



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

Minutes of the Twelfth Annual General Meeting of Alam Maritim Resources Berhad ("the Company") held at Technology Park Malaysia Corporation Sdn. Bhd. Auditorium Enterprise 4, Lebuhraya Puchong-Sungai Besi, 57000 Bukit Jalil, Kuala Lumpur on Friday, 26 May 2017 at 10.00 a.m

PRESENT

BOARD OF DIRECTORS:

- | | | | |
|----|---|---|--|
| 1. | Puan Fina Norhlizah 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 | - | Non- Independent Executive Director |
| 6. | Encik Ainul Azhar bin Ainul Jamal | - | Non- Independent Executive Director |

MANAGEMENT:

- | | | | |
|----|---|---|-------------------------------|
| 1. | Encik Md Nasir bin Noh | - | Group Chief Financial Officer |
| 2. | Puan Nur Aznita binti Taip (MAICSA 7067607) | - | Company Secretary |

EXTERNAL AUDITORS:

Messrs Ernst & Young (Encik Nik Rahmat Kamarulzaman bin Nik Ab Rahman, Tunku Hannah Wajihah binti Tunku Harny and Fathi Amzar bin Muzafar)

POLL ADMINISTRATOR:

Tricor Investor & Issuing House Services

SCRUTINEERS

Asia Securities Sdn.Bhd.

and members and proxies registered in the Attendance Register.

1. OPENING ADDRESS

The Chairman extended a warm welcome to the shareholders and proxies who attended the 12th Annual General Meeting ("12th AGM or "AGM").

Before proceeding with the business of the AGM, the Chairman invited Yg Berusaha Ustaz Muhammad Fahmi bin Mohamed Amin to recite the doa. The Chairman then invited Encik Muhammad Zairul bin Ismail, the HSE Officer of Alam Maritim Resources Berhad to brief on the safety procedures. Thereafter, the Chairman proceeded to introduce members of the Board of Directors and Key Management to the shareholders and proxies.

2. QUORUM

The Company Secretary confirmed that there was sufficient quorum in accordance to Article 72 of the Company's Constitution. The meeting was informed that the total number of shareholders and proxies present at the AGM was 87 and that represent a total of 334,047,494 shares. The requisite quorum being present, the Chairman declared the meeting duly convened.

3. NOTICE OF MEETING

The Chairman proposed with the consent of all the Company's shareholders and proxies in attendance, the 12th AGM Notice dated 28 April 2017 as stated in the Annual Report which circulated earlier to be deemed as read.

4. PRESENTATION ON THE COMPANY'S PERFORMANCE

The Chairman invited Encik Md Nasir bin Noh, the Chief Financial Officer ("CFO") of the Company to present to shareholders of the Company's performance for the financial year 2016.

En Md Nasir bin Noh proceeded to present the Company's financial performance for the financial year 2016, covering amongst others the following:-

- i) Key Takeaways;
- ii) Financial Highlights of the Company;
- iii) Oil Trend Highlight;
- iv) Revenue Composition: FY2016 vs. FY2015;
- v) Kitchen Sinking Exercise;
- vi) Revenue Composition by Segment;
- vii) Leverage and Capitalisation;
- viii) Petronas Strategic Direction; and
- ix) Mitigation Plan.

5. PRESENTATION ON QUESTIONS FROM THE MINORITY SHAREHOLDER WATCHDOG GROUP ("MSWG")

For the benefit of all shareholders, the Chairman shared questions received from the MSWG and read out the Company's responses.

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

6. VOTING OF RESOLUTIONS AT THE MEETING

The Chairman informed that pursuant to Paragraph 8.29(A)(1) of the Main Market Listing Requirements of Bursa Malaysia, any resolution set out in the notice of any general meeting was to be voted on by poll.

Shareholders were informed that the poll would be conducted upon deliberation of all items to be transacted at the AGM and that Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") and Asia Securities Sdn Bhd had respectively been appointed as the poll administrator and independent scrutineers to validate the votes casted.

AS ORDINARY BUSINESS

7. TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS AND AUDITORS THEREON

The Chairman explained that the Audited Financial Statements for the Financial Year Ended 31 December 2016 and the Directors' and Auditors' Reports were meant for discussion only, as it did not require shareholders' approval under the provision of Section 340 (1) of the Companies Act, 2016. Hence it would not be put for voting.

The motion was proposed by Puan Nuranisma binti Ahmad and seconded by Puan Ernie Shamira binti Abdul Rahman.

With the consent of the Meeting, the Chairman declared that the audited financial statements for the financial year ended 31 December 2016, together with the Reports of the Director' and Auditors' thereon be deemed as read.

