiry without obtaining the approvals from the Grantees who have yet to exercise their Options or the Company's shareholders provided that the Company releases an announcement to Bursa Securities on the following:

- the effective date of termination ("Termination Date")
- the number of Options exercised or shares vested; and
- the reasons and justification for termination.

	Group/Company Number of Shares	
	2019	**2018**
Options granted during the year	**33,123,223**	22,082,149
Outstanding as at 1 January	**22,082,149**	36,247,050
Expired	**-**	(36,247,050)
Options eligible to exercise during the year	**33,123,223**	22,082,149
Outstanding as at 31 December	**55,205,372**	22,082,149

37. FINANCIAL GUARANTEE CONTRACTS

At the reporting date, the Company has extended its corporate guarantees given to bank facilities granted to various subsidiaries to RM92,500,000 (2019: RM92,500,000) and USD1,900,000 (2019: USD1,900,000).

The Group also has provided a corporate guarantee on proportionate basis for the credit facilities amounting to USD69,600,000 (2019: USD 69,600,000) to its joint ventures.

NOTES TO THE FINANCIAL STATEMENTS
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38. RELATED PARTY DISCLOSURES

(a) Sales and purchase of goods and services

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	2020 RM	2019 RM
Group			
Joint ventures:			
Vessel's management fees	(i)	**8,970,315**	7,194,938
Charter hire vessel		**2,176,586**	34,625,804
Associates:			
Vessel's management fees	(i)	**-**	1,260,000
Charter hire vessel		**60,854,000**	63,301,555
Company			
Subsidiaries:			
Interest recharged to subsidiaries	(ii)	**3,460,439**	2,985,213

(i) The vessel's management fees received from joint ventures and associates 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 interest recharged to subsidiaries on Sukuk Ijarah MTN by the Company were based on the issuance rate at respective date.

Information regarding outstanding balances arising from related party transactions as at 31 December 2020 and 31 December 2019 are disclosed in Notes 24, 32 and 34.

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	
	2020 RM	2019 RM	2020 RM	2019 RM
Short term employee benefits	**5,065,658**	5,441,720	**357,478**	335,321
Contributions to defined contribution plan	**441,157**	483,444	**-**	-

38. RELATED PARTY DISCLOSURES (CONT'D.)

(b) Compensation of key management personnel (cont'd.)

Included in the total key management personnel compensation are:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Directors' remuneration (Note 10)	**2,874,275**	3,426,442	**357,478**	335,321

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	
	2020 RM	2019 RM
At 1 January/31 December	**42,109,000**	42,109,000

39. FAIR VALUE MEASUREMENT

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	
	Carrying amount RM	Fair value RM
2020		
Financial liabilities:		
Loans and borrowings (non-current)		
- Term loans	**3,555,838**	**2,938,262**
- Hire purchase and finance lease liabilities	**155,154**	**130,362**
2019		
Financial liabilities:		
Loans and borrowings (non-current)		
- Term loans	9,971,390	8,457,195
- Hire purchase and finance lease liabilities	578,202	684,362

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39. FAIR VALUE MEASUREMENT (CONT'D.)

The fair value of loans and borrowings is determined by discounting the expected future cash flows based on current rates for similar types of borrowing and leasing arrangement.

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Contract asset	22
Trade receivables	23
Other receivables	24
Cash and cash equivalents	25
Trade payables	33
Other payables	34

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

Determination of fair value

The fair value measurement hierarchies used to measure assets and liabilities disclosed in the financial statements as at 31 December 2020 are as follows:

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

Level 3 fair value

Level 3 fair value is estimated using inputs that are not based on observable market data.

39. FAIR VALUE MEASUREMENT (CONT'D.)

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2020 are as below:

Group	Date of valuation	Level 2 RM	Level 3 RM	Total RM
2020				
Property, vessels and equipment (Note 13)	31 December 2020	**-**	**221,441,817**	**221,441,817**
2019				
Property, vessels and equipment (Note 13)	31 December 2019	-	255,519,058	255,519,058

Level 2 fair value

Level 2 fair values of the investment properties have been generally derived using the comparison method as described in Note 2(h).

Level 3 fair value

Level 3 fair values of the vessels have been generally derived using the method as described in Note 3(g) and 13.

40. FINANCIAL INSTRUMENT AND 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 Board Risk Management Committee ("BRMC") 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.

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40. FINANCIAL INSTRUMENT AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk

Exposure to credit risk

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.

At the reporting date, approximately:

- 62% (2019: 48%) of the Group's trade receivables were due from 10 (2019: 10) major customers who are located in Malaysia; and

- 69% (2019: 46%) of the Group's trade and other receivables were due from related parties.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 23. Deposits with banks and other financial institutions that are neither past due or impaired are placed with reputable financial institutions with high credit ratings.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 23.

Financial guarantee contracts

The Company provides financial guarantees to licensed banks and financial institutions in respect of banking facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries and joint ventures to service their loans on an individual basis.

Exposure to credit risk

The maximum exposure to credit risk amounts to RM44,800,000 and RM19,400,000 representing the outstanding banking facilities of the subsidiaries and joint ventures respectively as at the end of the reporting period.

