

MANAGEMENT DISCUSSION & ANALYSIS

BACKGROUND

Alam Maritim Resources Berhad (“AMRB”) remains a stalwart, first-tier service provider to the Malaysian oil and gas industry for over 25 years. The Group commenced its business in 1998 when Alam Maritim (M) Sdn Bhd, a wholly-owned subsidiary of AMRB, began its operations which consist of supplying third-party Offshore Support Vessels (“OSVs”) either on a contract or callout basis (spot charter) to meet the needs and requirements of oil and gas players in Malaysia and around the Asian region.



Over the years, AMRB has integrated its OSV business proposition with Offshore Installation and Construction (“OIC”), and Subsea IRM (“Subsea”) operations to provide synergistic oil and gas solutions and, thus, put itself in a position to secure a vast range of market opportunities within the industry.

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; subsea engineering services and offshore pipeline construction-related services, as well as designing, manufacturing and operating of remotely operated vehicles (“ROVs”). This also includes the provision of various diving services, ROVs, saturation diving systems and other related systems to support the underwater activities.

AMRB offers a broad and comprehensive value proposition that sets it apart from the competition, and appeals to major players in the oil and gas industry, that extends beyond traditional pure-play OSV contracts. This enables the Group to enhance its integrated business approach, allowing it to compete for larger, more complex tenders that promise higher revenue potential and improved profit margins.

To sustain its competitive edge in securing contracts, the Group consistently leverages its strong Health, Safety, Security, and Environmental (“HSSE”) performance and dependable operational capabilities.

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OVERVIEW

While the global economy and oil prices seemed to head towards more stability by the second half of 2024, the global economy in fact continued navigating a challenging environment compounded by an unprecedented series of global events in the preceding years as well as surprising developments occurring in the past year. This ultimately saw global growth stagnate and underwhelm through 2024 and into 2025 so far.

The Organisation for Economic Co-operation and Development (“OECD”) reported global growth for 2024 at 3.3% slowing to 2.9% in 2025, aligning with the International Monetary Fund (“IMF”) projection that the world’s modest GDP growth held around 3.2% in 2024, with a slight adjustment to 3.0% projected for 2025 as of the latest IMF forecast available. Banks maintained restrictive monetary policy to combat persistent inflation, all of which also saw growth slowdown in advanced economies and some emerging markets, despite the latter remaining more resilient.

2024 remained a volatile year for oil prices. While ongoing high demand, supply chain problems and the Middle East conflict saw Brent crude oil prices finishing at over USD91 per barrel (“pbbl”) around April 2024, yet Brent crude finished 2024 at USD75, and by year’s end Brent had settled at roughly USD 75 per barrel (which was essentially the same level as at the start of 2024). Over the course of the year, demand growth stalled, as China’s economy faced headwinds and oil producers stepped up their output. At the same time, the influence of Russia’s invasion of Ukraine on market prices began to recede.

However, geopolitical flare-ups between Israel and Iran in mid-2025 revived volatility in crude markets. In June 2025 Brent crude surged, at one point approaching USD 78-79 amid missile exchanges and airstrikes, before retreating somewhat later in the week as tensions eased. Goldman Sachs does warn of a potential jump to USD 100–110 pbbl if the Strait of Hormuz is disrupted.

Additionally, the series of new country-specific tariff measures by the United States introduced in early April 2025 on trading partners, and subsequent countermeasures by those trading partners, contributed its own major shake-up to economic growth worldwide. The unpredictability of how these tariffs have unfolded saw countries like Malaysia navigating sharp adjustments to labour, supply chain and capital flows.

Malaysia’s energy landscape mirrored these global dynamics. While Malaysia’s own economy demonstrated 5.1% growth in the first half of 2024, powered by domestic consumption and export performance, headwinds emerged in the oil and gas sector. State-owned Petronas reported profits falling from RM 80.7 billion in 2023 to RM55.1 billion in 2024, alongside revenue slipping, attributed to lower global oil prices and market volatility.



