



**ALAM MARITIM RESOURCES BERHAD (700849-K)**  
(Incorporated in Malaysia)

**MINUTES OF THE TENTH ANNUAL GENERAL MEETING**

**DATE** : 12 JUNE 2015 (FRIDAY)  
**TIME** : 10.00 A.M.  
**VENUE** : ROYAL III, LOBBY LEVEL,  
PALACE OF GOLDEN HORSES,  
JALAN KUDA EMAS,  
MINES WELLNESS CITY,  
43300 SERI KEMBANGAN,  
SELANGOR DARUL EHSAN.

**PRESENT**

- |  |  |
|--|--|
| 1. Puan Fina Norhizah binti Haji Baharu Zaman  | - Chairman/Independent Non-Executive Director                        |
| 2. Datuk Azmi bin Ahmad                        | - Group Chief Executive Officer / Non-Independent Executive Director |
| 3. Encik Shaharuddin bin Warno @ Rahmad        | - Group Chief Operating Officer / Non-Independent Executive Director |
| 4. Encik Ahmad Hassanudin bin Ahmad Kamaluddin | - Non- Independent Executive Director                                |
| 5. Dato' Haji Ab Wahab bin Haji Ibrahim        | - Independent Non-Executive Director                                 |
| 6. Encik Ainul Azhar bin Ainul Jamal           | - Independent Non-Executive Director                                 |

**IN ATTENDANCE**

- |  |                                 |
|--|---------------------------------|
| 1. Encik Md Nasir bin Noh                      | - Group Chief Financial Officer |
| 2. Fatan Hamamah binti Khalid (MAICSA 7039265) | - Company Secretary             |

**SHAREHOLDERS PRESENT**

As per the attendance list [Total: 78 representing 814,688 Ordinary shares of RM1.00 each or 0.08% of the total shareholdings]

**PROXIES PRESENT**

As per the attendance list [Total: 101 representing 464,296,670 ALAM shares or 50.21% of the total shareholdings of which 38,356,569 represented by Chairman]

The Chairman with the permission of the Meeting invited Yg Berusaha Ustaz Muhammad Fahmi bin Mohamed Amin to recite the doa.

The Chairman invited Mr. Amar Singh, the safety officer from Palace Of Golden Horses to brief on the safety procedures.

#### **1. CHAIRMAN'S REMARK**

The Chairman addressed the shareholders and all attendees to the Company's Tenth AGM with a warm welcome.

The Chairman then took the opportunity to introduce the Board Members and Management to the shareholders and then called the meeting to order.

The Chairman welcomed Encik Ainul Azhar bin Ainul Jamal who has been appointed as an Independent and Non-Executive Director of the Company with effect from 1 October 2014.

#### **2. QUORUM**

As confirmed by the Company Secretary and in pursuant to Article 72 of the Company's Articles of Association, the requisite quorum being present, the Chairman declared the meeting duly convened.

#### **3. NOTICE OF MEETING**

The Chairman informed that the notice convening the Tenth AGM was announced to Bursa Malaysia on 15 May 2015 and advertised in the New Straits Time on the 18 May 2015. The Notice can also be found in the Company's 2014 Annual Report in pages 169 to 172 of the printed copy of the 2014 Annual Report. The meeting took note of the notice of meeting.

#### **4. PROCEDURES FOR TABLING AND APPROVING RESOLUTIONS**

The Chairman read through the correct procedure for tabling and approving the resolutions to guide the shareholders and proxies who wish to vote at the meeting.

#### **5. PRESENTATION BY GROUP CHIEF FINANCIAL OFFICER**

The Chairman, invited the Group Chief Financial Officer ("GCFO") to give a presentation. The GCFO shared his presentation on the FY2014 Financial Results, covering, inter-alia, the following:-

- The Company's Revenue decreased by RM55.8 million or 12% to RM391.6 million due to lower utilization rate of vessels from OSV segment.
- The net profit of the Company for the year decreased by 15% to RM66.6 million mainly due to the lower contribution margin due to lower utilisation rate from OSV segment and lower contribution margin recorded by OIC/Subsea segment.
- OSV utilisation decreased from 79% : 2013 to 71% : 2014.

