

Registration No: 200501018734 (700849-K)

ALAM MARITIM RESOURCES BERHAD
(Incorporated in Malaysia)

FINANCIAL REPORT
for the financial year ended 30 June 2024

ALAM MARITIM RESOURCES BERHAD

(Incorporated in Malaysia)

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ALAM MARITIM RESOURCES BERHAD

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	26,279,682	8,544,344
Attributable to:-		
Owners of the Company	26,311,108	8,544,344
Non-controlling interests	(31,426)	-
	<u>26,279,682</u>	<u>8,544,344</u>

DIVIDENDS

No dividend was recommended by the directors for the financial year.

The directors do not recommend the payment of any further dividends for the financial year.

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.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company except for the share options granted pursuant to the Company's Employee Share Option Scheme below.

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DIRECTORS' REPORT

EMPLOYEE SHARE OPTION SCHEME

The Company has an Employees' Share Option Scheme ("ESOS") which was implemented on 2 April 2019 for a period of five (5) years, for the eligible directors and employees ("Eligible Persons") of the Group. The ESOS expired on 2 April 2024 pursuant to the ESOS By-Laws.

All outstanding share options offered to the Eligible Persons of the Company pursuant to the ESOS had automatically lapsed upon the expiry of the ESOS on 2 April 2024.

The details of the ESOS are disclosed in Note 17(c) to the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company 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 of the Company to meet their obligations when they fall due.

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DIRECTORS' REPORT

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

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

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Fina Norhizah Binti Haji Baharu Zaman
Datuk Azmi Bin Ahmad*
Ahmad Hassanudin Bin Ahmad Kamaluddin*
Ahmad Ruhaizad Bin Hashim
Yap Shuh Jian

* Directors of the Company and certain subsidiaries

ALAM MARITIM RESOURCES BERHAD

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DIRECTORS' REPORT**DIRECTORS' INTERESTS**

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors holding office at the end of the financial year in shares, options over unissued shares or debentures of the Company and its related corporations during the financial year are as follows:-

	< ----- Number of Ordinary Shares ----- >			
	At 1.7.2023	Bought	Sold	At 30.6.2024
The Company				
<i>Direct Interests</i>				
Datuk Azmi Bin Ahmad	2,292,748	-	-	2,292,748
Ahmad Hassanudin Bin Ahmad Kamaluddin	1,875	-	-	1,875
Fina Norhizah Binti Haji Baharu Zaman	34,000	-	-	34,000
<i>Indirect Interests</i>				
Datuk Azmi Bin Ahmad *^	330,581,061	-	-	330,581,061
Ahmad Hassanudin Bin Ahmad Kamaluddin ^	123,750	-	-	123,750

* Shares held through company in which the director has substantial financial interests

^ Shares held through spouse

	< ----- Number of Options under ESOS ----- >				
	At 1.7.2023	Granted	Exercised	Lapsed	At 30.6.2024
The Company					
<i>Direct Interests</i>					
Datuk Azmi Bin Ahmad	13,866,914	-	-	(13,866,914)	-
Ahmad Hassanudin Bin Ahmad Kamaluddin	13,866,914	-	-	(13,866,914)	-
Fina Norhizah Binti Haji Baharu Zaman	1,500,000	-	-	(1,500,000)	-

By virtue of their shareholdings in the Company, Datuk Azmi Bin Ahmad and Ahmad Hassanudin Bin Ahmad Kamaluddin are deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares, options over unissued shares or debentures of the Company or its related corporations during the financial year.

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DIRECTORS' REPORT

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the 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 except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than the share options granted to certain directors pursuant to the ESOS of the Company.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Group and the Company during the financial year are as follows:-

	The Group RM	The Company RM
Fees	626,170	326,170
Other emoluments	3,613,569	35,083
	<u>4,239,739</u>	<u>361,253</u>

INDEMNITY AND INSURANCE COST

During the financial year, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

HOLDING COMPANY

The directors regard SAR Venture Holdings (M) Sdn. Bhd., a company incorporated in Malaysia, as the immediate holding company of the Company.

SUBSIDIARIES

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 5 to the financial statements.

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DIRECTORS' REPORT

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

Details of significant events during and subsequent to the end of the financial year are as follows:-

On 31 October 2022, the Company announced that it had triggered the prescribed criteria pursuant to Paragraph 8.04 and Paragraph 2.1(d) of Practice Note 17 ("PN17") of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). Hence, with effect from 31 October 2022, the Company is considered as a PN17 listed issuer. The Company has 12 months to submit the regularisation plan to the relevant authorities for approval.

On 17 October 2023, the Company has submitted the application to Bursa Malaysia for extension of time for the Company to submit its Proposed Regularisation Plan in relation to PN17 of the MMLR of Bursa Malaysia. Subsequently, Bursa Malaysia had vide its letter dated 1 November 2023 resolved to grant the Company an extension of time of 6 months until 30 April 2024 to submit its regularisation plan to the regulatory authorities.

On 25 October 2023, the Company announced that the Company and Alam Maritim (M) Sdn. Bhd. ("AMSB") (a wholly-owned subsidiary of the Company) (collectively "Applicants") have obtained the following Orders from the High Court of Malaya at Kuala Lumpur ("High Court") pursuant to Sections 366 and 368 of the Companies Act 2016 for, among others:-

- (i) An order pursuant to Section 366(1) of the Companies Act 2016 to summon meetings of the creditors of the Applicants or any class of them for the purpose of considering and, if thought fit, approving with or without modification, a Scheme of Arrangement and compromise proposed between the Applicants and the Scheme Creditors;
- (ii) That the Applicants be at liberty to fix the date, time and venue of the scheme meetings within three (3) months from 25 October 2023; and
- (iii) A restraining order pursuant to Section 368(1) of the Companies Act 2016, whereby all current and further proceedings in any legal actions or proceedings against AMSB and/or the assets of AMSB be restrained and stayed except by leave of Court for a period of three (3) months from 25 October 2023.

On 24 January 2024, the Company announced that the High Court had granted the Company and AMSB an extension of time of 9 months from 25 January 2024 to summon the Court Convened Meeting ("CCM") for the Proposed Debt Restructuring and an extension of the Restraining Order for AMSB for a period of 9 months from 25 January 2024.

On 29 April 2024, the Company announced that the High Court had granted a Restraining Order for the Company for a period of 3 months from 29 April 2024.

On 30 May 2024, Bursa Malaysia extended the regularisation plan submission dateline to 31 October 2024.

On 5 July 2024, the Company announced that both the Company and AMSB will convene the CCM for the Proposed Debt Restructuring on 26 July 2024 and that the notice of CCM, the proxy forms and the Explanatory Statement have been issued to the Scheme Creditors.

On 25 July 2024, the Company announced that the High Court has granted an extension of the Restraining Order for the Company until 31 December 2024.

On 26 July 2024, the Company announced that the Company had obtained the approval of the requisite majority in value of the Scheme Creditors to undertake the Proposed Debt Restructuring during the CCM held on even date.

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DIRECTORS' REPORT

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR (CONT'D)

Details of significant events during and subsequent to the end of the financial year are as follows:- (Cont'd)

On 19 August 2024, the Company announced that the application in relation to the Proposed Regularisation Plan had been submitted to Bursa Malaysia on 16 August 2024. As at the date of this report, the Proposed Regularisation Plan has not been approved by Bursa Malaysia.

The Proposed Regularisation Plan shall be undertaken in conjunction with the Proposed Scheme of Arrangement and compromise pursuant to Section 366 of the Companies Act 2016 between the Company, AMSB (a wholly-owned subsidiary of the Company) and their creditors comprising, amongst others, full and final and/or partial settlement of outstanding debts owing to the scheme creditors of AMSB ("AMSB Scheme Creditors") ("AMSB Scheme Amounts") and Alam Maritim Resources Berhad ("AMRB/the Company") ("AMRB Scheme Creditors") ("AMRB Scheme Amounts") by way of cash as well as issuance of the Settlement Shares and the Settlement Warrants ("Proposed Debt Restructuring").

The Scheme of Arrangement between AMSB and the AMSB Scheme Creditors shall be referred to as the "AMSB Unsecured Scheme" whereas the Scheme of Arrangement between AMRB and the AMRB Scheme Creditors shall be referred to as the "AMRB Unsecured Scheme".

The AMSB Scheme Creditors and the AMRB Scheme Creditors shall collectively be referred to as the "Scheme Creditors".

The inter-conditionality of the corporate exercises to be undertaken by the Company is as follows:-

- (i) The Proposed Debt Restructuring comprises the Bilateral Settlement, AMSB Unsecured Scheme and AMRB Unsecured Scheme. Accordingly, each component of the Proposed Debt Restructuring is inter-conditional; and
- (ii) The Proposed Regularisation Plan and the Proposed Debt Restructuring are inter-conditional.

On 4 September 2024, the Company announced that the Company and AMSB have obtained from the High Court of Malaya at Kuala Lumpur the following Order pursuant to Section 366 of the Act to sanction the Company's and AMSB's Schemes of Arrangement ("Order"). The Order sets out, among others:-

- (i) That the Scheme of Arrangement in the Explanatory Statement dated 5 July 2024 for the Company and AMSB, be approved and sanctioned by High Court so as to be binding upon the Company and AMSB and their Scheme Creditors as defined therein; and
- (ii) That an office copy of the Order shall be lodged with the Companies Commission of Malaysia.

On 20 September 2024, the sealed Order has been lodged with the Companies Commission of Malaysia and the Scheme of Arrangement took effect.

