



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

MINUTES OF THE ELEVENTH ANNUAL GENERAL MEETING

DATE : 3 JUNE 2016 (FRIDAY)
TIME : 10.00 A.M.
VENUE : TECHNOLOGY PARK MALAYSIA CORPORATION SDN BHD
AUDITORIUM ENTERPRISE 4,
LEBUHRAYA PUCHONG-SUNGAI BESI,
57000 BUKIT JALIL,
KUALA LUMPUR.

PRESENT

- | | |
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| 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 Shahrudin 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

- | | |
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| 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: 45 representing 398,942 Ordinary shares of RM1.00 each or 0.04% of the total shareholdings]

PROXIES PRESENT

As per the attendance list [Total: 78 representing 457,596,542 ALAM shares or 49.49% of the total shareholdings of which 32,027,364 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 Puan Siti Aisyah Shahrom, the HSE officer of Alam Maritim Resources Berhad to brief on the safety procedures.

1. CHAIRMAN'S REMARK

The Chairman addressed the shareholders and all attendees to the Company's Eleventh 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.

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 Eleventh AGM was announced to Bursa Malaysia on 28 April 2016 and advertised in The Star on the 29 April 2016. The Notice can also be found in the Company's 2015 Annual Report in pages 180 to 183 of the printed copy of the 2015 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 DATUK AZMI BIN AHMAD

The Chairman, invited the Group Chief Executive Officer ("GCEO") to give a presentation. The GCEO shared his presentation on the FY2015 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 2015, 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 2015 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Chairman explained that the Audited Financial Statements for the financial year ended 31 December 2015 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 Cik Nur Asyiqah Binti Abd Malik and seconded by Encik Mohd Hifzan Bin Hamdun.

The meeting unanimously **RESOLVED**:

THAT the Audited Financial Statements for the financial year ended 31 December 2015 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 DATUK AZMI BIN AHMAD PURSUANT TO ARTICLE 94

The motion was proposed by Mr. Ong Leong Huat and seconded by Puan Siti Zubaidah Binti Ismail.

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

THAT Datuk Azmi Bin Ahmad be re-elected as Director in accordance with Article 94 of the Company's Articles of Association.

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

ORDINARY RESOLUTION 2

7.2 RE-ELECTION OF ENCIK SHAHARUDDIN BIN WARNO @ RAHMAD PURSUANT TO ARTICLE 94

The motion was proposed by Encik Abdul Malik Baba and seconded by Encik Mohd Fazlizam Bin Mohamed Majoki.

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

THAT Encik Shaharuddin Bin Warno @ Rahmad be re-elected as Director in accordance with Article 94 of the Company's Articles of Association.

ORDINARY RESOLUTION 3

8. RE-APPOINTMENT OF ENCIK AHMAD HASSANUDIN BIN AHMAD KAMALUDDIN PURSUANT TO ARTICLE 129(6)

The resolution was proposed by Mr. Ong Leong Huat and seconded by Encik Mohd Syazwan Bin Sallehuddin.

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

THAT Encik Ahmad Hassanudin Bin Ahmad Kamaluddin be re-elected as Director in accordance with Article 129(6) of the Company's Articles of Association.

ORDINARY RESOLUTION 4

9. DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The resolution was proposed by Mr. Andrew Lim Chong Seng and seconded by Encik Hafizuan Bin Mahadi.

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

THAT the Directors' Fees for the financial year ended 31 December 2015 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 Abdullah Bin Che Mat Ariffin and seconded by Puan Nur Adrikah Bt Mohd Anuar.

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 Encik Hafizuan Bin Mahadi and seconded by Cik Sheblyn Hasnira Binti Abdul Majid.

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 Cik Nur Izati Zainal and seconded by Puan Norhaizan Binti Zakaria.

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 Cik Wan Hanis Umairah Binti Meor Abdul Jalil and was seconded by Mr. Ong Leong Huat.