The Chairman then invited comments and/or questions from the floor on the Statutory Financial Statements for the Financial Year Ended 31 December 2016 and the Directors' and Auditors' Report.

Several questions raised by the shareholders/proxies were responded by the Company as follows:

- i) Encik Ahmad bin Ibrahim, a shareholder highlighted on the following:
 - a) The loss incurred in year 2016 was not disclosed in the Chairman's Statement in comparison to the net profit of RM46 million for year 2015 which was disclosed.

The Chairman took note on the comment made and clarified that the loss incurred in year 2016 was inadvertently not disclosed in the Chairman's Statement since the financial performance of the Group has been discussed in greater detail under the Management Discussion & Analysis' section.
 - b) List of the vessels was not provided in the Management Discussion & Analysis and whether all the vessels were fully owned by Alam Maritim.

Datuk Azmi bin Ahmad ("DAA") responded that the lists of vessels were tabulated in detail on page 6 to page 7 of the Annual Report. 21 vessels were fully owned by Alam Maritim and the remaining vessels were co-owned by joint venture companies and joint controlled entities of Alam Maritim.
 - c) Breakdown of other expenses amounting to RM68.9 million which was not disclosed in the notes to the accounts.

The CFO replied that there was no specific requirement to disclose other expenses as part of the disclosure on the notes to the accounts. The CFO further explained that the composition of other expenses amounting to RM68.9 million were mainly comprised of impairment expenses of vessels and joint venture companies and loss on unrealized foreign exchange.

With that, the Chairman concluded the questions and answers session for Agenda 1 and proceeded with the next agenda.

8. **ORDINARY RESOLUTION 1**

TO RE-ELECT THE FOLLOWING DIRECTOR RETIRING PURSUANT TO ARTICLE 94 OF THE COMPANY'S ARTICLES OF ASSOCIATION AND BEING ELIGIBLE, HAVE OFFERED THEMSELVES FOR RE-ELECTION:

i) **PUAN FINA NORHIZAH BINTI HAJI BAHARU ZAMAN**

The Resolution 1 on re-election of Puan Fina Norhizah binti Haji Baharu Zaman who retires in accordance with Article 94 of the Company's Articles of Association was tabled.

The Chairman informed that she shall abstain herself from voting in respect of Ordinary Resolution 1 and has also undertaken to ensure that persons connected to her also be abstained from voting on Resolution 1.

The Ordinary Resolution 1 was duly proposed by Encik Ahmad bin Ibrahim and seconded by Cik Athirah binti Mohd Aziz.

9. ORDINARY RESOLUTION 2

TO RE-ELECT THE FOLLOWING DIRECTOR RETIRING PURSUANT TO ARTICLE 94 OF THE COMPANY'S ARTICLES OF ASSOCIATION AND BEING ELIGIBLE, HAVE OFFERED THEMSELVES FOR RE-ELECTION:

ii) DATO' HAJI AB WAHAB BIN HAJI IBRAHIM

The Resolution 2 on re-election of Dato' Haji Ab Wahab bin Haji Ibrahim who retires in accordance with Article 94 of the Company's Articles of Association was tabled.

The Chairman informed that Dato' Haji Ab Wahab shall abstain himself from voting in respect of Ordinary Resolution 2 and has also undertaken to ensure that persons connected to him also be abstained from voting on Resolution 2.

The Ordinary Resolution 2 was duly proposed by Encik Ahmad bin Ibrahim and seconded by Encik Mohd Hifzan bin Hamdun

10. ORDINARY RESOLUTION 3

TO APPROVE THE PAYMENT OF DIRECTORS' FEES AMOUNTING TO RM315,000 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016.

The Resolution 3 on the payment of directors fee amounting to RM315,000 for the financial year ended 31 December 2016 was tabled.

The Ordinary Resolution 3 was duly proposed by Encik Ahmad bin Ibrahim and seconded by Cik Athirah binti Mohd Aziz.

Encik Ahmad bin Ibrahim enquired on the amount of directors' fees for year 2016 in comparison to the prior year. The CFO responded that the amount of directors' fees for year 2016 was almost similar to the amount of directors' fee for year 2015.

11. ORDINARY RESOLUTION 4

TO RE-APPOINT MESSRS. ERNST & YOUNG AS AUDITORS OF THE COMPANY UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING AND TO AUTHORISE THE BOARD OF DIRECTORS TO FIX THEIR REMUNERATION.

The Resolution 4 on re-appointment of Messrs. Ernst & Young ("EY") as Auditors of the Company until the conclusion of the next AGM and to authorize the Board of Directors to fix their remuneration was tabled.

The Meeting noted that the retiring Auditors, EY had indicated their willingness to accept the re-appointment and consented to act as Auditors of the Company for the financial year ending 31 December 2017.