The Order granted by the High Court was obtained as part of the Group's overall restructuring and rehabilitation plan by way of a Scheme of Arrangement with its creditors.

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AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The auditors' remuneration of the Group and of the Company during the financial year are RM758,000 and RM270,000 respectively.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:



Ahmad Ruhaizad Bin Hashim
Director



Datuk Azmi Bin Ahmad
Director

Kuala Lumpur

29 October 2024

ALAM MARITIM RESOURCES BERHAD

(Incorporated in Malaysia)

**STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016**

We, Ahmad Ruhaizad Bin Hashim and Datuk Azmi Bin Ahmad, being two of the directors of Alam Maritim Resources Berhad, state that, in the opinion of the directors, the financial statements set out on pages 12 to 108 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 of the Company as of 30 June 2024 and of their financial performance and cash flows for the financial year ended on that date.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:



Ahmad Ruhaizad Bin Hashim

Kuala Lumpur

29 October 2024



Datuk Azmi Bin Ahmad

ALAM MARITIM RESOURCES BERHAD

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**STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016**

I, Siti Sarah Binti Abdullah, MIA Membership Number: 31650, being the officer primarily responsible for the financial management of Alam Maritim Resources Berhad, do solemnly and sincerely declare that the financial statements set out on pages 12 to 108 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Siti Sarah Binti Abdullah, NRIC Number: 830811-14-5872
at Kuala Lumpur
in the Federal Territory
on this 29 October 2024



Siti Sarah Binti Abdullah

Before me



Muhammad Imran Bin Abu
W 931
Commissioner for Oaths
1/2/2022 – 31/12/2024
Kuala Lumpur, Malaysia



TETUAN MOZNI SHAM & CO.
NO. 58-2, SECOND FLOOR
JALAN 1/76D, DESA PANDAN
55100 KUALA LUMPUR

ALAM MARITIM RESOURCES BERHAD

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STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	< ----- The Group ----- >			< ----- The Company ----- >		
		30.6.2024 RM	30.6.2023 RM (Restated)	1.7.2022 RM (Restated)	30.6.2024 RM	30.6.2023 RM (Restated)	1.7.2022 RM (Restated)
ASSETS							
NON-CURRENT ASSETS							
Investments in subsidiaries	5	-	-	-	-	-	-
Investments in associates	6	-	-	-	-	-	-
Investments in joint ventures	7	788,677	4,126,302	14,819,480	-	-	-
Property, vessels and equipment	8	22,252,295	41,202,395	68,052,347	-	-	-
Investment properties	9	2,063,011	2,137,586	2,192,647	-	-	-
Other investments	10	350,000	350,000	350,000	-	-	-
Intangible assets	11	-	-	-	-	-	-
Deferred tax assets	12	96,000	168,251	1,212,889	-	-	-
Total non-current assets		25,549,983	47,984,534	86,627,363	-	-	-
CURRENT ASSETS							
Trade and other receivables	13	92,110,315	62,069,250	132,429,500	7,000,000	1,112,990	197,547,014
Contract assets	14	84,473,530	72,539,632	10,707,874	-	-	-
Cash and short-term deposits	15	45,721,472	52,606,962	42,277,837	516,079	6,403,201	2,216,038
Current tax assets		973,437	657,823	528,759	-	-	-
Total current assets		223,278,754	187,873,667	185,943,970	7,516,079	7,516,191	199,763,052
TOTAL ASSETS		248,828,737	235,858,201	272,571,333	7,516,079	7,516,191	199,763,052

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STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024 (CONT'D)

	Note	< ----- The Group ----- >			< ----- The Company ----- >		
		30.6.2024 RM	30.6.2023 RM (Restated)	1.7.2022 RM (Restated)	30.6.2024 RM	30.6.2023 RM (Restated)	1.7.2022 RM (Restated)
EQUITY AND LIABILITIES							
EQUITY							
Share capital	16	442,667,403	442,667,403	442,667,403	442,667,403	442,667,403	442,667,403
Other reserves	17	871,683	(2,917,636)	(2,406,343)	-	165,616	165,616
Accumulated losses		(468,998,368)	(489,963,575)	(509,392,163)	(492,170,067)	(500,880,027)	(308,926,271)
Equity attributable to owners of the Company		(25,459,282)	(50,213,808)	(69,131,103)	(49,502,664)	(58,047,008)	133,906,748
Non-controlling interests		-	(4,711,499)	(3,523,162)	-	-	-
(CAPITAL DEFICIENCY)/ TOTAL EQUITY		(25,459,282)	(54,925,307)	(72,654,265)	(49,502,664)	(58,047,008)	133,906,748
NON-CURRENT LIABILITIES							
Loans and borrowings	18	1,971,859	2,272,153	2,641,459	-	-	-
Deferred tax liabilities	12	1,840,000	730,750	1,377,344	-	-	-
Total non-current liabilities		3,811,859	3,002,903	4,018,803	-	-	-
CURRENT LIABILITIES							
Loans and borrowings	18	86,404,393	109,708,988	110,845,055	53,238,097	52,997,291	56,760,420
Trade and other payables	19	174,350,692	177,955,783	230,225,585	3,780,646	12,565,908	9,095,884
Current tax liabilities		9,721,075	115,834	136,155	-	-	-
Total current liabilities		270,476,160	287,780,605	341,206,795	57,018,743	65,563,199	65,856,304
TOTAL LIABILITIES		274,288,019	290,783,508	345,225,598	57,018,743	65,563,199	65,856,304
TOTAL LIABILITIES NET OF CAPITAL DEFICIENCY/TOTAL EQUITY AND LIABILITIES		248,828,737	235,858,201	272,571,333	7,516,079	7,516,191	199,763,052

ALAM MARITIM RESOURCES BERHAD

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**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

	Note	The Group		The Company	
		2024 RM	2023 RM (Restated)	2024 RM	2023 RM (Restated)
REVENUE	20	357,195,393	312,251,856	-	-
COST OF SALES	21	(324,611,310)	(302,181,198)	-	-
GROSS PROFIT		32,584,083	10,070,658	-	-
OTHER INCOME	22	27,586,872	66,276,832	3,214,755	3,174,248
		60,170,955	76,347,490	3,214,755	3,174,248
EMPLOYEE BENEFIT EXPENSES	23	(16,470,087)	(13,370,520)	(361,253)	(336,446)
OTHER EXPENSES		(12,893,511)	(26,532,265)	(2,833,635)	(2,214,334)
FINANCE COSTS	24	(4,901,402)	(5,360,470)	(3,151,184)	(3,129,660)
NET REVERSAL/ (IMPAIRMENT LOSSES) ON FINANCIAL ASSETS	25	1,452,702	(15,545,684)	11,675,661	(189,447,564)
SHARE OF PROFITS OF EQUITY ACCOUNTED JOINT VENTURES		10,112,375	3,572,065	-	-
PROFIT/(LOSS) BEFORE TAXATION	26	37,471,032	19,110,616	8,544,344	(191,953,756)
INCOME TAX EXPENSE	27	(11,191,350)	(663,416)	-	-
PROFIT/(LOSS) AFTER TAXATION		26,279,682	18,447,200	8,544,344	(191,953,756)
OTHER COMPREHENSIVE INCOME, NET OF TAX					
<u>Items that Will be Reclassified Subsequently to Profit</u>					
Foreign currency translation differences		(124,793)	(718,242)	-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR		26,154,889	17,728,958	8,544,344	(191,953,756)

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**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONT'D)**

	Note	The Group		The Company	
		2024 RM	2023 RM (Restated)	2024 RM	2023 RM (Restated)
PROFIT/(LOSS) AFTER TAXATION					
ATTRIBUTABLE TO:-					
Owners of the Company		26,311,108	19,428,588	8,544,344	(191,953,756)
Non-controlling interests		(31,426)	(981,388)	-	-
		<u>26,279,682</u>	<u>18,447,200</u>	<u>8,544,344</u>	<u>(191,953,756)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS)					
ATTRIBUTABLE TO:-					
Owners of the Company		26,217,511	18,917,295	8,544,344	(191,953,756)
Non-controlling interests		(62,622)	(1,188,337)	-	-
		<u>26,154,889</u>	<u>17,728,958</u>	<u>8,544,344</u>	<u>(191,953,756)</u>
EARNINGS PER SHARE (SEN)					
	28				
Basic:		<u>1.72</u>	<u>1.27</u>		
Diluted:		<u>1.72</u>	<u>1.27</u>		

ALAM MARITIM RESOURCES BERHAD

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**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

		< ----- Non-Distributable ----- >			Distributable				
	Note	Share Capital RM	Foreign Exchange Translation Reserve RM	Premium Paid on Acquisition of Non- Controlling Interest RM	Employee Share Option Reserve RM	Accumulated Losses RM	Attributable to Owners of the Company RM	Non- Controlling Interests RM	Capital Deficiency RM
The Group									
At 30.6.2022/1.7.2022									
- As previously reported		442,667,403	2,067,875	(4,639,834)	165,616	(507,890,042)	(67,628,982)	(5,161,616)	(72,790,598)
- Prior year adjustments	37	-	-	-	-	(1,502,121)	(1,502,121)	1,638,454	136,333
Balance at 30.6.2022/1.7.2022 (Restated)		442,667,403	2,067,875	(4,639,834)	165,616	(509,392,163)	(69,131,103)	(3,523,162)	(72,654,265)
Profit after taxation for the financial year		-	-	-	-	19,428,588	19,428,588	(981,388)	18,447,200
Other comprehensive loss for the financial year:-	17(b)								
- Foreign currency translation differences		-	(511,293)	-	-	-	(511,293)	(206,949)	(718,242)
Total comprehensive income for the financial year		-	(511,293)	-	-	19,428,588	18,917,295	(1,188,337)	17,728,958
Balance at 30.6.2023 (Restated)		442,667,403	1,556,582	(4,639,834)	165,616	(489,963,575)	(50,213,808)	(4,711,499)	(54,925,307)