The financial guarantee contracts are provided as credit enhancements to the subsidiaries' and joint ventures' secured loans.

(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 "1" year period, and to maintain sufficient liquid financial assets and stand-by credit facilities with three different banks. At the reporting date, approximately 97% (2019: 29%) of the Group's borrowings as disclosed in Note 30 will mature in less than one year based on the carrying amount reflected in the financial statements. About 100% (2019: 12%) of the Company's borrowings will mature in less than one year at the reporting date.

Subsequent event to the year end, the Group and the Company are in the midst of restructuring certain borrowings repayment as disclosed in Note 43.

40. FINANCIAL INSTRUMENT AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities

	Carrying amount RM	On demand within one year RM	One to five years RM	Over five years RM	Total RM
2020					
Financial liabilities:					
Group					
Trade and other payables	**129,412,062**	**129,412,062**	**-**	**-**	**129,412,062**
Borrowings	**105,153,831**	**101,139,864**	**801,065**	**2,754,773**	**104,695,702**
Total undiscounted financial liabilities	**234,565,893**	**230,551,926**	**801,065**	**2,754,773**	**234,107,764**
Company					
Trade and other payables	**13,997,899**	**13,997,899**	**-**	**-**	**13,997,899**
Borrowings	**55,818,377**	**55,818,377**	**-**	**-**	**55,818,377**
Total undiscounted financial liabilities	**69,816,276**	**69,816,276**	**-**	**-**	**69,816,276**
2019					
Financial liabilities:					
Group					
Trade and other payables	182,282,287	182,282,287	-	-	182,282,287
Borrowings	122,884,032	47,614,971	17,279,721	57,989,340	122,884,032
Total undiscounted financial liabilities	305,166,319	229,897,258	17,279,721	57,989,340	305,166,319
Company					
Trade and other payables	67,983,992	67,983,992	-	-	67,983,992
Borrowings	74,000,000	9,000,000	14,400,000	50,600,000	74,000,000
Total undiscounted financial liabilities	141,983,992	76,983,992	14,400,000	50,600,000	141,983,992

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

40. FINANCIAL INSTRUMENT AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(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 70% (2019: 70%) of the Group's borrowings are at fixed rates of interest.

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 loss before tax would have been RM29,112 (2019: RM35,510) 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 United States Dollar ("USD") and Singapore Dollar ("SGD").

Approximately Nil(2019: nil) of the Group's sales are denominated in foreign currencies whilst almost Nil (2019: 1%) 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 loss 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	
	Loss before tax	
	2020 RM	2019 RM
Financial liabilities		
USD/RM - strengthened 3% (2019: 3%)	**(1,308,308)**	(424,716)
- weakened 3% (2019: 3%)	**1,308,308**	424,716
SGD/RM - strengthened 3% (2019: 3%)	**(296,411)**	(367,471)
- weakened 3% (2019: 3%)	**296,411**	367,471

41. 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 maximises 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 2020 and 31 December 2019.

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	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Borrowings	**105,153,831**	122,884,032	**55,818,377**	74,000,000
Trade and other payables	**129,412,062**	182,282,287	**13,997,899**	67,983,992
Less: Cash and bank balances	**(54,242,363)**	(71,554,013)	**(13,836,746)**	(29,795,917)
Net debt	**180,323,530**	233,612,306	**55,979,530**	112,188,075
Equity attributable to the owners of the parent, representing total capital	**238,948,169**	331,304,265	**398,007,388**	373,367,608
Capital and net debt	**419,271,699**	564,916,571	**453,986,918**	485,555,683
Gearing ratio	**43.01%**	41.35%	**12.33%**	23.11%

42. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

42. SEGMENTAL INFORMATION (CONT'D.)

(a) Reporting format (Cont'd)

- 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.

(b) Business segments

Other business segments include investment holding and provision of transportation, ship forwarding and agent and ship handling to the subsidiaries, none of which are of a sufficient size to be reported separately.

All inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

(c) Geographical segments

Segmental reporting by geographical segments has not been prepared as the Group's operations are carried out predominantly in Malaysia.

(d) Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

42. SEGMENTAL INFORMATION (CONT'D.)

	Offshore support and services RM	Sub-sea services RM	Others RM	Adjustments RM	Total RM
31 December 2020					
Revenue					
Sales to external customers	69,923,620	185,286,473	-	-	255,210,093
Inter segment sales	8,597,086	-	-	(8,597,086)	-
Total revenue	78,520,706	185,286,473	-	(8,597,086)	255,210,093
Results					
Segment results	(95,561,340)	(11,963,853)	(74,533)	8,375,686	(99,224,040)
Finance costs	(9,398,427)	(51,662)	(18,607)	3,559,628	(5,909,068)
Share of results of joint ventures	(17,841,460)	3,401,114	-	-	(14,440,346)
Loss before tax	(121,053,621)	(8,614,401)	(93,140)	11,935,314	(119,573,454)
Income tax expenses	590,834	(616,777)	(227,357)	-	(253,300)
Loss for the year	(122,210,393)	(9,231,178)	(320,497)	11,935,314	(119,826,754)
Assets					
Segment assets	198,604,971	14,731,117	6,845,322	2,104,951	222,286,361
Investments in associates	-	-	-	-	-
Interests in joint ventures	53,922,359	499,587	-	(13,223,207)	41,198,739
Unallocated assets	172,410,906	55,027,185	407,848,307	(425,275,949)	210,010,449
Total assets	425,338,237	70,257,889	414,693,629	(436,394,205)	473,495,549
Total liabilities	493,393,964	78,290,070	82,098,203	(413,941,299)	239,840,938
Other segment information:					
Capital expenditure	9,667,784	-	-	-	9,667,784
Depreciation:					
- property, vessels and equipment	25,857,896	3,043,564	205,439	-	29,106,900
Other significant non-cash expenses:					
Impairment loss on:					
- trade receivables	4,933,985	-	191,215	-	5,125,200
- interests in joint ventures	14,600,200	-	-	-	14,600,200
Impairment of property, vessels and equipment	35,269,159	3,245,475	776,216	-	39,290,850