In response, Petronas launched a restructuring strategy: placing a freeze on hiring until December 2026 and reducing its workforce by around 10%, or around 5,000 staff, to preserve margins and “future-proof” operations. The cutbacks come amid tightening margins due to shifts in production-sharing contracts, shutdown of some production facilities due to lower natural gas and crude oil output in 2025, as well as scheduled maintenance in the same year.

However, Malaysia’s energy sector is also contending with an acute shortage of skilled oil and gas labour. The “rightsizing” initiative at Petronas exacerbates labour constraints even as demand grows from new LNG, power and petrochemical investments.

Oil price movements throughout 2024 and into 2025 followed a dynamic and unpredictable path, with driven by geopolitical tensions, trade wars and more, which has given way to volatility shaped by shifting global demand and economic indicators such as inflation.

However, at the same time, global energy demand continues to rise, signalling ongoing efforts to spur economic growth. Malaysia continues to establish clear national policies and attract foreign direct investment to stabilise and cultivate long-term economic growth, reinforcing Malaysia’s attractiveness as a destination for investors particularly in the energy and energy-adjacent industries.

Therefore, against this tumultuous backdrop, AMRB’s resilience and adaptability stand out, as the Group continue to navigate these challenging times with deft leadership, timely organisational restructuring, solid performance and strategic foresight. This cements our ability to sustain our position as a leading integrated offshore service provider capable of overcoming adversity and emerging even stronger moving forward.

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STRUCTURAL REFORMATION TO STRENGTHEN FUNDAMENTALS

Malaysia's oil and gas sector continues to be a vital area for investment and development, and this has always been largely driven by collaboration among key players over the years, especially the cooperation between PETRONAS, Petroleum Arrangement Contractors ("PACs"), Oil and Gas Services and Equipment ("OGSE") players and governmental support.

With PETRONAS committing to accelerating innovation and research, addressing industry labour shortages, unlocking sustainable opportunities and supporting continued energy transition plans in order to maintain a resilient and vibrant industry, growth across Malaysia's wider energy ecosystem is expected to be driven by all relevant parties. AMRB is therefore taking proactive measures to strengthen its market position and capture resultant future opportunities, reinforcing its role as a key industry player.

The Group continues to readjust its strategic priorities where needed, aiming to emerge more robust and revitalised. Its OSV business, while remaining a core operational component, continued to be undergo capacity and competency realignment to tackle fleet size limitations and operational challenges to efficiently meet in charter rates and utilisation.

This is why AMRB has positioned its Subsea segment as an essential pillar in building a more integrated service offering for the oil and gas sector. This segment is seen as a crucial driver for long-term sustainability, and AMRB is fully committed to unlocking its growth potential, by embarking on a transformational journey that includes enhancements in both corporate finance and fundamental business structures. Leveraging its strategic capabilities in high-barrier segments such as Subsea and OIC, AMRB is well-equipped to navigate the operational complexities ahead.



In response to this transformation, AMRB has made several pivotal strategic decisions:

1. Financial and Corporate Restructuring:

Implementing financial and corporate restructuring initiatives aimed at alleviating debt burdens and strengthening cash flow, which the Group primarily achieved via its Group Debt Restructuring Plan in September 2025, ensuring balance sheet resilience in the post-restructuring phase. The Group's overall regularisation plan has completed on 23 October 2025.

2. Operational Segment Revamp:

A structural revamp is underway, particularly within the OSV (Offshore Support Vessel) sector and the OIC (Offshore Installation and Construction) with special focus on subsea segment, the potential growth areas, to enhance operational resilience amid challenging market conditions.

3. Vessels Optimisation:

The OSV segment is undergoing a significant fleet reduction. This move aims to optimise operability and support subsea segment.

4. Workforce Rationalisation:

The Group is rationalising its workforce to align its operational goals in line with the business restructuring exercise, ensuring the right resources are in place to support streamlined and efficient operations.

In summary, the Group's goal is to maintain resilience through its robust business model, which has sustained its diverse and advantageous role as an integrated service provider in the oil and gas sector. With our strong fundamentals remaining intact and becoming more fortified, proven commitment towards the on-time delivery of its contractual obligations even under debt restructuring projects as well as excellent dedication towards serving our clients, these strategies will strengthen its overall operations and long-term business value.