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**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONT'D)**

		< ----- Non-Distributable ----- >				Distributable			
	Note	Share Capital RM	Foreign Exchange Translation Reserve RM	Premium Paid on Acquisition of Non- Controlling Interest RM	Employee Share Option Reserve RM	Accumulated Losses RM	Attributable to Owners of the Company RM	Non- Controlling Interests RM	Capital Deficiency RM
The Group									
Balance at 30.6.2023/1.7.2023									
- As previously reported		442,667,403	1,556,582	(4,639,834)	165,616	(492,720,951)	(52,971,184)	(6,349,953)	(59,321,137)
- Prior year adjustments		-	-	-	-	2,757,376	2,757,376	1,638,454	4,395,830
Balance at 30.6.2023 (Restated)		442,667,403	1,556,582	(4,639,834)	165,616	(489,963,575)	(50,213,808)	(4,711,499)	(54,925,307)
Profit after taxation for the financial year		-	-	-	-	26,311,108	26,311,108	(31,426)	26,279,682
Other comprehensive loss for the financial year:-	17(b)								
- Foreign currency translation differences		-	(93,597)	-	-	-	(93,597)	(31,196)	(124,793)
Total comprehensive income for the financial year		-	(93,597)	-	-	26,311,108	26,217,511	(62,622)	26,154,889
Disposal of subsidiaries	29	-	(1,462,985)	5,511,517	-	(5,511,517)	(1,462,985)	4,774,121	3,311,136
Share options lapsed	17(c)	-	-	-	(165,616)	165,616	-	-	-
Total transaction with owners		-	(1,462,985)	5,511,517	(165,616)	(5,345,901)	(1,462,985)	4,774,121	3,311,136
Balance at 30.6.2024		442,667,403	-	871,683	-	(468,998,368)	(25,459,282)	-	(25,459,282)

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**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONT'D)**

	Note	Share Capital RM	Non Distributable Employee Share Option Reserve RM	Distributable Accumulated Losses RM	Capital Deficiency RM
The Company					
Balance at 30.6.2022/1.7.2022					
- As previously reported		442,667,403	165,616	(307,777,633)	135,055,386
- Prior year adjustments		-	-	(1,148,638)	(1,148,638)
Balance at 30.6.2022/1.7.2022 (Restated)		442,667,403	165,616	(308,926,271)	133,906,748
Loss after taxation/Total comprehensive loss for the financial year		-	-	(191,953,756)	(191,953,756)
Balance at 30.6.2023 (Restated)		442,667,403	165,616	(500,880,027)	(58,047,008)
The Company					
Balance at 30.6.2023/1.7.2023					
- As previously reported		442,667,403	165,616	(499,950,899)	(57,117,880)
- Prior year adjustments		-	-	(929,128)	(929,128)
Balance at 30.6.2023/1.7.2023 (Restated)		442,667,403	165,616	(500,880,027)	(58,047,008)
Profit after taxation/Total comprehensive income for the financial year		-	-	8,544,344	8,544,344
Share options lapsed	17(c)	-	(165,616)	165,616	-
Total contributions by and distributions to owners		-	(165,616)	8,709,960	8,544,344
Balance at 30.6.2024		442,667,403	-	(492,170,067)	(49,502,664)

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**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

	Note	The Group		The Company	
		2024 RM	2023 RM (Restated)	2024 RM	2023 RM (Restated)
CASH FLOWS FOR OPERATING ACTIVITIES					
Profit/(Loss) before taxation:		37,471,032	19,110,616	8,544,344	(191,953,756)
Adjustments for:-					
Depreciation of:-					
- property, vessels and equipment		5,531,533	8,797,596	-	-
- investment properties		74,575	55,061	-	-
Impairment loss:-					
- property, vessels and equipment		1,086,549	4,325,708	-	-
- trade receivables		4,291,410	3,074,303	-	-
- other receivables		1,223,063	28,593,443	1,066,483	196,349,574
Reversal of impairment loss:-					
- trade receivables		(3,399,119)	(9,839,849)	-	-
- other receivables		(3,568,056)	(6,282,213)	(12,742,144)	(6,902,010)
Loss/(Gain) on disposal of:-					
- subsidiary	29	3,311,136	-	-	-
- property, vessels and equipment		4,234,925	(2,752,822)	-	-
Loss on lease modification		11,296	-	-	-
Property, vessels and equipment written off		7,320	598,905	-	-
Other receivables written off		-	12,186,639	-	-
Unrealised loss on foreign exchange		306,053	473,781	-	-
Interest income		(564,669)	(494,104)	(3,212,409)	(3,174,248)
Bad debts recovered		-	(100,000)	-	-
Share of net profits of equity accounted Joint Ventures		(10,112,375)	(3,572,065)	-	-
Finance costs		4,901,402	5,360,470	3,151,184	3,129,660
Waiver of debt	22	(19,876,569)	-	-	-
Operating profit/(loss) before working capital changes		24,929,506	59,535,469	(3,192,542)	(2,550,780)
Increase in contract assets		(11,933,898)	(61,831,758)	-	-
(Increase)/Decrease in trade and other receivables		(18,810,049)	45,982,083	(331,346)	-
(Decrease)/Increase in trade and other payables		(5,274,478)	(55,434,883)	(8,785,262)	3,298,731
CASH (USED IN)/ GENERATED FROM OPERATIONS		(11,088,919)	(11,749,089)	(12,309,150)	747,951
Interest paid		(2,715,538)	(2,230,811)	(3,151,184)	(3,129,660)
Income tax paid		(720,222)	(473,895)	-	-
NET CASH USED IN OPERATING ACTIVITIES		(14,524,679)	(14,453,795)	(15,460,334)	(2,381,709)

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**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONT'D)**

	Note	The Group		The Company	
		2024 RM	2023 RM (Restated)	2024 RM	2023 RM (Restated)
CASH FLOWS FOR INVESTING ACTIVITIES					
Dividend received from a joint venture		3,450,000	5,000,000	-	-
Proceeds from disposal of property, vessels and equipment		8,280,531	16,400,484	-	-
Purchase of property, vessels and equipment		(213,000)	-	-	-
Repayments from subsidiaries		-	-	6,119,997	7,016,066
Repayments from joint ventures		-	-	-	141,687
Net change in short-term deposits		2,521,693	12,736,489	-	-
Interest received		564,669	494,104	3,212,409	3,174,248
NET CASH GENERATED FROM INVESTING ACTIVITIES		14,603,893	34,631,077	9,332,406	10,332,001
CASH FLOWS FOR FINANCING ACTIVITIES					
(Repayment)/Advances from associates		(516,477)	6,165,718	-	-
Net (repayments)/drawdown of term loans		(220,073)	83,325	-	-
Net (repayments)/drawdown of revolving credits		(3,463,866)	1,779,234	-	-
Drawdown/(Repayments) of Sukuk Ijarah Medium-Term Notes ("Sukuk Ijarah MTN")		240,806	(3,763,129)	240,806	(3,763,129)
Repayments of hire purchase payables		-	(63,793)	-	-
Repayment of lease liabilities		(25,147)	(99,406)	-	-
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES		(3,984,757)	4,101,949	240,806	(3,763,129)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(3,905,543)	24,279,231	(5,887,122)	4,187,163
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		(124,793)	(1,213,617)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		43,602,675	20,537,061	6,403,201	2,216,038
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	15	39,572,339	43,602,675	516,079	6,403,201

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office and principal place of business are at 38F, Level 3, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur.

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as "the Group".

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 29 October 2024.

HOLDING COMPANY

The holding company is SAR Venture Holdings (M) Sdn. Bhd., a company incorporated in Malaysia.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group and the Company have adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)

MFRS 17: Insurance Contracts

Amendments to MFRS 17: Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

3. BASIS OF PREPARATION (CONT'D)

- 3.1 During the current financial year, the Group and the Company have adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-
(Cont'd)

MFRSs and/or IC Interpretations (Including the Consequential Amendments) (Cont'd)

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company except for the Amendments to MFRS 101: Disclosure of Accounting Policies.

The Amendments to MFRS 101 'Disclosure of Accounting Policies' did not result in any changes to the existing accounting policies of the Group and of the Company. However, the amendments require the disclosure of 'material' rather than 'significant' accounting policies and provide guidance on how entities apply the concept of materiality in making decisions about the material accounting policy disclosures.

- 3.2 The Group and the Company have not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)

	Effective Date
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application except for MFRS 18 Presentation and Disclosure in Financial Statements.

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard sets out the new requirements for the presentation and disclosure of information in the primary financial statements and notes. The potential impact of the new standard on the financial statements of the Group and of the Company has yet to be assessed.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

3. BASIS OF PREPARATION (CONT'D)

3.3 Fundamental accounting principle

On 31 October 2022, the Company announced that it had triggered the prescribed criteria pursuant to Paragraph 8.04 and Paragraph 2.1(d) of Practice Note 17 ("PN17") of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). Hence, with effect from 31 October 2022, the Company is considered as a PN17 listed issuer. The Company has 12 months to submit the regularisation plan to the relevant authorities for approval.