The Ordinary Resolution 4 was duly proposed by Mohd Hifzan bin Hamdun and seconded by Puan Nuranisma binti Ahmad.

AS SPECIAL BUSINESS

12. ORDINARY RESOLUTION 5

PROPOSED CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR IN ACCORDANCE WITH RECOMMENDATION 3.3 OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2012.

Subject to passing of Ordinary Resolution 2, the Resolution 5 on the proposed continuation in office of Dato' Haji Ab Wahab bin Haji Ibrahim as Independent Non-Executive Director until the conclusion of the next AGM, in accordance with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012 was tabled.

The Chairman informed that Dato' Haji Ab Wahab shall abstain himself from voting in respect of Ordinary Resolution 5 and has also undertaken to ensure that persons connected to him also be abstained from voting on Resolution 5.

The Ordinary Resolution 5 was duly proposed by Puan Ernie Shamira binti Abdul Rahman and seconded by Encik Ahmad bin Ibrahim.

13. ORDINARY RESOLUTION 6

AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 75 OF THE COMPANIES ACT, 2016.

The Resolution 6 on the authority to issue shares pursuant to Section 75 of the Companies Act, 2016 was tabled.

The Ordinary Resolution 6 was duly proposed by Encik Mohd Hifzan bin Hamdun and seconded by Puan Nuranisma binti Ahmad.

14. ORDINARY RESOLUTION 7

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.

The Resolution 7 on the 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 was tabled.

The Ordinary Resolution 7 was duly proposed by En Azlan bin Ghazali and seconded by Puan Ernie Shamira binti Abdul Rahman.

15. TO TRANSACT ANY OTHER BUSINESS OF WHICH DUE NOTICE SHALL HAVE BEEN GIVEN IN ACCORDANCE WITH THE COMPANIES ACT, 2016 AND THE COMPANY'S ARTICLES OF ASSOCIATION.

Upon confirmation by the Company Secretary, the Chairman confirmed that the Company had not received any notice of any other business in accordance with the Act.

15. POLLING PROCESS

The Chairman invited the representative from Tricor to brief the shareholders and proxies on the polling procedure prior to the commencement of the voting.

The Meeting then proceeded to vote and was adjourned at 11.10 a.m. for counting of votes.

16. ANNOUNCEMENT OF POLL RESULTS

At 11.45 a.m. the Chairman reconvened the meeting for the declaration of the poll results as follows:-

Resolution	Vote For		Vote Against		Total Votes	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
1	435,822,226	100	0	0	435,822,226	100
2	435,822,226	100	0	0	435,822,226	100
3	435,774,226	99.99	48,000	0.01	435,822,226	100
4	435,822,226	100	0	0	435,822,226	100
5	343,854,876	78.90	91,965,700	21.10	435,820,576	100
6	343,856,376	100	0	0	343,856,376	100
7	435,822,226	100	0	0	435,822,226	100

Based on the poll results, the Chairman declared that all resolutions tabled at the Annual General Meeting were carried.

It was RESOLVED as follows:-

RESOLUTION 1

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

RESOLUTION 2

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

RESOLUTION 3

THAT the payment of Directors' fees amounting to RM315,000 for the financial year ended 31 December 2016 be hereby approved.

RESOLUTION 4

THAT Messrs Ernst & Young, having indicated their willingness to continue in office, be hereby re-appointed as the Auditors of the Company until the conclusion of the next Annual General Meeting at remuneration to be fixed by the Directors.

RESOLUTION 5

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 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.

RESOLUTION 6

THAT pursuant to Section 75 of the Companies Act, 2016, Articles of Association of the Company and the Listing Requirements of the 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 Annual General Meeting of the Company.

RESOLUTION 7

THAT subject to the Companies Act, 2016, the Company's Memorandum and Articles of Associations, Bursa Malaysia Securities Berhad (Bursa Malaysia Securities), and the approvals of the relevant governmental and/or regulatory authority (if any), 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:

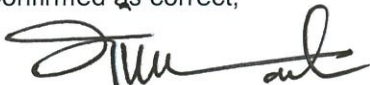
- i) the maximum number of shares which may be purchased and/or held by the Company shall be equivalent to 10% of the issued and paid-up share capital of the Company (Shares) for the time being;
- ii) the maximum fund to be allocated by the Company for the purpose of purchasing the Shares shall not exceed 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. CLOSURE OF MEETING