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

42. SEGMENTAL INFORMATION (CONT'D.)

	Offshore support and services RM	Sub-sea services RM	Others RM	Adjustments RM	Total RM
31 December 2019					
Revenue					
Sales to external customers	93,070,234	213,599,240	-	-	306,669,474
Inter segment sales	5,553,311	-	-	(5,553,311)	-
Total revenue	98,623,545	213,599,240	-	(5,553,311)	306,669,474
Results					
Segment results	(60,418,299)	(4,800,437)	(1,509,239)	1,820,256	(64,907,719)
Finance costs	(5,107,915)	(104,662)	(25,108)	-	(5,237,685)
Share of results of associates	-	-	-	-	-
Share of results of joint ventures	(10,607,967)	-	-	-	(10,607,967)
Loss before tax	(76,134,181)	(4,905,099)	(1,534,347)	1,820,256	(80,753,371)
Income tax expenses	786,670	(176,882)	(137,250)	-	472,538
Loss for the year	(75,347,511)	(5,081,981)	(1,671,597)	1,820,256	(80,280,833)
Assets					
Segment assets	248,221,612	22,073,654	7,748,819	3,121,353	281,165,438
Investments in associates	-	-	-	-	-
Interests in joint ventures	67,158,656	499,587	-	(11,859,304)	55,798,939
Unallocated assets	240,781,776	12,046,094	418,194,508	(358,956,421)	312,065,957
Total assets	556,162,044	34,619,335	425,943,327	(367,694,372)	649,030,334
Total liabilities	475,225,176	37,225,108	144,600,144	(335,220,693)	321,829,735
Other segment information:					
Capital expenditure	2,853,203	-	-	-	2,853,203
Depreciation:					
- property, vessels and equipment	25,004,986	6,483,008	28,024	-	31,516,018
Other significant non-cash expenses:					
Impairment loss on:					
- interests in joint ventures	4,935,914	-	-	-	4,935,914
Impairment of property, vessels and equipment	39,098,781	340,558	-	-	39,439,339

43. SIGNIFICANT AND SUBSEQUENT EVENTS

(a) Covid-19 outbreak

On 11 March 2020, the World Health Organisation declared the Coronavirus ("Covid-19") outbreak as a global pandemic. On 18 March 2020, the Government imposed the Movement Control Order ("MCO") to curb the spread of the Covid-19 outbreak in Malaysia.

The MCO was lifted on 12 May 2020 and was replaced with less restrictive forms of MCO. On 13 January 2021, following the start of a second wave of infections into Malaysia, the Government re-imposed the MCO in various phases until the date of issuance of these financial statements.The emergence of the Covid-19 outbreak in early 2020 has brought about significant economic uncertainties in Malaysia within which the Group operates.

Like any other businesses, certain segments within the Group's operations have been affected by the pandemic as a result of travel restrictions, lockdowns, quarantines, social distancing and closures of non-essential services throughout the financial year. The Group has considered the impact of Covid-19 in the application of significant judgements and estimates to determine amounts recognised in the financial statements. As the pandemic continues to evolve, there is uncertainty over its duration and the potential effects it may affect have on the Group's operations and financial performance.

Given the fluidity of the situation, the Group will continue to monitor the impact of the pandemic and take appropriate and timely measures to minimise any impact on the Group's business and focus on delivering long-term value to the shareholders.

(b) On the 16 February 2021 had announced to undertake the following:

The Board had on 16 February 2021 resolved to fix the issue price for the Private Placement II at RM0.0771 per Placement Share II. The issue price of RM0.0771 per Placement Share II represents a discount of approximately 9.93% to the 5-day VWAP of AMRB Shares up to and including 15 February 2021, being the last traded day of AMRB Shares immediately preceding the price-fixing date of RM0.0856 per AMRB Share.

(c) On the 24 February 2021 had announced to undertake the following:

A private placement of up to 20% of the issued shares of Alam Maritim Resources Berhad approximately 65,000,000 units number of shares issued at an issue price RM0.0771 per share. ("Proposed Private Placement II").

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2020

43. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D.)