Before putting forward the proposal to receive the Audited Financial Statements FYE 31 December 2014, the Chairman guided the meeting through the questionnaires received from the Minority Shareholders Watchdog Group.

The detailed questions and answers were annexed to these minutes as Annexure 1, for reference.

**6. TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The Chairman explained that the Audited Financial Statements for the financial year ended 31 December 2014 and the reports of the directors and auditors thereon was meant for discussion only, as the provision of Section 169(1) of the Companies Act, 1965, does not require shareholders' approval for the Audited Financial Statements. Hence, it would not be put for voting.

The motion was proposed by Puan Hazlene binti Ahmad Fauzi and seconded by Puan Siti Zubaidah binti Ismail.

The meeting unanimously **RESOLVED**:

**THAT** the Audited Financial Statements for the financial year ended 31 December 2014 and the Reports of the Directors and Auditors be hereby received.

The following questions were posed by the shareholder/proxy and thereafter answered by the Group Chief Executive Officer of the Company.

**Pertinent Questions & Answers During Meeting Proceedings** (the answers are in italic)

**Question 1:**

Mr Leo Ann Puat, a proxy, enquired regarding the Company's performance for the first quarter of 2015 and the plan moving forward for the year 2015. He also enquired on ALAM's competitive advantage as compared to other players.

*Datuk Azmi bin Ahmad ("DAA") responded that the Company has achieved RM8.6 million of net profit for the first quarter of 2015. For FY2015, DAA explained that the Company has taken initiatives to increase vessel utilisation rate and efficiency through operational excellence agenda. The Company is also seriously looking at cost optimisation programme to ensure business sustainability going forward.*

*On competitive advantage against other players, DAA informed that ALAM offers integrated marine services comprising Offshore Support Vessel (OSV), Offshore Installation & Construction (OIC) and Subsea related services as a one-stop service provider for our customers in the oil and gas industry.*

**Question 2:**

Ir Haji Mohd Ismail bin Che Mat Din, a shareholder, viewed that the Company should not engage any third party vessels if the dry-docking activities can be well planned in order to reduce operating costs for the Company.

*DAA responded that we do have docking plans for dry docking activities, which are compulsory to be carried out for all vessels every five (5) years. Replacement vessels are normally deployed from within our fleet since several vessels are contracted on spot charter basis.*

**7. RE-ELECTION OF RETIRING DIRECTORS IN ACCORDANCE WITH ARTICLE 94 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY**

**ORDINARY RESOLUTION 1**

**7.1 RE-ELECTION OF PUAN FINA NORHIZAH BINTI HAJI BAHARU ZAMAN PURSUANT TO ARTICLE 94**

In view of the Chairman being interested Director under Ordinary Resolution 1, the Chairman proposed for Dato' Haji Ab Wahab Bin Haji Ibrahim to chair the meeting for the proceeding of Ordinary Resolution 1, to avoid any conflict of interest.

*With the consent of meeting, Dato' Haji Ab Wahab Bin Haji Ibrahim proceeded to chair the meeting.*

The motion was proposed by Ir. Hj. Mohd Ismail bin Che Mat Din and seconded by Puan Norbaizura binti Mohamad Kassim.

By show of hand, the meeting unanimously **RESOLVED**:

**THAT** Puan Fina Norhizah binti Haji Baharu Zaman be re-elected as Director in accordance with Article 94 of the Company's Articles of Association.

*Dato' Haji Ab Wahab Bin Haji Ibrahim returned the chair to the Chairman.*

The Chairman went on to next resolution as per the notice.