There being no other business to be transacted, the meeting was duly concluded at 11.45 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>As per the Chairman's Statement, it was stated that the Group would also be growing its other business divisions, namely the Group's Offshore Installation and Construction (OIC) and subsea operations to offset the reduced demand for OSV.</p> <p>i) How has been the performance of the OSV Sector in the first few months of Financial year 2017?</p> <p>ii) What would be the outlook for the OIC and OSV division?</p>
Answer Q1	:	<p>i) The first quarter would traditionally be the toughest quarter of the year due to monsoon season. Operation activities normally will only pick up after the season. Nevertheless, the Group has seen an increase in tendering activities towards the end of the 1st Quarter 2017. Few contracts have also been awarded to Alam Maritim that contribute positively to our order book. The Group looks forward to a more positive development within the oil and gas industry and ensuing improvement in the OSV segment in the 2nd Quarter 2017 onwards.</p> <p>ii) Based on market surveys and also enquiries received from oil majors, the Group expects the level of activities for both OIC and OSV Segments to gradually improve from 2nd half of 2017 onwards. In addition, the Group through its subsidiary company has recently been awarded with several contracts under OIC/Subsea and OSV segments totalling approximately RM160 million which will contribute positively to the Group's financial performance for FY2017 and beyond.</p> <p>The synergistic and integrated nature of the business will see an increase in the OIC/Subsea segments as a pull factor for the increase in OSV sector performance.</p>
MSWG Q2	:	<p>Revenue for charter hire was reported to have declined significantly from RM177.2 million in financial year 2015 to RM82 million financial year 2016 while OIC revenue increased sharply from RM2.6 million in financial 2015 to RM105.1 million in financial year 2016.</p> <p>i) Will this trend continue in financial year 2017 and moving forward and which sector commands a higher margin?</p> <p>ii) What were the average utilisation rate and average charter rate the financial 2016?</p>
Answer Q2	:	<p>i) We do not anticipate the trend to continue in FY 2017. This is due to the fact that the significant revenue generated by OIC segment in FY 2016 was majorly derived from Petronas FLNG Project ("PFLNG"), the first project involving the installation of mooring system using underwater piling and a large sized chain (150mm) which is currently the first and biggest floating liquefied natural gas facility in the world.</p> <p>Moving forward, we anticipate both OSV and OIC/Subsea Segments to experience further margin compression due to the weak market and stiff competition, and it is very difficult to conclude which sector commands a higher margin.</p> <p>Strategically, we will continue to advocate synergistic partnership among</p>

		<p>the business segments – tapping on their respective capabilities to deliver a comprehensive value proposition to oil and gas majors.</p> <p>ii) The average vessel utilisation rate and average charter rate for FY 2016 were 52% and USD1.1 per brake horse power (“BHP”) respectively.</p>
MSWG Q3	:	<p>The Group conducted kitchen sinking exercise in financial year 2016, which included impairment of vessels and planned disposal of vessels exceeding 15 years old.</p> <p>i) Would the Group expect further impairment of vessels in financial year 2017?</p> <p>ii) For the impairment of vessels, we noted under the Key Audit Matters that the Group estimated the recoverable amount of the vessels based on the higher of fair value less costs to sell and its value in use.</p> <p>Please explain whether it is appropriate to consider fair value less costs to sell particularly in cases where vessels may be less than 15 years and are unlikely to be disposed.</p>
Answer Q3	:	<p>The Group shall continue to observe compliance to MFRS 136 (Impairment of Assets) which requires our assets to be carried at no more than their recoverable amount. The recoverable amount is very much influenced by vessel utilisation and daily charter rates, which have shown a declining trend since the downturn of the oil and gas industry.</p> <p>Even for vessels less than 15 years, if there are no charter contracts available, these vessels will still be subject to impairment despite no likelihood for disposal.</p>
MSWG Q4		<p>On page 165 of the Annual Report, under the non-current trade receivables, there is a substantial outstanding allowance for impairment of RM53.7 million out of the outstanding receivables of RM54.3 million.</p> <p>What was the nature of the allowance for impairment and what would be the probability of recovery?</p>
Answer Q4	:	<p>The allowance for impairment was due to the impairment of long outstanding debts comprising mainly amounts due from Vastalux, Target Energy and Danforth Petroleum which have been provided for since 2009.</p> <p>We expect minimum probability of recovery.</p>
MSWG Q5	:	<p>We noted that there is no resolution to seek shareholders’ approval of directors’ benefits payable to directors for financial year ending 31 December 2017 pursuant to section 230(1) of the Companies Act 2016.</p> <p>Does it mean that no payments of benefits would be made to directors in 2017 until shareholders’ approval is obtained at the AGM 2018?</p>
Answer Q5	:	<p>Based on the outcome of this AGM on the re-election of the Directors and the economic challenges facing the oil and gas industry, we will be able to determine the anticipated amount and table it in another forum before the next AGM in compliance with the new Companies Act, 2016.</p>