(d) Declaration of a state emergency

A state of emergency has been declared in Malaysia by the King, Yang Maha Mulia Seri Paduka Baginda Yang Di-Pertuan Agong XVI Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah Ibni Almarhum Sultan Haji Ahmad Shah Al-Musta'in Billah, effective from 11 January 2021 to 01 August 2021, to tackle the Covid-19 pandemic:

(e) Material Litigations

The following the summary of litigation matters involving the Group and the Company:

Case No.	Plaintiff/Petitioner	Defendant/Respondent	Amount Claim (RM)
W A-22NCC-367-08 /2020	CIMB Bank Berhad	Alam Maritim (M) Sdn. Bhd. & Alam Maritim Resources Berhad	10,496,845
W A-22M-302-08 /2020	Bank Muamalat Malaysia	Alam Maritim (M) Sdn. Bhd. & Alam Maritim Resources Berhad	8,588,241
W A-27NCC-43-05 /2020	F.H Berthling Project Logistics Sdn, Bhd.	Alam Maritim (M) Sdn. Bhd.	4,752,770
BA-A52NCvC-507-09 /2020	Eastern Distinction Sdn. Bhd.	Alam Maritim (M) Sdn. Bhd.	611,800
W A-22NCvC-814-12 /2020	Armada Petroleum Sdn. Bhd	Alam Maritim (M) Sdn. Bhd.	1,089,676

The Directors after taking consideration the facts of the above cases, in consultation with the Group's and the Company's solicitors, are of the opinion that the Group and the Company have a good chance of success in defending the above cases.

(f) Formulating a restructuring and regularisation scheme

The Group is in the midst of formulating a restructuring and regularisation scheme on its borrowings. The Group had lodged an application for assistance from the Corporate Debt Restructuring Committee of Bank Negara ("CDRC") to mediate between the Group, certain of its subsidiaries, joint-venture companies and associated companies (collectively, the "Affected Companies") and their respective financiers.

The Proposed Restructuring Scheme ("PRS") must comply with the CDRC's restructuring principles for the Affected Companies to continue to remain under the Informal Standstill Arrangement with the respective financiers.

The Group's restructuring involves a bilateral settlement between each borrowing entity and its respective lenders or financiers by amending and extending the terms and conditions of the existing borrowing or facilities based on their respective cash flow forecasts and projections.

44. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 May 2021.

ANALYSIS OF SHAREHOLDINGS
As at 30 April 2021

Authorised Share Capital	: -
Issued and Paid-Up Share Capital	: RM437,992,846.70
Class of Shares	: Ordinary Shares
Voting Rights	: On a poll – One vote for every ordinary share held
No. of Voting Shares	: 1,433,882,405

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	141	0.971	5,518	0.000
100 - 1,000	872	6.009	534,761	0.037
1,001 - 10,000	5,054	34.828	31,572,299	2.201
10,001 - 100,000	6,621	45.627	290,043,469	20.227
100,001 - 71,694,119 (*)	1,822	12.555	781,310,922	54.489
46,223,046 and above (**)	1	0.006	330,415,436	23.043
Total	**14,511**	**100.00**	**1,433,882,405**	**100.000**

Notes:
(*) Less than 5% of issued shares
(**) 5% and above of issued shares

DIRECTORS' SHAREHOLDING

	Direct		Indirect	
Name of Directors	**No. of Shares**	**%**	**No. of Shares**	**%**
DATUK AZMI BIN AHMAD	2,292,748	0.158	330,581,061 (1)	23.054
SHAMSUL BIN SAAD	0	0.000	0	0.000
AHMAD HASSANUDIN BIN AHMAD KAMALUDDIN	0	0.000 (*)	123,750 (2)	0.008
FINA NORHIZAH BINTI HJ BAHARU ZAMAN	34,000	0.002 (*)	0	0.000
DATO' HAJI AB WAHAB BIN IBRAHIM	1,500	0.000 (*)	0	0.000
AHMAD RUHAIZAD BIN HASHIM	0	0.000	0	0.000

SUBSTANTIAL SHAREHOLDERS

	Direct		Indirect	
Name of Directors	**No. of Shares**	**%**	**No. of Shares**	**%**
AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SAR VENTURE HOLDINGS (M) SDN. BHD.	330,415,436	23.043	-	-
DATUK AZMI BIN AHMAD	2,292,748	0.158	330,581,061 (1)	23.054

Notes:
(*) Shareholding of less than 0.01%
(1) Deemed interested by virtue of his shareholding in SAR Venture Holdings (M) Sdn Bhd and the shareholding of his spouse in AMRB pursuant to Section 8(4) and 59(11)(c) of the Act respectively.
(2) Deemed interested by virtue of his spouse shareholding in AMRB pursuant to Section 59(11)(c) of the Act.