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KEY BUSINESS INDICATORS

Indicators	FY2024-25	FY2023-24	FY2022-23
Order book (RM '000)	1,218.80	1,520.86	220.03
Number of employees	152	100	128
Man-hours without LTI	14,630,229	13,415,486	12,108,806*

* (From 14 May 2018 to 30 June 2023)

GROUP FINANCIAL INDICATORS

RM '000	FY2024-25	FY2023-24	FY2022-23
Revenue	479,035	359,112	319,464
Operating Profit/(Loss)	59,349	25,423	22,216
EBITDA	61,906	30,862	31,146
Finance costs	(4,591)	(4,901)	(5,534)
Net profit/(loss) after taxation	43,394	54,305	19,603
Shareholders' equity	(49,416)	(87,519)	(145,010)
Total assets	208,386	260,545	223,950
Total liabilities	257,802	348,064	368,960
Borrowings	63,640	88,376	111,981
Debt/Equity	(1.29)	(1.01)	(0.77)
Earnings per share	0.01	0.04	0.01
Net asset per share	(0.03)	(0.06)	(0.09)
Market capitalisation as at financial year ended	38,296	53,614	38,296

Note:

FY2024-25 consists of the period of 12 months from 1 July 2024 to 30 June 2025.

FY2023-24 consists of the period of 12 months from 1 July 2023 to 30 June 2024.

FY2022-23 consists of the period of 12 months from 1 July 2022 to 30 June 2023.

REVENUE

The Group recorded a profit/turnover of RM479.0 million for the financial year ended 30 June 2025. Revenue from the OSV segment was RM58.4 million while revenue from the Subsea segment stood at RM415.4 million. The Group recorded a profit before taxation for the current financial year of RM53.5 million. The weaker performance of the OSV segment was mainly attributable to reduced vessel utilisation resulting from the expiry of OSV contracts. The increased in Subsea revenue, attributed to a longer than expected duration of offshore operations.

Revenue	FY2024-25 (RM'000)	FY2023-24 (RM'000)	Variance (%)
OSV (including management fees)	58,397	120,942	-52
Subsea	415,404	234,925	77
Other shipping related income	5,234	3,245	61
Total Revenue	479,035	359,112	33

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EARNINGS

AMRB posted Earnings Before Interest Tax Depreciation and Amortisation ("EBITDA") of RM61.9 million in FY2024-25 (FY2023-24: RM30.8 million).

We recorded a profit before taxation of RM53.5 million in FY2024-25, a decrease of 6.4% year-on-year variance (FY2023-24: RM56.9 million).

CAPITAL STRUCTURE, ASSETS, LIABILITIES & RESOURCES

Assets	FY2024-25 (RM'000)	FY2023-24 (RM'000)
Non-current	14,671	51,416
Current	193,715	209,128
Total Assets	208,386	260,544

Liabilities	FY2024-25 (RM'000)	FY2023-24 (RM'000)
Non-current	2,695	3,812
Current	255,107	344,252
Total Liabilities	257,802	348,064

In FY2024-25, to sustain efficient cost management, AMRB maintained its debt and financial restructuring initiatives to eliminate any standing debt obligations and retain efficient cost management.

In 2024, as part of its ongoing debt restructuring activities, AMRB submitted a plan to regularise its PN17 status to Bursa. The plan included a share capital reduction, a 10-to-one share consolidation, an issuance of renounceable rights shares with warrants and a scheme of arrangement with its creditors. Through close cooperation with Bursa and relevant parties during, Bursa in May 2025 resolved to approve AMRB's Proposed Regularisation Plan, subject to a set of explicit conditions that AMRB and Inter-Pacific Securities Sdn Bhd ("Interpac") must comply with during implementation. For context, Interpac was appointed as the Principal Adviser to assist in formulating AMRB's proposed regularisation plan.