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 11.05 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	:	<p>With the current state of the industry and slowdown in exploration activities, how would the Company expect to sustain its Offshore Support Vessels (“OSV”) performance in FY2016 given that almost 60% of the Group’s overall businesses are from the segment? How would the Company address the lower vessel utilisation rate experienced in FY2015?</p>
Answer	:	<p>To read the answer:-</p> <p>During this challenging period amid uncertainties and volatility of crude oil prices, our main focus will be on improving productivity and efficiency of our business operations. Operational excellence is our priority in ensuring full readiness and reliability of our fleet of vessels through effective Planned Maintenance System. This will result in minimum unplanned down time and wasteful incidents.</p> <p>We are targeting maximum employment of our operating vessels given our commendable track record and credible reputation as a reliable OSV player in Malaysia and the region.</p> <p>At the same time, we are intensifying our efforts to increase our market share in Offshore Installation and Construction (“OIC”) and Subsea business segment, which in turn will help to boost up vessel utilisation rate for OSV segment. This is in line with our business strategy to harness synergistic value across the Group’s business divisions to deliver integrated marine services to our clients.</p> <p>We have also been exploring various marketing opportunities within Malaysia and South East Asia such as Brunei, Indonesia, Thailand, Myanmar and Vietnam with a view to increasing our vessel utilisation rate. We are currently strengthening our presence in the Middle Eastern region where the demand for OSV services remains stable albeit depressed daily charter rates.</p>
MSWG Q2	:	<p>Are there any new contract obtained to support the utilisation of its assets in the division in particular the new assets, namely the Diving Support Vessels due for delivery in Q2 of 2016? What would be the minimum utilisation of vessel/rate to remain profitable for the division?</p>
Answer	:	<p>To read the answer:-</p> <p>At present, there is no specific charter contract being awarded with regard to the new Diving Support Vessel (“DSV”) which is expected to be ready by Q2 2016. However, we are aggressively participating in bidding exercise for local and international contracts, particularly in Inspection Repair and Maintenance Services (“IRM”). Despite the present downturn, we do not expect significant reduction in the subsea activities and OIC works by oil majors as a safe oilfield operating environment must be maintained. Hence, we believe the Subsea segment has potential growth going forward given the continual requirements in relation to subsea activities.</p> <p>The average minimum utilisation rate of vessel to remain profitable for the Offshore Support Vessel Division would be 50%.</p>
MSWG Q3	:	<p>As stated in the “Operational Review” segment in the Annual Report cost optimisation and efficient assets management measures were taken during the year and remain key factors to the Company’s efforts in this challenging environment. Please share on the immediate results and savings that the Company</p>

		had benefited and what is in store for the next 6 months in view of the state of the industry.
Answer	:	<p>To read the answer:-</p> <p>The on-going cost optimisation initiatives have enabled the Group to reduce its operating expenditure by approximately 35%, with significant reduction mainly in crew related costs by 16%, vessel operating expenses by 6% and staff related expenses by 10%. Such measures will stand us in good stead to conserve our cash flow and sustain going forward.</p> <p>Looking ahead, we do not expect to see a quick rebound in activities despite the recent uptick in oil prices. However, we remain resolute that the various operational strategies and initiatives, such as optimisation of resources and right sizing of manpower, undertaken by the Group will make us more resilient, robust and competitive to capitalise on new opportunities upon the oil market recovery.</p> <p>In addition, the Group's debt to equity ratio, which stood at 0.22 time as at 31 December 2015, is quite commendable; indicating solid financial capability to undertake more and bigger-sized projects in the near future.</p>
MSWG Q4	:	We noted that one of the independent directors had only attended 5 out of the 8 (62.5%) board meetings held during the year. Please explain.
Answer	:	<p>To read the answer:-</p> <p>The non-attendance at the three Board meetings was primarily due to unavoidable circumstances arising from postponement of meetings at very short notice, which clashed with prior engagement abroad.</p> <p>Nevertheless, all Board Members have complied with Bursa Malaysia Securities Berhad Listing Requirements that require Directors to attend more than 50% of the Board Meetings held during the financial year.</p> <p>Moving forward, we shall ensure all independent directors are available to attend for each Board meeting.</p>