ANALYSIS OF SHAREHOLDINGS

LIST OF TOP 30 HOLDERS

(Without aggregating securities from different securities accounts belonging to the same registered holder)

No	Name	Holdings	%
1	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SAR VENTURE HOLDINGS (M) SDN. BHD.	330,415,436	23.043
2	CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS)	11,748,900	0.819
3	NING SAI PIEW	11,326,200	0.789
4	CHEHAN PRASANNA RICHARD PERERA	10,000,000	0.697
5	AFFIN HWANG INVESTMENT BANK BERHAD IVT (JRY)	7,641,300	0.532
6	TING CHEE MING	7,000,000	0.488
7	JOYCELYNN KHO FEI FEI	6,995,000	0.487
8	AZNIZAN BIN HUSSEIN	6,200,000	0.432
9	POH SOON SIM	6,000,000	0.418
10	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LING HENG SEEK (8120306)	5,561,600	0.387
11	FOO LEE FEI	5,000,000	0.348
12	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ROSLAN BIN OTHMAN	5,000,000	0.348
13	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOW CHIT PENG (MY3411)	4,966,500	0.346
14	MOHD FADIR BIN EMBONG	4,835,000	0.337
15	AMINAH BINTI ZULKARNAIN	4,734,200	0.330
16	ER SOON PUAY	4,500,000	0.313
17	MOHD SHANAZ BIN RADHA	4,350,000	0.303
18	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR GOH KIM LAI	4,100,000	0.285
19	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG GEOK CHOO	4,000,000	0.278
20	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NING CHOON MOY (E-KTN/KLS)	3,740,000	0.260
21	GABRIEL KOK CHUNG HIAN	3,537,000	0.246
22	WONG MOI FONG	3,500,000	0.244
23	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	3,349,873	0.233
24	MUHAMMAD SABQI BIN MASNAN	3,112,300	0.217
25	CHEAH YIT WOON	3,000,000	0.209
26	DING TAI MOOI	3,000,000	0.209
27	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SEW WEE MING (E-SS2)	3,000,000	0.209
28	RHB NOMINEES (ASING) SDN BHD EXEMPT AN FOR DBS VICKERS SECS (S) PTE LTD (TYXEROS-3000980)	3,000,000	0.209
29	YUE TECK SIONG	3,000,000	0.209
30	AFFIN HWANG NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HSU, CHUN-TSANG (M09)	2,800,000	0.195

NOTICE OF 16TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixteenth Annual General Meeting ("16th AGM") of Alam Maritim Resources Berhad (the "Company" or "AMRB") will be conducted fully virtual meeting from the broadcast venue at Multipurpose Hall, No. 38C, Level 1, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur ("Broadcast Venue") on Tuesday, 29 June 2021 at 10.00 a.m. via Remote Participation and Voting facilities ("RPV") which are available at Tricor Investor & Issuing House Services Sdn Bhd ("Tricor")'s TIIH Online website at https://tiih.online, for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors thereon. — *Please refer to Explanatory Note (i)*

2. To re-elect the following Directors who retire pursuant to Article 100 of the Company's Constitution and being eligible, have offered themselves for re-election: — *Please refer to Explanatory Note (ii)*

   (i) Encik Ahmad Hassanudin bin Ahmad Kamaluddin — **Ordinary Resolution 1**
   (ii) Encik Ahmad Ruhaizad bin Hashim; and — **Ordinary Resolution 2**
   (iii) Encik Shamsul bin Saad. — **Ordinary Resolution 3**

3. To approve the payment of Directors' fees and remuneration to the Non-Executive Directors amounting to RM357,477.00 for the financial year ended 31 December 2020. — **Ordinary Resolution 4**

4. To approve the payment of Directors' fees and remuneration based on the remuneration structure as disclosed in Explanatory Note (iii) for the period from 1 January 2021 until the next Annual General Meeting of the Company to be held in 2022. — *Please refer to Explanatory Note (iii)* **Ordinary Resolution 5**

5. To re-appoint Messrs. Al Jafree Salihin Kuzaimi PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to determine their remuneration. — **Ordinary Resolution 6**

AS SPECIAL BUSINESS

To consider and, if thought fit, with or without modification, to pass the following resolutions which will be proposed as Ordinary Resolutions:

6. **Proposed Continuation in Office as Independent Non-Executive Director in Accordance with the Malaysian Code on Corporate Governance 2017:**

   "**THAT** the following directors who have served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and are 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:-

   (i) Dato' Haji Ab Wahab bin Haji Ibrahim; and — **Ordinary Resolution 7**
   (ii) Puan Fina Norhizah binti Haji Baharu Zaman — **Ordinary Resolution 8**

NOTICE OF 16TH ANNUAL GENERAL MEETING

7. **Authority to Issue Shares Pursuant to Section 75 and Section 76 of the Companies Act, 2016** **Ordinary Resolution 9**

"**THAT** pursuant to Section 75 and Section 76 of the Companies Act, 2016, the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia Securities") and the approvals of the relevant governmental and/or regulatory authority (if any), the Directors be and are hereby empowered to issue shares in the Company at any time at such price and upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares so issued does not exceed 10% of the issued capital of the Company for the time being and the Directors be and are also empowered to obtain the approval of the Bursa Malaysia Securities for listing of and quotation for the additional shares so issued and that such authority shall continue in force until the conclusion of the next AGM of the Company."