On 17 October 2023, the Company has submitted the application to Bursa Malaysia for extension of time for the Company to submit its Proposed Regularisation Plan in relation to PN17 of the MMLR of Bursa Malaysia. Subsequently, Bursa Malaysia had vide its letter dated 1 November 2023 resolved to grant the Company an extension of time of 6 months until 30 April 2024 to submit its regularisation plan to the regulatory authorities.

On 30 May 2024, Bursa Malaysia extended the regularisation plan submission dateline to 31 October 2024.

During the financial year ended 30 June 2024, the Group's and the Company's current liabilities exceeded their current assets by RM47,197,406 and RM49,502,664 respectively and recorded a capital deficiency of RM25,459,282 and RM49,502,664 respectively. The Group and the Company also recorded a negative operating cash flows of RM14,524,679 and RM15,462,680 respectively during the financial year ended 30 June 2024.

The outcome of the Group's and the Company's legal suit with RHB Islamic for claims as disclosed in Note 36(i)(b).

Nevertheless, the financial statements of the Group and of the Company have been prepared by the directors on a going concern basis, the validity of which is highly dependent on the successful implementation of a regularisation plan by the directors in responding to the conditions above which shall comprise the following:-

- (i) Proposed Share Capital Reduction;
- (ii) Proposed Share Consolidation;
- (iii) Proposed Rights Issue with Warrants; and
- (iv) Proposed Settlement of part of the amount owing to the creditors of the Group and of the Company via the issuance of new Company Shares ("Settlement Shares") and Warrants ("Settlement Warrants") pursuant to a Scheme of Arrangement under Section 366 of the Companies Act 2016 in Malaysia ("Act") ("Proposed Settlement")

(i) to (iv) above shall collectively be referred to as the "Proposed Regularisation Plan".

On 19 August 2024, the Company announced that the application in relation to the Proposed Regularisation Plan had been submitted to Bursa Malaysia on 16 August 2024.

As at the date of this report, the Proposed Regularisation Plan has not been approved by Bursa Malaysia.

The Proposed Regularisation Plan shall be undertaken in conjunction with the Proposed Scheme of Arrangement and compromise pursuant to Section 366 of the Companies Act 2016 between the Company, Alam Maritim (M) Sdn. Bhd. ("AMSB") (a wholly-owned subsidiary of the Company) and their creditors comprising, amongst others, full and final and/or partial settlement of outstanding debts owing to the scheme creditors of AMSB ("AMSB Scheme Creditors") ("AMSB Scheme Amounts") and Alam Maritim Resources Berhad ("AMRB/the Company") ("AMRB Scheme Creditors") ("AMRB Scheme Amounts") by way of cash as well as issuance of the Settlement Shares and the Settlement Warrants ("Proposed Debt Restructuring").

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

3. BASIS OF PREPARATION (CONT'D)

3.3 Fundamental accounting principle (Cont'd)

The Scheme of Arrangement between AMSB and the AMSB Scheme Creditors shall be referred to as the "AMSB Unsecured Scheme" whereas the Scheme of Arrangement between AMRB and the AMRB Scheme Creditors shall be referred to as the "AMRB Unsecured Scheme".

The AMSB Scheme Creditors and the AMRB Scheme Creditors shall collectively be referred to as the "Scheme Creditors".

During the financial year, the Group and the Company continued to be unable to meet its obligations in relation to its debts obligations. A failure by the Group and the Company to restructure its debts through the Proposed Debt Restructuring could lead to the potential liquidation of the Group and of the Company.

In this regard, the Proposed Debt Restructuring has been designed to:-

- (i) Enable the Group and the Company to manage its debt obligations in an orderly manner establish a sustainable business and debt structure; and
- (ii) Strengthen the financial position of the Group and allow the Group to continue its business activities.

On 25 October 2023, the Company announced that the Company and AMSB (a wholly owned subsidiary of the Company) (collectively "Applicants") have obtained the following Orders from the High Court of Malaya at Kuala Lumpur ("High Court") pursuant to Sections 366 and 368 of the Companies Act 2016 for, among others:-

- (i) An order pursuant to Section 366(1) of the Companies Act 2016 to summon meetings of the creditors of the Applicants or any class of them for the purpose of considering and, if thought fit, approving with or without modification, a Scheme of Arrangement and compromise proposed between the Applicants and the Scheme Creditors;
- (ii) That the Applicants be at liberty to fix the date, time and venue of the scheme meetings within three (3) months from 25 October 2023; and
- (iii) A restraining order pursuant to Section 368(1) of the Companies Act 2016, whereby all current and further proceedings in any legal actions or proceedings against AMSB and/or the assets of AMSB be restrained and stayed except by leave of Court for a period of three (3) months from 25 October 2023.

On 24 January 2024, the Company announced that the High Court had granted the Company and AMSB an extension of time of 9 months from 25 January 2024 to summon the Court Convened Meeting ("CCM") for the Proposed Debt Restructuring and an extension of the Restraining Order for AMSB for a period of 9 months from 25 January 2024.

On 29 April 2024, the Company announced that the High Court had granted a Restraining Order for the Company for a period of 3 months from 29 April 2024.

On 5 July 2024, the Company announced that both the Company and AMSB will convene the CCM for the Proposed Debt Restructuring on 26 July 2024 and that the notice of CCM, the proxy forms and the Explanatory Statement have been issued to the Scheme Creditors.

On 25 July 2024, the Company announced that the High Court has granted an extension of the Restraining Order for the Company until 31 December 2024.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

3. BASIS OF PREPARATION (CONT'D)

3.3 Fundamental accounting principle (Cont'd)

On 26 July 2024, the Company announced that the Company had obtained the approval of the requisite majority in value of the Scheme Creditors to undertake the Proposed Debt Restructuring during the CCM held on even date.

On 4 September 2024, the Company announced that the Company and AMSB have obtained from the High Court of Malaya at Kuala Lumpur the following Order pursuant to Section 366 of the Companies Act 2016 to sanction the Company's and AMSB's Schemes of Arrangement ("Order"). The Order sets out, among others:-

- (i) That the Scheme of Arrangement in the Explanatory Statement dated 5 July 2024 for the Company and AMSB, be approved and sanctioned by High Court so as to be binding upon the Company and AMSB and their Scheme Creditors as defined therein; and
- (ii) That an office copy of the Order shall be lodged with the Companies Commission of Malaysia.

On 20 September 2024, the sealed Order has been lodged with the Companies Commission of Malaysia and the Scheme of Arrangement took effect.

The Order granted by the High Court was obtained as part of the Group's overall restructuring and rehabilitation plan by way of a Scheme of Arrangement with its creditors.

The inter-conditionality of the corporate exercises to be undertaken by the Company is as follows:-

- (i) The Proposed Debt Restructuring comprises the Bilateral Settlement, AMSB Unsecured Scheme and AMRB Unsecured Scheme. Accordingly, each component of the Proposed Debt Restructuring is inter-conditional; and
- (ii) The Proposed Regularisation Plan and the Proposed Debt Restructuring are inter-conditional.

The Group had submitted the Proposed Regularisation Plan and pending decision by Bursa Malaysia before embarking to the implementation of the said Regularisation Plan which include:-

- (i) Self-rescue funding;
- (ii) Settlement of amounts owing to financial institutions and creditors;
- (iii) Capital reduction of the issued share capital of the Company; and
- (iv) Consolidating the total number of issued share capital of the Company

The ability of the Group and the Company to continue as going concerns are also dependent upon the Group's ability to secure significant contracts from oil and gas segment, their successful profitable operations in the foreseeable future.

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 and the Company to continue as going concerns and therefore, may be unable to realise their assets and discharge their liabilities in the normal course of business.

ALAM MARITIM RESOURCES BERHAD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

3. BASIS OF PREPARATION (CONT'D)

3.3 Fundamental accounting principle (Cont'd)

Therefore, the going concern basis used in preparing the financial statements of the Group and the Company is significantly dependent on:-

- (i) Approval being obtained from all the relevant parties on the Proposed Debt Restructuring Plan.
- (ii) Timely and successful implementation of each components of the Proposed Debt 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.

In the event that these are not forthcoming, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business. Accordingly, the financial statements may require adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary should the Group and the Company be unable to continue as going concerns.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made 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 other than as disclosed below:-

(a) Going Concern

Management concludes there were material uncertainties relating to events or conditions that may cast significant doubt upon the Group's and the Company's ability to continue as a going concern at the end of the current reporting period. The judgements applied in concluding the appropriate basis for preparing these financial statements are disclosed in Note 3.3 to the financial statements.

(b) Depreciation of Property, Vessels and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, vessels and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, vessels and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, vessels and equipment as at the reporting date is disclosed in Note 8 to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(c) Impairment of Property, Vessels and Equipment

The Group reviews the carrying amounts of its property, vessels and equipment at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount which is the higher of its fair value less costs to sell or its value in use is estimated.

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 conditions. For the current financial year, an impairment of vessels and related equipment was necessary. This was based on management's assessment of the recoverable amount, using fair value less cost of disposal as determined by an external independent valuer. The carrying amount of vessels and equipment as at the reporting date and the key assumptions are disclosed in Note 8 to the financial statements.

(d) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 13 and 14 to the financial statements respectively.

(e) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group and the Company to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group and the Company use judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of non-trade receivables as at the reporting date are disclosed in Notes 13 to the financial statements.