AMRB's ultimate target through all these various measures and initiatives is to improve the Group's gearing ratio once it is completed its debt restructuring and asset disposal activities.

	FY2024-25	FY2023-24	FPE 30 June 2022
Gearing ratio	(1.29)	(1.01)	(0.77)

Borrowings	FY2024-25 (RM'000)	FY2023-24 (RM'000)	FY2022 (RM'000)
Short-term borrowings	61,013	86,404	109,709
Long-term borrowings	2,626	1,972	2,272
Total borrowings	63,639	88,376	111,981

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GROUP COSTS & EXPENDITURE

Total FY2024-25 Group operating costs amounted to RM349.1 million (FY2023-24: RM328.8 million).

Building on past experiences and lessons, we upheld key cost-saving practices such as maintaining minimal crew and essential maintenance on laid-up vessels, deactivating satellite communication systems and reducing fleet size. Asset impairments were also made to align values with market realities.

Additional measures included standardising equipment, optimising maintenance and bulk purchasing of parts to secure cost efficiencies. These initiatives streamlined operations, enhanced synergy across business segments, and improved overall efficiency. AMRB remains committed to sustaining these best practices to drive long-term sustainability and performance.

BUSINESS TRENDS & HIGHLIGHTS

Subsea

Amidst pursuing financial and corporate restructuring, AMRB has been actively growing its Subsea services business in Malaysia and Asian region. The restructuring in fact is especially imperative for AMRB to ensure it enters the international market with a strong footing.

The Subsea services market has a high barrier to entry, requiring significant capital investment, specialised skills and years of operational experience, and AMRB has positioned itself to capture opportunities in this market locally and abroad due to pent-up demand on maintenance projects and other factors.

AMRB's Subsea business segment is pivotal in enhancing AMRB's synergistic and resilient approach to integrated oil and gas services. The strong performance of our Subsea segment remains instrumental in operational viability, allowing us to not solely reliant on OSV operations, maintain reliable project pipelines and capitalise on the positive business profitability derived from the Subsea segment to mitigate the downturn in other areas of our operations. This diversified approach allows us to navigate challenges more effectively and maintain long-term stability across our operations.

AMRB is also currently fulfilling ongoing projects, including the 5-year Pan Malaysia project which involves inspection, maintenance and repair services ("IRM") work. There are currently around 4 diving support vessels under the Subsea segment, which we charter in when needed.



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FORTIFYING SUSTAINABILITY AND RESILIENCE THROUGH ICARE

Sustainability remains at the heart of AMRB, shaping the integration of effective work processes and cultural excellence within the organisation. Committed to raising performance standards, we focus on strengthening discipline and introducing measures that boost productivity, reduce waste and improve efficiency across project timelines, budgets and safety outcomes.

Global economic uncertainties has only further strengthened our dedication and resolve to excellence, customer focus and firm Environmental, Social, and Governance (“ESG”) principles. Through our people, work ethics, and corporate initiatives, we promote the iCARE philosophy — instilling accountability, teamwork, collaboration, discipline, and integrity at every level.



By aligning sustainability with work excellence, AMRB has created a competitive advantage that drives long-term profitability and operational efficiency. The iCARE philosophy serves as a guiding framework that ensures the company remains agile, responsive, and forward-thinking, even in the face of industry challenges.

Despite market challenges and operational shifts, AMRB has maintained a strong industry reputation through the successful execution of projects across its various business segments. While recognising areas for further growth, we remain focused on nurturing a high-performance ecosystem that enhances AMRB's adaptability and resilience in facing future uncertainties.

And this is where AMRB's focus on sustainability through its iCARE philosophy and ESG initiatives is integral – iCARE not only helps AMRB achieve operational excellence but also fosters a sustainable and efficient work culture that fortifies a resilient and holistic business model. This approach doesn't just spearhead AMRB's long-term growth but also contributes to a positive future for the whole industry.

More information on our sustainability and organisational values can be found in the Sustainability Statement section of this report on page 27.