8. **Proposed Renewal of Authority for The Company to Purchase Its Own Shares of Up to 10% of The Issued And Paid-Up Share Capital of The Company.** **Ordinary Resolution 10**

"**THAT** subject to the Companies Act, 2016, the Company's Constitution, the Bursa Malaysia Securities and the approvals of the relevant governmental and/or regulatory authority (if any), the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company from time to time through Bursa Securities subject to the following:

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

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

iii. the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and shall be in force until:

(a) at the conclusion of the next AGM of the Company; or

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

(c) revoked or varied by an ordinary resolution passed by the shareholders of the Company in 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. **Special Resolution 1** **Special Resolution 1**
Proposed Allocation of the New Employees' Share Option Scheme ("New ESOS") Options to Encik Shamsul bin Saad

"**THAT** pursuant to the approval by shareholder on the proposed establishment of a New ESOS of up to 15.0% of the total number of issued shares of AMRB ("Proposed New ESOS") and approval of all relevant regulatory authorities being obtained (where required) for the Proposed New ESOS during the Extraordinary General Meeting of the Company ("EGM") held on Wednesday, 30 January 2019, approval be and is hereby given to the Board to authorise the ESOS Committee at any time and from time to time, to grant Encik Shamsul bin Saad, being Independent Non-Executive Director of the Company, subject to the following provisions :

(i) not more than 2.0% of the total new AMRB Shares available under the New ESOS shall be allocated to him, if he, either singly or collectively through persons connected to him (as defined in the Listing Requirements), hold 20.0% or more of the total number of issued shares of AMRB (excluding treasury shares, if any);

(ii) he must not participate in the deliberation or discussion of his own allocation on the New ESOS Options to be offered to him under the Proposed New ESOS; and

subject always to such terms and conditions of the New ESOS By-Laws and/or any adjustments which may be made in accordance with the provisions of the New ESOS By-Laws and any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities, as amended from time to time;

AND THAT the Board is also authorised to allot and issue the corresponding number of new AMRB Shares arising from the exercise of the New ESOS Options that may be granted to him under the New ESOS."

10. **Special Resolution 2** **Special Resolution 2**
Proposed Allocation of the New Employees' Share Option Scheme ("New ESOS") Options to Encik Ahmad Ruhaizad bin Hashim

"**THAT** pursuant to the approval by shareholder on the proposed establishment of a New ESOS of up to 15.0% of the total number of issued shares of AMRB ("Proposed New ESOS") and approval of all relevant regulatory authorities being obtained (where required) for the Proposed New ESOS during the Extraordinary General Meeting of the Company ("EGM") held on Wednesday, 30 January 2019, approval be and is hereby given to the Board to authorise the ESOS Committee at any time and from time to time, to grant Encik Ahmad Ruhaizad bin Hashim, being Independent Non-Executive Director of the Company, subject to the following provisions :

(iii) not more than 2.0% of the total new AMRB Shares available under the New ESOS shall be allocated to him, if he, either singly or collectively through persons connected to him (as defined in the Listing Requirements), hold 20.0% or more of the total number of issued shares of AMRB (excluding treasury shares, if any);

(iv) he must not participate in the deliberation or discussion of his own allocation on the New ESOS Options to be offered to him under the Proposed New ESOS; and

subject always to such terms and conditions of the New ESOS By-Laws and/or any adjustments which may be made in accordance with the provisions of the New ESOS By-Laws and any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities, as amended from time to time;

NOTICE OF 16TH ANNUAL GENERAL MEETING

AND THAT the Board is also authorised to allot and issue the corresponding number of new AMRB Shares arising from the exercise of the New ESOS Options that may be granted to him under the New ESOS."

11. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016 and the Company's Constitution.

BY ORDER OF THE BOARD

Nuranisma binti Ahmad, MIA, ACIS (MAICSA 7067610)
(SSM PC No. 202008000939)
Nur Aznita binti Taip, ACIS (MAICSA 7067607)
(SSM PC No. 202008003466)
Company Secretaries

Kuala Lumpur
31 May 2021

EXPLANATORY NOTES:-

(i) **Agenda Item No. 1 –** Audited Financial Statements for financial year ended 31 December 2020 - is meant for discussion only as the provision of Section 340(1) (a) of the Companies Act, 2016 does not require a formal approval of shareholders for the Audited Financial Statements. As such, this item is not put forward for voting.

(ii) **Ordinary Resolutions 1, 2 and 3 – Re-election of Directors who retire by rotation pursuant to Article 100 and 101 of new Constitution**
Encik Ahmad Hassanudin bin Ahmad Kamaluddin, Encik Ahmad Ruhaizad bin Hashim and En Shamsul bin Saad are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election.

(iii) **Ordinary Resolution 5 – Payment of Directors' Remuneration to the Non-Executive Directors for the period from 1 January 2021 until the next Annual General Meeting of the Company to be held in 2022**

Board/Board Committee	Chairperson (RM/Year)	Member (RM/Year)
Board of Directors	RM90,000	RM75,000
Board Audit Committee	RM19,000	RM12,000
Board Risk Management Committee	RM6,000	RM5,000
Board Nomination & Remuneration Committee	RM6,000	RM5,000
Allowance : Meeting Attendance	RM1,000/day	RM1,000/day

EXPLANATORY NOTES ON SPECIAL BUSINESSES:-

(i) **Ordinary Resolutions 7 & 8 – Proposed Continuation in Office as Independent Non-Executive Directors** resolution are in line with the recommendation under the **Malaysian Code on Corporate Governance 2017** and this would allow them to continue to serve as the Independent Non-Executive Directors pursuant to the requirement of Paragraph 15.10 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad. The proposed resolutions are to seek shareholders' approval to retain Dato' Haji Ab Wahab bin Haji Ibrahim and Puan Fina Norhizah binti Haji Baharu Zaman, Independent Non-Executive Directors, which have served the Company for more than nine (9) years and to hold office until the conclusion of the next AGM of the Company. The Board Nomination and Remuneration Committee ("BNRC") has made the necessary assessment and recommended to the Board of Directors that they be retained as an Independent Directors of the Company based on their abilities to maintain their independence of judgment and to express and maintain unbiased views without any influence. The Board values their contribution to the Company and they are also committed in performing their functions and duties as the Chairman of the Board Audit Committee and Chairman of the Board of Directors' respectively, including but not limited to attendance at Board and Board Committees' meetings.