(f) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amounts of current tax assets and current tax liabilities of the Group and of the Company as at the reporting date are disclosed in the Statements of Financial Position.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Classification between Investment Properties and Owner-occupied Properties

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group account for the portions separately. If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

4.2 FINANCIAL INSTRUMENTS

(a) Financial Assets

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

Financial Assets Through Other Comprehensive Income

The Group has elected to designate the equity instruments as financial assets through other comprehensive income at initial recognition.

The financial assets are initially measured at fair value plus transaction costs. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes taken up in other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference of a debt instrument which are recognised directly in profit or loss. The fair value changes do not include interest and dividend income.

(b) Financial Liabilities

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

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**NOTES TO THE FINANCIAL STATEMENTS
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4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.2 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity

Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

(d) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

4.3 GOODWILL

Goodwill is initially measured at cost. Subsequent to the initial recognition, the goodwill is measured at cost less accumulated impairment losses, if any. A bargain purchase gain is recognised in profit or loss immediately.

4.4 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 and loss account using the straight-line method over their estimated useful lives of five years.

4.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

4.6 INVESTMENTS IN ASSOCIATES

Investments in associates are stated in the financial statements of the Company at cost less impairment losses, if any, and accounted for using the equity method in the financial statements of the Group.

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4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.7 INVESTMENTS IN JOINT VENTURES

Investments in joint ventures are stated in the financial statements of the Company at cost less impairment losses, if any. The Group recognises its interest in the joint ventures using the equity method.

4.8 PROPERTY, VESSELS AND EQUIPMENT

All items of property, vessels and equipment are initially measured at cost.

Subsequent to the initial recognition, all property, vessels and equipment, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on property, vessels and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates/useful lives are:-

Leasehold land	99 years
Buildings	3%
Vessels	9 to 25 years
Drydocking	20% to 50%
Overhaul	3%
Diving equipment	10%
Equipment on vessel	10% to 50%
Motor vehicles	20%
Computers	33.33%
Office equipment	10%
Furniture and fittings	10%
Renovation	10%

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term. The principal annual depreciation rates/useful lives are:-

Office building, warehouse and hostel	2 to 3 years
---------------------------------------	--------------

4.9 INVESTMENT PROPERTIES

Investment properties are initially measured at cost. Subsequent to the initial recognition, the investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation on other investment properties is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives. The principal annual depreciation periods and rates are:-

Leasehold land	60 to 99 years
Buildings	2% to 3%

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4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.10 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Short-term Leases and Leases of Low-value Assets

The Group and the Company apply the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use Assets

The Group presents the right-of-use assets under property, vessels and equipment in the statement of financial position.

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

4.11 IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying values of assets, other than those to which MFRS 136: *Impairment of Assets* does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs of disposal ("FVLCD") and its value-in-use ("VIU"), which is measured by reference to discounted future cash flows using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs.

An impairment loss is recognised in statements of comprehensive income immediately. Any impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in statements of comprehensive income immediately.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.12 REVENUE RECOGNITION

The Group and the Company recognise revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

Revenue recognition of the Group and the Company is applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer).

The Group and the Company measure revenue at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer. If the transaction price includes variable consideration, the Group and the Company use the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group and the Company expect to better predict the amount of consideration to which it is entitled.

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis. If the stand-alone selling price is not directly observable, the Group and the Company estimate it by using the costs plus margin approach.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. A modification exists when the change either creates new or changes existing enforceable rights and obligations of the parties to the contract. The Group and the Company have assessed the type of modification and accounted for as either creates a separate new contract, terminates the existing contract and creation of a new contract; or forms a part of the existing contracts.

The following describes the performance obligation in contracts with customers:-

(a) Charter hire of vessels and other shipping related income

Charter hire of vessels and other shipping related income are recognised over time using an input method to measure progress towards complete satisfaction of the services, because customer simultaneously receives and consumes the benefits provided by the Group and are computed at the contracted daily rate. In the event invoices are yet to be issued at year end, the revenue is accrued to the extent of the services rendered at the reporting date.

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4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.12 REVENUE RECOGNITION (CONT'D)

The following describes the performance obligation in contracts with customers:- (Cont'd)

(b) Diving and subsea services

Revenue from a contract to provide services is recognised over time as the service are rendered because the customer receives and uses the benefits simultaneously. This is determined based on the time elapsed (output method).

(c) Vessel's management fees

Vessel's management fees is recognised upon completion of services rendered in accordance with the terms of the agreement entered into.

(d) Offshore installation and construction

Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control is transferred over time as the Group creates or enhance an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

Sales are made with a credit term of 30 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group becomes entitled to invoice customers for construction of commercial and industrial properties based on achieving a series of performance-related milestones.

The Group recognised a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognises a contract liability for the difference.

Revenue from other sources are recognised as follows:-

(a) Rental of equipment

Rental of equipment is recognised on a straight-line basis over the term of the lease.

Other income are recognised as follows:-

(a) Rental Income

Rental income is recognised on a straight-line basis over the lease term.

(b) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

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	30.6.2024 RM	The Company 30.6.2023 RM	1.7.2022 RM
Unquoted shares, at cost:-			
At the beginning of the financial year/period	100,302,070	100,302,420	100,302,420
Less: Struck off during the financial year	-	(350)	-
At the end of financial year/period	100,302,070	100,302,070	100,302,420
Less: Accumulated impairment losses			
At the beginning of the financial year/period	(100,302,070)	(100,302,420)	(33,743,980)
Add: Impairment during the financial period	-	-	(66,558,440)
Less: Struck off during the financial year	-	350	-
At the end of the financial year/period	(100,302,070)	(100,302,070)	(100,302,420)
At the end of the financial year/period	-	-	-

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business/ Country of Incorporation	Ownership Interest			Principal Activities
		30.6.2024 %	30.6.2023 %	1.7.2022 %	
(i) <i>Held by the Company:-</i>					
Alam Maritim (M) Sdn. Bhd. ("AMSB")	Malaysia	100	100	100	Ship owning, chartering and managing and other shipping related activities
Alam Maritim (L) Inc. ("AMLI")	Federal Territory of Labuan, Malaysia	100	100	100	Investment holding and ship owning
Alam Maritim Investment Holdings (L) Inc. ("AMIH") @	Federal Territory of Labuan, Malaysia	-	-	100	Investment holding and ship owning

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**NOTES TO THE FINANCIAL STATEMENTS
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The details of the subsidiaries are as follows:- (Cont'd)

Name of Subsidiaries	Principal Place of Business/ Country of Incorporation	Ownership Interest			Principal Activities
		30.6.2024 %	30.6.2023 %	1.7.2022 %	
(ii) <i>Held through AMSB:-</i>					
Alam Hidro (M) Sdn. Bhd. ("AHSB")	Malaysia	100	100	100	Offshore facilities construction and installation and subsea services
International Gateway Services Sdn. Bhd. ("IGS") #	Malaysia	100	100	100	Transportation, ship forwarding and agent, ship chandelling and other related activities
Alam Food Industries (M) Sdn. Bhd. ("AFI")	Malaysia	100	100	100	Catering and messing service
Alam Maritim Properties (M) Sdn. Bhd. ("AMP")	Malaysia	100	100	100	Property owner and management
(iii) <i>Held through AML:-</i>					
Eastar Offshore Pte. Ltd. ("EASTAR") *^	Singapore	-	75	75	Designing manufacturing and operating of Remotely Operated Vehicles ("ROV")
(iv) <i>Held through EASTAR:-</i>					
Alam Subsea Pte. Ltd. ("ASPL") *^	Singapore	-	75	75	Rental of ROV and providing ROV services

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5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:- (Cont'd)

AMSB is the beneficiary owner of the entire issued and paid-up share capital of IGS, a private company in Malaysia, since the date of incorporation of IGS on 20 September 2000.

* Audited by an auditor other than Crowe Malaysia PLT.

^ EASTAR and ASPL is consolidated using unaudited management financial statements as auditors' report is not available as the financial year end of EASTAR and ASPL is 31 December. On 8 January 2024 and 10 October 2024, EASTAR and ASPL, indirect wholly owned subsidiaries of the Company had completed the application for striking off with Accounting and Corporate Regulatory Authority ("ACRA"), Singapore. The latest audited accounts were as at 31 December 2022, and since then, there have been no significant transactions.

@ During the financial period 1 July 2022/30 June 2022, AMIH were struck-off pursuant to Section 151(4) of the Labuan Companies Act 1990. AMIH was consolidated using unaudited management financial statements for the financial period 1 July 2022/30 June 2022, auditors' report is not available.

Summarised financial information of non-controlling interests has not been presented as the non-controlling interests of the subsidiaries are not individually material to the Group.

6. INVESTMENTS IN ASSOCIATES

	30.6.2024 RM	The Group 30.6.2023 RM	1.7.2022 RM
Unquoted shares, at cost:-			
At the beginning of the financial year/period	61,699,516	61,699,516	61,699,516
Share of post-acquisition reserves	(61,699,516)	(61,699,516)	(61,699,516)
At the end of the financial year/period	-	-	-

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**NOTES TO THE FINANCIAL STATEMENTS
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The details of the associates are as follows:-

Name of Associates	Principal Place of Business/ Country of Incorporation	Ownership Interest			Principal Activities
		30.6.2024 %	30.6.2023 %	1.7.2022 %	
(i) <i>Held through AMLI:-</i>					
TH-Alam Holdings (L) Inc. ("THAH") ^*	Federal Territory of Labuan, Malaysia	49	49	49	Investment holding
(ii) <i>Held through THAH:-</i>					
Alam-JV DP1 (L) Inc. ("AJVDP1") ^*	Federal Territory of Labuan, Malaysia	49	49	49	Ship owning
Alam-JV DP2 (L) Inc. ("AJVDP2") ^*	Federal Territory of Labuan, Malaysia	49	49	49	Ship owning

^ Equity accounted using unaudited management financial statements as auditors' report is not available for the financial year ended 30 June 2024. The financial year end of THAH is 31 December.