**ORDINARY RESOLUTION 2**

**7.2 RE-ELECTION OF DATO' HAJI AB WAHAB BIN HAJI IBRAHIM PURSUANT TO ARTICLE 94**

The motion was proposed by Mr. Leo Ann Puat and seconded by Ir. Hj. Mohd Ismail bin Che Mat Din.

By show of hand, the meeting unanimously **RESOLVED**:

**THAT** Dato' Haji Ab Wahab bin Haji Ibrahim be re-elected as Director in accordance with Article 94 of the Company's Articles of Association.

**ORDINARY RESOLUTION 3**

**8. RE-ELECTION OF ENCIK AINUL AZHAR BIN AINUL JAMAL PURSUANT TO ARTICLE 100**

The resolution was proposed by Puan Siti Nurdiana binti Md Sah and seconded by Puan Hazlene binti Ahmad Fauzi.

By show of hand, the meeting unanimously **RESOLVED**:-

**THAT** Encik Ainul Azhar Bin Ainul Jamal be re-elected as Director in accordance with Article 100 of the Company's Articles of Association.

#### **ORDINARY RESOLUTION 4**

##### **9. DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

The resolution was proposed by Encik Mohd Zaffril bin Shamsuddin and seconded by Encik Mohd Zainon bin Samingun.

By show of hand, the meeting unanimously **RESOLVED:-**

**THAT** the Directors' Fees for the financial year ended 31 December 2014 be approved.

#### **ORDINARY RESOLUTION 5**

##### **10. RE-APPOINTMENT OF MESSRS ERNST & YOUNG TO ACT AS AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2015 AND TO AUTHORISE THE BOARD OF DIRECTORS TO FIX THEIR REMUNERATION**

The resolution was proposed by Encik Zaidi bin Mohamad and seconded by Encik Ezzat Fawwaz bin Md Nasir.

By show of hand, the meeting unanimously **RESOLVED:-**

**THAT** Messrs Ernst & Young be re-appointed as Auditors of the Company for the financial year ending 2015 until the conclusion of the next annual general meeting **AND THAT** the Directors be and are hereby authorised to fix their remuneration.

#### **ORDINARY RESOLUTION 6**

##### **11. PROPOSED RETENTION OF DATO' HAJI AB WAHAB BIN HAJI IBRAHIM AS INDEPENDENT NON-EXECUTIVE DIRECTOR IN ACCORDANCE WITH RECOMMENDATION 3.3 OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2012**

The resolution was proposed by Ir. Hj. Mohd Ismail bin Che Mat Din and seconded by Puan Suhailyn binti Abdullah.

By show of hand, the majority **RESOLVED:-**

**THAT** Dato' Haji Ab Wahab bin Haji Ibrahim who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby authorised to continue to act as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM of the Company.

#### **ORDINARY RESOLUTION 7**

##### **12. AUTHORITY UNDER SECTION 132D OF THE COMPANIES ACT, 1965 FOR DIRECTORS TO ALLOT AND ISSUE SHARES IN THE COMPANY**

The resolution was proposed by Encik Nasiruddin bin Esa and seconded by Encik Mohd Azmi bin Mohd Sidek.

By show of hand, the majority **RESOLVED:-**

**THAT** pursuant to Section 132D of the Companies Act, 1965, Articles of Association of the Company and the Listing Requirements of the Bursa Malaysia, the Directors be and are hereby empowered to issue shares in the Company at any time at such price and upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares so issued does not exceed 10% of the issued capital of the Company for the time being and the Directors be and are also empowered to obtain the approval of the Bursa Malaysia for listing of and quotation for the additional shares so issued and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

### **ORDINARY RESOLUTION 8**

#### **13. AUTHORITY TO PURCHASE THE COMPANY'S OWN SHARES IN ACCORDANCE WITH SECTION 67A OF THE COMPANIES ACT, 1965**

The resolution was proposed by Encik Zaidi bin Mohamad and was seconded by Puan Suhailyn binti Abdullah.