(ii) **Ordinary Resolution 9** is to seek a renewal of the general authority pursuant to Section 75 and Section 76 of the Companies Act, 2016 and the MMLR for the issuance and allotment of new ordinary shares in the Company.

Proposed **Ordinary Resolution 9**, if passed, will enable Directors to issue and allot new ordinary shares up to an amount not exceeding ten per centum (10%) 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.

(iii) The proposed **Ordinary Resolution 10**, 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 of the Company.

Information on the proposed renewal of authority for the Company to purchase its own is set out in the Statement to Shareholders dated 31 May 2021 are available at http://www.alam-maritim.com.my/AMRB2021/ and www.bursamalaysia.com.my together with the Annual Report 2020, Notice of the 16th AGM, Proxy Form and the Administrative Guide Details of the 16th AGM.

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 and the Directors' interest in the securities of the Company and/or its related companies are disclosed on page 34, 35, 36, 37 and 38 of the Company's Annual Report 2020 respectively, which available on the Company's website at http://www.alam-maritim.com.my/AMRB2021.

NOTES TO MEMBERS AND PROXIES

1. The Broadcast Venue is strictly for the purpose of complying with Section 327 (2) of the Companies Act 2016 and Article 80 of the Constitution which require the Chairman of the 16th AGM to be present at the main venue of the 16th AGM.

2. Members/proxies WILL NOT BE PHYSICALLY PRESENT at the Broadcast Venue on the day of the 16th AGM.

3. Members are to attend and vote (collectively, "participate") remotely at the 16th AGM via the RPV facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd ("Tricor") through its TIIH Online website at https://tiih.online. Please follow the Procedures for RPV facilities provided in the Administrative Guide Details for the 16th AGM in order to participate in the Meeting remotely via RPV facilities for the 16th AGM.

NOTICE OF 16TH ANNUAL GENERAL MEETING

4. Members may submit questions to the Company prior to the 16th AGM via email to info@alam-maritim.com.my or Tricor's TIIH Online website at https://tiih.online by selecting "e-Services" to login. Questions shall be submitted via email or TIIH Online website no later than Tuesday, 15 June 2021 at 10.00 a.m. Alternatively, Members may use the query box to transmit questions to the Chairman/Board via RPV facilities during live streaming.

Appointment of Proxy/Proxies

1. For the purposes of determining a member who shall be entitled to participate in the forthcoming 16th AGM of the Company, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 15 June 2021. Only a depositor whose name appears in the Record of Depositors as at **15 June 2021** shall be entitled to participate in the 16th AGM or appoint proxy/proxies to participate on his/her behalf.

2. Every member including authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991, and Exempt Authorised Nominees which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account, is entitled to appoint one (1) or more proxy to exercise all or any of his/her rights to participate instead of himself/herself at the 16th AGM, and that such proxy needs not be a member.

4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.

5. The instrument appointing a proxy shall be in writing under the hand of the Member or of his attorney duly authorised in writing or if the Member is a corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.

6. The instrument of proxy shall be deposited at the Registered Office of the Company at No. 38F, Level 3, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur. All proxy forms submitted must be received by the Company no later than **Sunday, 27 June 2021** at **10.00 a.m.**, being forty-eight (48) hours before the appointed time for holding the 16th AGM.

7. A member who has appointed a proxy or attorney or authorised representative to participate in the 16th AGM via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV facilities at Tricor's TIIH Online website at https://tiih.online. Please follow the Procedures for RPV registration in the Administrative Guide Details for the 16th AGM.

FORM OF PROXY

ALAM MARITIM RESOURCES BERHAD
Co. No. 200501018734 (700849-K)

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

ALAM MARITIM RESOURCES BERHAD
Co. No. 200501018734 (700849-K)

I/We _____
(Block Letters)

of _____

being a member of ALAM MARITIM RESOURCES BERHAD (AMRB) hereby appoint :-

	Name/CDS Account No.	NRIC/ Passport No.	No. of shares	%
Proxy 1				
Proxy 2				

failing THE CHAIRMAN OF THE MEETING as my/our* proxy(ies) to vote for me/us* and on my/our* behalf at the Sixteenth Annual General Meeting of the Company to be conducted fully virtual meeting from the broadcast venue at Multipurpose Hall, No. 38C, Level 1, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur on Tuesday, 29 June 2021 at 10.00 a.m. and at any adjournment thereof, in the manner indicated below:

No	Resolutions	For	Against
1	To re-elect Encik Ahmad Hassanudin bin Ahmad Kamaluddin pursuant to Article 100.		
2	To re-elect Encik Ahmad Ruhaizad bin Hashim pursuant to Article 100.		
3	To re-elect Encik Shamsul bin Saad pursuant to Article 100.		
4	To approve the payment of Directors' fees and remuneration to the Non-Executive Directors amounting to RM357,477.00 for the Financial Year ended 31 December 2020.		
5	To approve the payment of Directors' fee and remuneration for the period from 1 January 2021 until the next Annual General Meeting of the Company to be held in 2022.		
6	To re-appoint Messrs. AlJafree Salihin Kuzaimi PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to determine their remuneration.		
7	Continuation in Office of Dato' Haji Ab Wahab bin Haji Ibrahim as Independent Non-Executive Director in accordance with the Malaysian Code on Corporate Governance 2017.		
8	Continuation in Office of Puan Fina Norhizah binti Haji Baharu Zaman as Independent Non-Executive Director in accordance with the Malaysian Code on Corporate Governance 2017.		
9	To authorise the Directors to Issue Shares Pursuant to Section 75 and Section 76 of the Companies Act, 2016.		
10	To approve the proposed renewal of authority for the Company to purchase its own shares.		
11	To approve the proposed allocation of New ESOS Options to Encik Ahmad Ruhaizad bin Hashim.		
12	To approve the proposed allocation of New ESOS Options to Encik Shamsul bin Saad.		

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. ***IMPORTANT NOTICE***
   The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Article 80 of the Constitution which require the Chairperson of the meeting to be present at the main venue of the meeting.
2. *Members/proxies* ***WILL NOT BE PHYSICALLY PRESENT*** *at the Broadcast Venue on the day of the 16th AGM.*
3. *Members are to attend and vote (collectively, "participate") remotely at the 16th AGM via the Remote Participation and Voting facilities ("**RPV**") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("**Tricor**") via its TIIH Online website at https://tiih.online. Please follow the Procedures for RPV provided in the Administrative Guide Details for the 16th AGM and read the notes below in order to participate remotely via RPV.*
4. *A member who is entitled to attend and vote at the meeting via RPV is entitled to appoint at least one (1) proxy to attend and vote in his/her stead. Where a member appoints up to two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holding to be represented by each proxy. The proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.*
5. *Members may submit questions to the Board prior to the 16th AGM via Tricor's TIIH Online website at https://tiih.online by selecting "e-Services" to login, pose questions and submit electronically no later than Sunday, 27 June 2021 at 10.00 a.m. or to use the query box to transmit questions to the Chairman/Board via RPV during live streaming.*
6. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SIDCA") and the Company's Constitution, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds to which shares in the Company standing to the credit of the said account.*
7. *Where a member of the Company is an exempt authorised nominee as defined under the SIDCA and the Company's Constitution which holds Deposited Securities in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*
8. *A member who has appointed a proxy or attorney or authorised representative to attend, participate and vote at this 16th AGM via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV at TIIH Online website at https://tiih.online. Please follow the Procedures for RPV in the Administrative Details for the 16th AGM.*

9. *The instrument of proxy shall be deposited at the Registered Office of the Company at 38F, Level 3, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur. All proxy forms submitted must be received by the Company no later than Sunday, 27 June 2021 at 10.00 a.m., being fourty-eight (48) hours before the appointed time for holding the 16th AGM.*
10. *Please ensure ALL the particulars as required in the form of proxy are completed, signed and dated accordingly.*
11. *Last date and time for lodging the form of proxy is* ***Sunday, 27 June 2021 at 10.00 a.m.***
12. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Registered Office of the Company at 38F, Level 3, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur. All proxy forms submitted must be received by the Company no later than Sunday, 27 June 2021 at 10.00 a.m., being fourty-eight (48) hours before the appointed time for holding the 16th AGM. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*
13. *A corporate member who has appointed a representative, please deposit the* ***ORIGINAL*** *certificate of appointment at the Registered Office of the Company at 38F, Level 3, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur. All proxy forms submitted must be received by the Company no later than Sunday, 27 June 2021 at 10.00 a.m., being fourty-eight (48) hours before the appointed time for holding the 16th AGM. The certificate of appointment should be executed in the following manner:*
    - *(i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.*
    - *(ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:*
        - *(a) at least two (2) authorised officers, of whom one shall be a director; or*
        - *(b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.*
14. *For the purpose of determining a member who shall be entitled to attend the AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd., in accordance with Clause 77 of the Company's Constitution and Section 34(1) of the SICDA to issue a General Meeting Record of Depositors as at 15 June 2021. Only a depositor whose name appears therein shall be entitled to attend the said EGM or appoint a proxy to attend and/or vote on his/her stead.*

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AFFIX STAMP

ALAM MARITIM RESOURCES BERHAD
(Registration No. 200501018734 (700849-K))
38F, Level 3, Jalan Radin Anum,
Bandar Baru Sri Petaling
57000 Kuala Lumpur

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www.alam-maritim.com.my

Alam Maritim Resources Berhad
Co. No. 200501018734 (700849-K)

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

Tel: +603 9058 2244 Fax: +603 9059 6845 Email: info@alam-maritim.com.my