* Audited by an auditor other than Crowe Malaysia PLT.

THAH and its subsidiaries are involved in the ship-owning business and are based in Malaysia. These associate companies are a strategic investment of the Group and form an essential part of the Group's growth strategy. It is a strategic investment for enhancing the Group's involvement in offshore support vessel services.

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**NOTES TO THE FINANCIAL STATEMENTS
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The following table illustrates the summarised financial information of the Group's associate, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associate:-

	THAH (Consolidated)	
	30.6.2024	30.6.2023
	Unaudited	Unaudited
	RM	RM
<u>Assets and liabilities</u>		
Non-current assets	120,624,641	130,813,443
Current assets	56,047,245	31,812,706
Current liabilities	(172,349,231)	(180,715,036)
Net assets/(liabilities)	<u>4,322,655</u>	<u>(18,088,887)</u>
<u>12 month Period Ended 30 June</u>		
Revenue	39,551,940	55,817,052
(Loss)/Profit for the financial year	<u>(15,426,678)</u>	<u>21,152,576</u>
Total comprehensive (loss)/income	<u>(15,426,678)</u>	<u>21,152,576</u>

The Group has not recognised its share of losses of THAH because the Group's cumulative share of losses has exceeded its interest in that associate and the Group has no obligation in respect of these losses. The Group's cumulative accumulated losses not recognised were RM22,441,348 (30.6.2023: RM14,882,276, 1.7.2022: RM25,247,038).

7. INVESTMENTS IN JOINT VENTURES

	30.6.2024	The Group	1.7.2022
	RM	30.6.2023	RM
		RM	
Unquoted shares, at cost:-			
At the beginning of the financial year/period	51,137,649	51,137,649	99,771,377
Share of post-acquisition reserves	288,677	3,626,302	(25,397,278)
	<u>51,426,326</u>	<u>54,763,951</u>	<u>74,374,099</u>
Accumulated impairment losses	(50,637,649)	(50,637,649)	(59,554,619)
At the end of the financial year/period	<u>788,677</u>	<u>4,126,302</u>	<u>14,819,480</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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The details of the joint ventures are as follows:-

Name of Joint Ventures	Principal Place of Business/ Country of Incorporation	Ownership Interest			Principal Activities
		30.6.2024 %	30.6.2023 %	1.7.2022 %	
(i) <i>Held by AMSB:-</i>					
Alam Eksplorasi (M) Sdn. Bhd. ("AESB") *	Malaysia	60	60	60	Ship owning, operating and chartering
Alam Radiance (M) Sdn. Bhd. ("ARMSB") *	Malaysia	50	50	50	Ship owning, ship management, ship operation, maintenance and consultancy
Alam Synergy I (L) Inc. ("AS I") *	Federal Territory of Labuan, Malaysia	60	60	60	Ship owning, operating and chartering
Alam Synergy II (L) Inc. ("AS II") *	Federal Territory of Labuan, Malaysia	60	60	60	Ship owning, operating and chartering
Alam Synergy III (L) Inc. ("AS III") *	Federal Territory of Labuan, Malaysia	60	60	60	Ship owning, operating and chartering
YSS Alam Energy (M) Sdn. Bhd. ("YSS Alam") *@	Malaysia	-	-	50	Ship owning, ship management, ship operation, maintenance and consultancy
(ii) <i>Held by AMLI:-</i>					
Workboat International DMCCO ("WBI") *@	United Arab Emirates	-	-	60	Ship owning, ship management, ship operation, maintenance and consultancy
Alam Fast Boats (L) Inc. ("AFBLI") *	Federal Territory of Labuan, Malaysia	60	60	60	Ship owning, operating and chartering

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****7. INVESTMENTS IN JOINT VENTURES (CONT'D)**

The details of the joint ventures are as follows:- (Cont'd)

Name of Joint Ventures	Principal Place of Business/ Country of Incorporation	Ownership Interest			Principal Activities
		30.6.2024 %	30.6.2023 %	1.7.2022 %	
(ii) <i>Held by AMLI:- (Cont'd)</i>					
Alam Radiance (L) Inc. ("ARLI") *	Federal Territory of Labuan, Malaysia	51	51	51	Ship owning and chartering
TH Alam Management (M) Sdn. Bhd. ("THAM") *	Malaysia	50	50	50	Ship management and consultancy
Alam-PE Holdings (L) Inc. ("Alam-PE (H)") * ^Λ	Federal Territory of Labuan, Malaysia	51	51	51	Ship owning, ship management, ship operation, maintenance and marine consultancy
(iii) <i>Held by Alam-PE (H):-</i>					
Alam-PE I (L) Inc. ("Alam-PE I") * ^Λ	Federal Territory of Labuan, Malaysia	51	51	51	Ship owning, operating and chartering
Alam-PE II (L) Inc. ("Alam-PE II") * ^Λ	Federal Territory of Labuan, Malaysia	51	51	51	Ship owning, operating and chartering
Alam-PE III (L) Inc. ("Alam-PE III") * ^Λ	Federal Territory of Labuan, Malaysia	51	51	51	Ship owning, operating and chartering
Alam-PE IV (L) Inc. ("Alam-PE IV") * ^Λ	Federal Territory of Labuan, Malaysia	51	51	51	Ship owning, operating and chartering
Alam-PE V (L) Inc. ("Alam-PE V") * ^Λ	Federal Territory of Labuan, Malaysia	51	51	51	Ship owning, operating and chartering

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****7. INVESTMENTS IN JOINT VENTURES (CONT'D)**

The details of the joint ventures are as follows:- (Cont'd)

Name of Joint Ventures	Principal Place of Business/ Country of Incorporation	Ownership Interest			Principal Activities
		30.6.2024	30.6.2023	1.7.2022	
		%	%	%	
(iii) <i>Held by ALAM-PE (H):- (Cont'd)</i>					
Alam-PE Holdings Sdn. Bhd. ("Alam PE (H) SB") *^	Malaysia	51	51	51	Ship management
(iv) <i>Held through AHSB:-</i>					
Subsea Worldwide Solutions Sdn. Bhd. ("SWS")	Malaysia	50	50	50	Providing offshore under water and subsea services
(v) <i>Held through AMIH:-</i>					
Deepsea Leader Venture (L) Inc. ("DLV")*@	Federal Territory of Labuan, Malaysia	-	-	51	Ship owning, ship management, ship operation, maintenance and marine consultancy

* Audited by an auditor other than Crowe Malaysia PLT.

^ Equity accounted in financial period ended 30 June 2022/1 July 2022 using unaudited management financial statements as auditors' report is not available.

@ Struck off during the financial year/period.

ALAM-PE (H) Group are involved in the ship-owning business and are based in Malaysia. This joint venture company is a strategic investment of the Group and form an essential part of the Group's growth strategy. It is a strategic investment for enhancing the Group's involvement in offshore support vessel services.

SWS is involved in the provision of sub-sea engineering services, operating Remotely Operated Vehicles ("ROV") and saturation diving services business segment of the Group. This joint venture company is a strategic investment of the Group and forms an essential part of the Group's growth strategy. It is a strategic investment for enhancing the Group's involvement in subsea services.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****7. INVESTMENTS IN JOINT VENTURES (CONT'D)**

The following table illustrates the summarised financial information of the Group's material joint ventures, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the joint ventures:-

	SWS	
	30.6.2024	30.6.2023
	RM	RM
<u>Assets and liabilities</u>		
Non-current assets	3,650,014	1,545,690
Current assets	93,665,832	85,258,370
Non-current liabilities	(1,132,263)	-
Current liabilities	(94,606,227)	(78,551,454)
Net assets	<u>1,577,356</u>	<u>8,252,606</u>
<u>12 month Period Ended 30 June</u>		
Revenue	255,568,853	248,604,851
Profit and total comprehensive income for the financial year	<u>20,224,750</u>	<u>7,144,129</u>
Group's share of profit for the financial year:-		
Group's share of other comprehensive income	10,112,375	3,572,065
Dividend income	<u>(13,450,000)</u>	<u>(8,000,000)</u>
Reconciliation of net assets to carrying amount:-		
Group's share of net assets	1,577,356	8,252,606
Effective ownership interest	50%	50%
Carrying amount	<u>788,677</u>	<u>4,126,302</u>
Accumulated impairment losses	-	-
Carrying amount in the statements of financial position	<u>788,677</u>	<u>4,126,302</u>

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The following table illustrates the summarised financial information of the Group's material joint ventures, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the joint ventures:- (Cont'd)

	ALAM-PE (H) (Consolidated)	
	30.6.2024 Unaudited RM	30.6.2023 Audited RM
<u>Assets and liabilities</u>		
Non-current assets	16,300,088	20,518,404
Current assets	8,761,601	13,165,369
Non-current liabilities	-	(9,319,290)
Current liabilities	(2,441,529)	(2,799,172)
Net assets	<u>22,620,160</u>	<u>21,565,311</u>
<u>12 month Period Ended 30 June</u>		
Revenue	21,600,445	17,331,551
Profit/(Loss) and total comprehensive income/(loss) for the financial year	<u>1,049,323</u>	<u>(26,487,296)</u>
Group's share of profit for the financial year:-		
Group's share of other comprehensive income	-	-
Dividend received	-	-