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CONTINUED HSSE EXCELLENCE

AMRB’s exemplary HSSE performance record continues to be a crucial factor in project execution excellence and delivery, as it remains not only focused on actively cultivating a safe, secure and healthy work environment that protects the well-being of employees, contractors and all stakeholders involved, but it also ensures that deeply-integrated HSSE practices are proliferated throughout into daily operations to reduce potential risks in financial, legal, and operational hazards.

It is vital AMRB constantly maintains rigorous HSSE standards to comply with industry regulations and legal requirements. These standards are not merely a regulatory obligation for AMRB but a fundamental part of its operational philosophy. However, beyond the importance of compliance, HSSE excellence is a culture at AMRB that requires each and every employee to embrace and apply personal responsibility and accountability in their work and safety standards. Ensuring all employees understand their role in maintaining a safe and efficient workplace fosters an environment mutual safety and well-being for the entire workforce.

Committing to high safety standards has also boded well for AMRB’s operational outcomes. Efficient HSSE management continues to reduce the likelihood of accidents, equipment failures and other disruptions that can lead to downtime and financial losses. By integrating safety protocols and environmental considerations into project planning and execution, AMRB is able to maintain smoother and more productive operations.

Compliance. Employee Safety Culture. Operational Productivity – these are all part of our ongoing commitments in cultivating a Generative HSSE culture.

Major drivers in further cementing HSSE excellence at AMRB include the continued emphasis of our Zero Tolerance (“ZETO”) rules that underscore the non-negotiable nature of safety protocols, encouraging employees to take personal responsibility for their safety daily which is supported through lessons and best practices shared by the Heads of Department and the establishment of the two-tiered HSSE oversight structure where both committees play a crucial role in reviewing and updating HSSE policies, facilitating the sharing of lessons learned from incidents to help prevent future occurrences, continuously evaluating the progress of the Group’s safety measures and serving as an open forum where employees can report unsafe acts or conditions.

Our HSSE excellence is ultimately due to the collaborative efforts of everyone at AMRB when it comes to driving compliance at levels, portraying a strong action-based safety culture. The continual exceptional HSSE record achieved by AMRB is a testament to the dedication and commitment of all employees and management personnel across business segments and operational hierarchies. Through their collective efforts, we have cultivated a first-rate HSSE culture within the organisation.

Details on our HSSE performance can be found in the Sustainability Statement section of this report on page 53.

ANTICIPATED OR KNOWN RISKS

AMRB’s participation in the offshore oil and gas sector exposes it to various expected risks, closely linked to the activity levels of key industry players, especially PETRONAS, which dominates Malaysia’s market. Due to the sector’s cyclical nature, AMRB must stay agile in identifying, managing, and mitigating these risks to safeguard its business continuity and financial stability.

Operational and financial risk

This risk is primarily driven by factors such as asset utilisation, asset readiness and capital constraint. If our asset utilisation is low, or if our vessels and equipment are not prepared for deployment when required, this could result in missed revenue opportunities and strained customer relationships.

Mitigation Strategies

2025, which was aimed at improving the company’s financial health and reducing its debt burden. This was to maintain liquidity and financial flexibility even during periods of reduced activity in the oil and gas sector.

The right-sizing of AMRB’s workforce, optimising costs and diversifying its business portfolio are all done towards strengthening AMRB’s ability to withstand market volatility and safeguard long-term sustainability.

Capital constraints risks in a capital-intensive industry like OIC and Subsea services are also mitigated through careful financial planning and prudent asset management, ensuring that its assets are well-maintained and ready for deployment which allows AMRB to seize new opportunities as they come.

Market volatility

This risk is tied closely to fluctuations in oil prices and poses a significant risk. A downturn in oil prices could lead to reduced offshore exploration activities, which would in turn reduce the demand for OSV services. In addition, the rising costs of crewing, fuel and regulatory compliance continue to erode profit margins, making efficient fleet management and strategic cost reduction efforts essential.

Mitigation Strategies

Realising overall Group profitability and business sustainability by driving business segment diversification, given the present challenging external environment. Moreover, continued cost optimisation efforts primarily in fleet rationalisation should be continued.