By show of hand, the majority **RESOLVED:-**

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

- i. the maximum number of shares which may be purchased and/or held by the Company shall be equivalent to 10% of the issued and paid-up share capital of the Company (Shares) for the time being;
- ii. the maximum fund to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the aggregate retained profits and share premium account of the Company;
- iii. the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and shall be in force until:
  - (a) at the conclusion of the next Annual General Meeting (AGM) of the Company;  
or
  - (b) upon the expiration of the period within which the next AGM is required by the law to be held; or
  - (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company in general meeting,whichever is earlier; and
- iv. upon the completion of the purchase(s), the Directors are authorised to deal with the Shares so purchased in the manner they may deem fit in the best interest of the Company;

**AND THAT** the Directors of the Company be and are hereby authorised to take necessary steps to fully implement the purchase(s) of the Shares with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to do all such acts and things as they may deem fit in the best interest of the Company.

**14. TERMINATION**

There being no other business, the meeting terminated at 10.58 a.m. with a note of thanks to the Chair.

Confirmed as correct,

**FINA NORHIZAH BINTI HAJI BAHARU ZAMAN**  
**Chairman**

Date :

**ANNEXURE 1**

MSWG Q1	:	We noted that during the financial year, the Offshore Support Vessel (“OSV”) division was impacted due to high dry docking activities which resulted in a decrease in the Group’s vessel utilisation rate.
MSWG Q1 (i)	:	What was the average vessel utilisation rate for FY2014 and what would be the expected average vessel utilisation rate for FY2015?
MSWG Q1 (ii)	:	How many vessels are expected to undergo drydocking activities in 2015?
Answer	:	To read the answer:- Vessel utilisation rate for FY2014 stood at 71%. We expect the utilisation rate to improve between 73% to 77% in FY2015 as compared to prior year since the number of vessels scheduled for drydocking activities will be lower (2015: 7 vessels vs 2014: 10 vessels).
MSWG Q1 (iii)	:	What would be the outlook of the OSV division for FY2015?
Answer	:	To read the answer:- The upstream exploration and production activities in Malaysia is expected to underpin the demand for OSV. Given the current weak oil prices, the market condition for OSV remains challenging from second half of previous year which has largely impacted the OSV operators globally including the Group. Whilst the industry outlook is expected to remain soft, significant portion of the Group’s order book are long term in nature, which will provide us with a steady stream of income. Strategically, the Group will remain focus to ensure targeted utilisation rate is achieved through competitive tendering for domestic and regional market.
MSWG Q2	:	It was stated in the Operational Review that the OSV division which account for 80% of the Group’s overall business, provides vessels either on contract or call-out basis (spot charter) to support the requirements of oil and gas players, particularly for the upstream segment of the industry.



MSWG Q2 (i)	:	How many vessels are currently on long term charters and spot charters?
Answer	:	To read the answer:- The ideal strategy for our Group is to have a mixture of long term and short term contracts based on the proportion of 80% : 20% respectively. This however does not include the umbrella spot contracts that we secured recently.
MSWG Q2 (ii)	:	Is there any likelihood of downward revision of charter rates for the existing contracts?
Answer	:	To read the answer:- Considering the current market condition, there is a likelihood of downward revision of charter rates for the existing contracts by 5% to 10%.
MSWG Q3	:	It was stated in the Operational Review that the subsea division in FY2014 did not perform as well as expected, registering an adverse of 26% in revenue and 39% in profit contribution to the Group.  Is the Board expecting this division to perform better in FY2015?
Answer	:	To read the answer:- Despite the existing market condition, we are positive that there would not be any significant reduction in subsea services and OIC works by Oil Majors as it is crucial for them to maintain a safe oilfield working environment. We expect earnings momentum to pick up for subsea segment in 2HFY2015, upon execution of the RM248 million transportation and installation contract. However, timing and burn rate of the order book remains uncertain for 2015 as work orders might be slower than expected and deferred to later years.