The investment cost in Alam-PE (H) Group was fully impaired since previous financial year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****8. PROPERTY, VESSELS AND EQUIPMENT****The Group****30.6.2024***Carrying Amount*

	At 1.7.2023 (Restated) RM	Additions (Note 8(a)) RM	Disposal RM	Written-Off (Note 26) RM	Derecognition RM	Adjustments RM	Depreciation Charges (Note 26) RM	Impairment Losses (Note 26) RM	Exchange Differences RM	Transfer From Investment Properties (Note 9) RM	Transfer To Investment Properties (Note 9) RM	At 30.6.2024 RM
Owned assets												
Leasehold land	10,532,359	-	(10,461,425)	-	-	-	(70,934)	-	-	-	-	-
Buildings	7,757,263	-	(304,614)	(7,320)	-	-	(357,578)	-	-	-	-	7,087,751
Vessels	17,970,427	-	(1,749,402)	-	-	-	(1,738,328)	(1,086,549)	-	-	-	13,396,148
Drydocking	2,590,660	-	-	-	-	-	(1,793,495)	-	-	-	-	797,165
Diving equipment and equipment on vessel	1,589,345	-	(15)	-	-	-	(1,343,204)	-	-	-	-	246,126
Motor vehicles	406,809	213,000	-	-	-	-	(66,614)	-	-	-	-	553,195
Computers, office equipment and furniture fittings	96,200	-	-	-	-	-	(32,508)	-	-	-	-	63,692
Renovation	225,077	-	-	-	-	-	(116,859)	-	-	-	-	108,218
	41,168,140	213,000	(12,515,456)	(7,320)	-	-	(5,519,520)	(1,086,549)	-	-	-	22,252,295
Right-of-use												
Office building	-	-	-	-	-	-	-	-	-	-	-	-
Warehouse	28,530	-	-	-	(22,242)	-	(6,288)	-	-	-	-	-
Hostel	5,725	-	-	-	-	-	(5,725)	-	-	-	-	-
	34,255	-	-	-	(22,242)	-	(12,013)	-	-	-	-	-
	41,202,395	213,000	(12,515,456)	(7,320)	(22,242)	-	(5,531,533)	(1,086,549)	-	-	-	22,252,295

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****8. PROPERTY, VESSELS AND EQUIPMENT (CONT'D)****The Group****30.6.2023 (Restated)***Carrying Amount*

	At 1.7.2022 (Restated) RM	Additions (Note 8(a)) RM	Disposal RM	Written-Off (Note 26) RM	Derecognition RM	Adjustments RM	Depreciation Charges (Note 26) RM	Impairment Losses (Note 26) RM	Exchange Differences RM	Transfer From Investment Properties (Note 9) RM	Transfer To Investment Properties (Note 9) RM	At 30.6.2023 (Restated) RM
Owned assets												
Leasehold land	10,653,970	-	-	-	-	-	(121,611)	-	-	-	-	10,532,359
Buildings	8,122,166	-	-	-	-	-	(364,903)	-	-	-	-	7,757,263
Vessels	32,562,122	-	(12,038,166)	-	-	-	(2,553,529)	-	-	-	-	17,970,427
Drydocking	6,251,589	-	(414,551)	-	-	-	(3,246,378)	-	-	-	-	2,590,660
Diving equipment and equipment on vessel	9,409,095	-	(1,314,112)	(598,905)	-	-	(2,100,944)	(4,325,708)	519,919	-	-	1,589,345
Motor vehicles	466,324	-	(1)	-	-	-	(59,514)	-	-	-	-	406,809
Computers, office equipment and furniture fittings	103,973	-	119,168	-	-	-	(126,941)	-	-	-	-	96,200
Renovation	352,141	-	-	-	-	-	(127,064)	-	-	-	-	225,077
	67,921,380	-	(13,647,662)	(598,905)	-	-	(8,700,884)	(4,325,708)	519,919	-	-	41,168,140
Right-of-use												
Office building	1,772	-	-	-	-	-	(1,772)	-	-	-	-	-
Warehouse	54,771	-	-	-	-	-	(26,241)	-	-	-	-	28,530
Hostel	74,424	-	-	-	-	-	(68,699)	-	-	-	-	5,725
	130,967	-	-	-	-	-	(96,712)	-	-	-	-	34,255
	68,052,347	-	(13,647,662)	(598,905)	-	-	(8,797,596)	(4,325,708)	519,919	-	-	41,202,395

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****8. PROPERTY, VESSELS AND EQUIPMENT (CONT'D)****The Group**

1.7.2022 (Restated)

Carrying Amount

	At 1.1.2021 RM	Additions (Note 8(a)) RM	Disposal RM	Written-Off RM	Derecognition RM	Adjustments RM	Depreciation Charges RM	Impairment Losses RM	Exchange Differences RM	Transfer From Investment Properties (Note 9) RM	Transfer To Investment Properties (Note 9) RM	At 30.6.2022 (Restated) RM
Owned assets												
Leasehold land	12,378,385	-	-	-	-	(771,915)	(182,417)	-	-	-	(770,083)	10,653,970
Buildings	6,761,501	-	-	-	-	1,867,046	(227,065)	-	-	771,600	(1,050,916)	8,122,166
Vessels	166,926,523	-	(3,227,547)	(12,125)	-	(5,900,363)	(22,197,066)	(103,027,300)	-	-	-	32,562,122
Drydocking	20,722,167	2,065,323	-	(4)	-	(3,757,484)	(6,963,353)	(5,815,060)	-	-	-	6,251,589
Diving equipment and equipment on vessel	11,373,786	-	-	(22,536)	-	4,664,161	(5,470,490)	(657,879)	(477,947)	-	-	9,409,095
Motor vehicles	139,111	297,572	(3)	(3)	-	108,374	(78,727)	-	-	-	-	466,324
Computers, office equipment and furniture fittings	(102,373)	51,567	-	(579)	-	481,832	(326,474)	-	-	-	-	103,973
Renovation	674,265	-	-	-	-	(112,785)	(209,339)	-	-	-	-	352,141
	218,873,365	2,414,462	(3,227,550)	(35,247)	-	(3,421,134)	(35,654,931)	(109,500,239)	(477,947)	771,600	(1,820,999)	67,921,380
Right-of-use												
Office building	136,167	11,443	-	-	(110,886)	-	(34,952)	-	-	-	-	1,772
Warehouse	92,498	-	-	-	-	-	(37,727)	-	-	-	-	54,771
Hostel	-	137,398	-	-	-	-	(62,974)	-	-	-	-	74,424
	228,665	148,841	-	-	(110,886)	-	(135,653)	-	-	-	-	130,967
	219,102,030	2,563,303	(3,227,550)	(35,247)	(110,886)	(3,421,134)	(35,790,584)	(109,500,239)	(477,947)	771,600	(1,820,999)	68,052,347

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****8. PROPERTY, VESSELS AND EQUIPMENT (CONT'D)**

The Group	At Cost RM	Accumulated Depreciation and Impairment Losses RM	Carrying Amount RM
30.6.2024			
Buildings	11,626,572	(4,538,821)	7,087,751
Vessels	94,422,571	(81,026,423)	13,396,148
Drydocking	12,172,754	(11,375,589)	797,165
Diving equipment and equipment on vessel	83,865,481	(83,619,355)	246,126
Motor vehicles	3,049,603	(2,496,408)	553,195
Computers, office equipment and furniture fittings	7,928,696	(7,865,004)	63,692
Renovation	5,140,857	(5,032,639)	108,218
	218,206,534	(195,954,239)	22,252,295
30.6.2023 (Restated)			
Leasehold land	12,039,511	(1,507,152)	10,532,359
Buildings	12,283,719	(4,526,456)	7,757,263
Vessels	120,269,247	(102,298,820)	17,970,427
Drydocking	15,322,503	(12,731,843)	2,590,660
Diving equipment and equipment on vessel	83,976,178	(82,386,833)	1,589,345
Motor vehicles	2,836,603	(2,429,794)	406,809
Computers, office equipment and furniture fittings	7,928,696	(7,832,496)	96,200
Renovation	5,140,857	(4,915,780)	225,077
Right-of-use assets	274,012	(239,757)	34,255
	260,071,326	(218,868,931)	41,202,395
1.7.2022 (Restated)			
Leasehold land	12,039,511	(1,385,541)	10,653,970
Buildings	12,283,719	(4,161,553)	8,122,166
Vessels	236,345,231	(203,783,109)	32,562,122
Drydocking	27,688,691	(21,437,102)	6,251,589
Diving equipment and equipment on vessel	107,759,621	(98,350,526)	9,409,095
Motor vehicles	3,118,424	(2,652,100)	466,324
Computers, office equipment and furniture fittings	8,183,717	(8,079,744)	103,973
Renovation	5,140,857	(4,788,716)	352,141
Right-of-use assets	274,012	(143,045)	130,967
	412,833,783	(344,781,436)	68,052,347

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****8. PROPERTY, VESSELS AND EQUIPMENT (CONT'D)**

(a) The Group acquired property, vessels and equipment, which were satisfied by the following:-

	30.6.2024 RM	The Group 30.6.2023 RM (Restated)	1.7.2022 RM (Restated)
Purchase of property, vessels and equipment	213,000	-	2,563,303
Financed by way of lease arrangements	-	-	(148,841)
	<u>213,000</u>	<u>-</u>	<u>2,414,462</u>

(b) The carrying amount of property, vessels and equipment pledged as security for banking facilities as disclosed in Note 18 are as follows:-

	30.6.2024 RM	The Group 30.6.2023 RM (Restated)	1.7.2022 RM (Restated)
Buildings	2,659,045	3,120,454	3,277,253
Vessels	3,905,000	7,695,548	16,769,665
Motor vehicles	-	-	1
	<u>6,564,045</u>	<u>10,816,002</u>	<u>20,046,919</u>

(c) The Group leases several assets including office building, warehouse and hostel. The Group leases office building, warehouse and hostel with lease terms of 2 to 3 years.