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AMRB risk-mitigating action plans are overseen by a two-tier risk management structure, comprising the Management Risk Working Committee and the Board Risk Management Committee. These Committees are responsible for the continuous evaluation of risks, ensuring that potential disruptions to operations are minimised and swiftly addressed.

AMRB remains committed to internal controls and governance, which are central to its risk mitigation strategy. Detailed information on these controls, including specific risk mitigation tactics and monitoring mechanisms, are comprehensively outlined in the Statement of Risk Management and Internal Control in the Annual Report. This document provides transparency on how the company identifies risks and implements robust strategies to mitigate them.

OUTLOOK AND PROSPECTS

The outlook on global economic growth for the remainder of 2025 and going into 2026 looks to be moderate with tempered optimism, with the IMF as of April 2025 projecting a global growth of 2.8% in 2025 and 3% in 2026, down from the 3.3% it forecasted earlier for both years. The OECD also projects slowing global growth from 3.3% in 2024 to 2.9% in both 2025 and 2026.

The U.S. Energy Information Administration ("EIA") in May 2025 cut its average Brent oil spot price forecast for 2025 and 2026 in its latest short term energy outlook ("STEO"), projecting a USD 65–66 pbbl range through 2025, with a gradual decline to USD 59 pbbl in 2026. Barclays aligns to this forecast, forecasting Brent crude oil at USD 66 pbbl for 2025 and moderating to USD 60 in 2026, citing the decision by OPEC+ to accelerate oil production hikes. However, escalating tensions in the Persian Gulf, notably disruptions in the Strait of Hormuz, could trigger spikes to USD 90–110, and in a worst case scenario up to USD 120–130, in the coming year.

The International Energy Agency has reported however refinery throughputs are forecasted to rise by around 460,000 barrels per day (b/d) in both 2025 and 2026, to average 83.3 million b/d and 83.7 million b/d, respectively.

Therefore, while there is a market risk of sustained oil price volatility and potential Middle East flare-ups pressuring global and domestic revenues and energy earnings, oil output and prices are projected to perform better and stabilise in the future.

MALAYSIAN ECONOMIC OUTLOOK

Malaysia is positioned to continue recording positive growth, with the country's economy projected to grow within the range of 4.5% to 5.5% in 2025.

For Malaysia's oil and gas industry, there remains some positive sentiments amidst the market risks of sustained oil price volatility and potential Middle East flare-ups pressuring global and domestic revenues and energy earnings. As PETRONAS has denoted in its PETRONAS Activity Outlook ("PAO") 2025-2027, the collaboration between itself, PACs, OGSE players and the government has driven the success of Malaysia's oil and gas industry, significantly contributing to 24.1% of national income, or 4.2% of GDP, from as recent as 2023.

This proves the operational resilience the domestic oil and gas industry has in its major players. The oil and gas sector has long been a cornerstone of Malaysia's economy, contributing significantly to its GDP income. In fact PETRONAS, in prioritising efficiency, portfolio diversification, disciplined capital deployment, balanced operational discipline, strategic right-sizing and sustainable investment in talent and clean energy capabilities, has projected that over the next three years it plans to drill more than 400 wells with 39 upstream projects expected to be executed.

The PAO 2025-2027 also denotes a positive outlook for offshore fabrication with 22 projects planned for execution, while the demand for underwater services for 2025 onwards is projected to remain steady. This bodes well for AMRB's OIC and Subsea segment. For OSV, the PAO 2025-2027 sees a steady demand trend projected from 2025 to 2027 attributed to the stability in production activities during this period.

PETRONAS also acknowledges the high number of aging vessel servicing production operations as a concern if there are insufficient newbuilds coming into the market within the next three years. They advise that OSV owners embarking on fleet renewal should consider fuel-efficient technologies including diesel electric vessels to reduce total operational cost for PACs.

The increasing emphasis on clean and renewable energy is poised to have a significant impact on the trajectory of the oil and gas industry. As Malaysia advances into the strategic phase of its National Energy Transition Roadmap ("NETR"), substantial policy developments are shaping the country's decarbonisation and energy security ambitions. Under the NETR, the government targets raising renewable energy share from 31% in 2025 to 40% by 2035, and ultimately 70% by 2050. Over RM25 billion of investments across ten flagship projects — covering solar, hydrogen, bioenergy, and carbon capture, utilisation and storage ("CCUS") — are projected to create around 23,000 jobs while removing over 10 000 GgCO₂ eq annually.

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Malaysia's 2025 federal budget reinforced these ambitions by allocating MYR 305.9 million to the National Energy Transition Facility.

This marked shift towards a lower-carbon future aligns with global apprehensions regarding the repercussions of climate change. This strategic direction underscores the industry's recognition of the imperative to address environmental concerns and transition towards more sustainable energy practices.

AMRB'S BUSINESS SEGMENT PROSPECTS

AMRB remains committed to leveraging its synergistic business model to optimise the strengths and capabilities of its diverse business segments. This strategy includes solidifying its asset-light approach. Furthermore, AMRB's synergistic pivot aims to capitalise on projected industry trends and developments on a significant scale, with its Subsea segment in particular continuing to be promising due to high demand for underwater services. By aligning its operations with anticipated market shifts, AMRB endeavours to enhance its competitive position and drive sustainable growth.

AMRB also recognises that the success of its business prospects hinges on the smooth completion and success of the Proposed Debt Restructuring activity that the Group is currently undertaking. This strategic initiative is crucial for ensuring the financial stability and resilience of the organisation, enabling AMRB to pursue its business objectives sustainably and capitalise on growth opportunities.

As always, we remain determined to make aggressive bids for new contracts to continue raising our order book value and strengthening our overall operations.

Notwithstanding the above, the Group's Directors will continue to exercise due care in managing and implementing effective strategies for the Group's business and will ensure that shareholders' values are strategically enhanced from time to time.

STRATEGIC POSITIONING

The continued debt and financial restructuring initiatives aim to ultimately eliminate any outstanding debt obligations, and a positive turnaround in financial performance across all business segments in 2025 and beyond.

We continue to explore portfolio reshaping to focus on areas with faster returns and less volatility, as well as promoting risk and profit-sharing and maintaining an asset-light approach.

Meaningful collaborations with external partners can also help solve common business challenges and improve performance and efficiency through jointly-developed solutions while sharing risks and costs.

Bolstering AMRB's human resources capabilities to better leverage our internal strengths, capabilities, resources and brand name is therefore crucial in this pursuit in order to deliver on our strategies and commitments with agility and focused execution. This entails continuous reassessment and enhancement of our talent strategies and redefining our workforce ecosystem.

When it comes to strengthening organisational agility in an unpredictable industry, a strong work culture and mindset must be cultivated by creating and sustaining trusted teams that are committed towards focused execution across the Group to progress it further. This is critical if we intend to deliver on our strategies and commitments, grounded upon principles of excellent merit, HSSE and performance in all our endeavours, to earn the respect and trust of our clients.

With AMRB at the cusp of positive turnaround given it is in the final stages of its regularisation plan, the company knows it has the confidence to meet these strategic objectives through the support of all our stakeholders including customers, clients, creditors and subcontractors. With our stakeholders' ongoing support, the company is poised to solidify its relevance in the industry as it navigates through strategic restructuring, collaborations and diversification to thrive in the oil and gas market, bolstered by strengthened management and operational capabilities.

Our business model's robust fundamental infrastructure remains intact and will continue to serve as the foundation for our future growth. We are committed to leveraging this framework to drive our success and create value for all stakeholders involved.

DIVIDENDS

AMRB's decision regarding dividend distribution reflects the Group's commitment to aligning shareholder returns with the longterm sustainability and growth of the company. While no dividends have been declared for FY2024-25, this is part of a broader strategy to preserve capital and reinvest it in areas that will enhance operational efficiency, improve the company's financial position, and support future growth initiatives.

DATUK AZMI AHMAD

Group Managing Director/Group Chief Executive Officer