(d) During the financial year, an impairment loss of RM1,086,549 (30.6.2023: RM4,325,708) is recognised in statements of comprehensive income under other operating expenses as disclosed in Note 26 to the financial statements, representing the impairment of vessels, drydocking and equipment on vessels as the carrying amount of these vessels and equipment are higher than their recoverable amount. The recoverable amount of the vessels and equipment were based on the valuation reports issued by an independent professional valuer.

The valuation judgement by the independent professional valuer was derived using the following assumptions:-

- (i) type, size, main and auxiliary machinery fitted on board, age of the vessels and other specification of the vessels;
- (ii) condition of the vessels hull, machinery and equipment are consistent with its age as noted with the normal wear and tear; and
- (iii) recent transacted or offered price for vessels of this similar specification and size in the sales and purchase market.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****9. INVESTMENT PROPERTIES**

	30.6.2024 RM	The Group 30.6.2023 RM (Restated)	1.7.2022 RM (Restated)
Cost:-			
At the beginning of the financial year/period	2,688,600	2,688,600	1,320,000
Transfer from property, vessels and equipment (Note 8)	-	-	2,288,600
Transfer to property, vessels and equipment (Note 8)	-	-	(920,000)
At the end of the financial year/period	<u>2,688,600</u>	<u>2,688,600</u>	<u>2,688,600</u>
Accumulated depreciation:-			
At the beginning of the financial year/period	551,014	495,953	170,037
Transfer from property, vessels and equipment (Note 8)	-	-	467,601
Transfer to property, vessels and equipment (Note 8)	-	-	(148,400)
Depreciation charge for the financial year/period	74,575	55,061	6,715
At the end of the financial year/period	<u>625,589</u>	<u>551,014</u>	<u>495,953</u>
Carrying amount	<u>2,063,011</u>	<u>2,137,586</u>	<u>2,192,647</u>
Represented by:-			
Leasehold commercial buildings	1,128,600	1,128,600	1,128,600
Freehold land	800,000	800,000	800,000
Leasehold land	400,000	400,000	400,000
Condominium	360,000	360,000	360,000
At the end of the financial year/period	<u>2,688,600</u>	<u>2,688,600</u>	<u>2,688,600</u>
Fair value	<u>4,410,000</u>	<u>4,410,000</u>	<u>4,131,648</u>

(a) The fair value of investment properties of the Group is categorised under Level 3 fair value.

Fair value of investment properties has been derived using the sales comparison approach. Sales prices of comparable buildings in close proximity are adjusted for differences in location, size, age and condition of the building, floor level, tenure, title restrictions and other relevant characteristics to arrive at the market value.

There are no transfer between levels of fair value hierarchy during the financial year ended 30 June 2024 and 30 June 2023 and financial period ended 30 June 2022.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****9. INVESTMENT PROPERTIES (CONT'D)**

- (b) The investment properties of the Group are leased to customers under operating leases with rentals payable monthly. The leases are renewed annually.

As at the reporting date, the future minimum rentals receivable under the non-cancellable operating leases are as follows:-

	30.6.2024 RM	The Group 30.6.2023 RM (Restated)	1.7.2022 RM (Restated)
Within 1 year	174,000	174,000	174,000

- (c) The following are recognised in profit or loss in respect of investment properties:-

	2024 RM	The Group 2023 RM (Restated)
Rental income	180,500	182,798
Direct operating expense	17,477	12,964

10. OTHER INVESTMENTS

	30.6.2024 RM	The Group 30.6.2023 RM	1.7.2022 RM
<u>Non-current</u>			
<i>Financial assets designated at fair value through other comprehensive income ("DFVOCI")</i>			
At fair value:-			
Golf club membership	350,000	350,000	350,000

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****11. INTANGIBLE ASSETS**

The Group	Goodwill on consolidation RM	Deferred Development cost RM	Total RM
Cost:-			
At 1 January 2021	1,569,529	920,245	2,489,774
Exchange difference	801	-	801
At 30 June 2022/1 July 2022	1,570,330	920,245	2,490,575
Exchange difference	1,889	-	1,889
At 30 June 2023	1,572,219	920,245	2,492,464
Struck off	(1,572,219)	(920,245)	(2,492,464)
At 30 June 2024	-	-	-
Accumulated amortisation and impairment losses:-			
At 1 January 2021	1,569,529	920,245	2,489,774
Exchange difference	801	-	801
At 30 June 2022/1 July 2022	1,570,330	920,245	2,490,575
Exchange difference	1,889	-	1,889
At 30 June 2023	1,572,219	920,245	2,492,464
Struck off	(1,572,219)	(920,245)	(2,492,464)
At 30 June 2024	-	-	-
Carrying amount:-			
At 1 July 2022/30 June 2023/30 June 2024	-	-	-

The goodwill and deferred development costs were allocated to Eastar Offshore Pte. Ltd., a 75% equity-owned subsidiary. During the financial year, the Group applied to strike-off Eastar on 15 September 2023. The strike-off application was completed on 8 January 2024.

In the previous financial year, deferred development costs represent costs incurred to develop remotely operated vehicles and peripherals.

In the previous financial year, the carrying amount of goodwill is allocated to the Group's cash-generating unit ("CGU") that the goodwill relates to, which is the subsea service business.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****12. DEFERRED TAX ASSETS/(LIABILITIES)**

	The Group	
	30.6.2024	30.6.2023
	RM	RM
The movement of deferred tax assets/(liabilities):-		
At the beginning of the financial year	(562,499)	(164,455)
Recognised in profit or loss (Note 27)	(1,181,501)	(338,906)
Translation differences	-	(59,138)
At the end of the financial year	<u>(1,744,000)</u>	<u>(562,499)</u>

(a) Presented after appropriate offsetting as follows:-

	30.6.2024	The Group 30.6.2023	1.7.2022
	RM	RM	RM
Deferred tax assets	96,000	168,251	1,212,889
Deferred tax liabilities	(1,840,000)	(730,750)	(1,377,344)
	<u>(1,744,000)</u>	<u>(562,499)</u>	<u>(164,455)</u>

(b) The components of deferred tax assets/(liabilities) prior to offsetting are as follows:-

	30.6.2024	The Group 30.6.2023	1.7.2022
	RM	RM	RM
Deferred tax assets			
Unused tax losses	96,000	499,347	1,079,285
Unabsorbed capital allowance	-	-	1,235,582
Differences between the carrying amounts of property, vessels and equipment and their tax base	-	(331,096)	(1,101,978)
	<u>96,000</u>	<u>168,251</u>	<u>1,212,889</u>
Deferred tax liabilities			
Differences between the carrying amounts of property, vessels and equipment and their tax base	(1,840,000)	(730,750)	(1,377,344)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****12. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)**

- (c) The estimated amount of temporary differences for which no deferred tax assets are recognised in the financial statements are as follows:-

	30.6.2024	The Group 30.6.2023	1.7.2022
	RM	RM	RM
Deductible temporary differences	(92,336)	(103,816)	(16,718,205)
Unabsorbed capital allowance	203,671	275,932	1,702,129
Unused tax losses	557,251	1,621,661	49,288,072
	<u>668,586</u>	<u>1,793,777</u>	<u>34,271,996</u>
Potential deferred tax assets not recognised at 24% (30.6.2023: 24% and 1.7.2022: 24%)	160,461	430,507	8,225,279
	<u>160,461</u>	<u>430,507</u>	<u>8,225,279</u>

The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under Income Tax Act, 1967 and guidelines issued by the tax authority.

The unused tax losses are available indefinitely for offset against future taxable profits of the Group except for certain unused tax losses which are available for utilisation up to the following financial years:-

	The Group 2024
	RM
2028	371,858
2029	16,380
2030	17,911
2031	27,389
2032	5,956
2033	117,757
	<u>557,251</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

13. TRADE AND OTHER RECEIVABLES

	30.6.2024 RM	The Group 30.6.2023 RM (Restated)	1.7.2022 RM (Restated)	30.6.2024 RM	The Company 30.6.2023 RM	1.7.2022 RM
Current:-						
Trade:-						
Third parties	96,436,191	77,484,864	126,438,986	-	-	-
Joint ventures	16,827,894	6,535,405	13,520,094	-	-	-
Associates	-	31,225	31,225	-	-	-
	<u>113,264,085</u>	<u>84,051,494</u>	<u>139,990,305</u>	<u>-</u>	<u>-</u>	<u>-</u>
Allowance for impairment losses (Note 13(a))						
- third parties	(44,579,471)	(45,001,630)	(64,531,738)	-	-	-
- joint ventures	(3,344,219)	(4,534,685)	(13,487,618)	-	-	-
- associates	-	(31,225)	(31,225)	-	-	-
	<u>(47,923,690)</u>	<u>(49,567,540)</u>	<u>(78,050,581)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>65,340,395</u>	<u>34,483,954</u>	<u>61,939,724</u>	<u>-</u>	<u>-</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****13. TRADE AND OTHER RECEIVABLES (CONT'D)**

	30.6.2024 RM	The Group 30.6.2023 RM (Restated)	1.7.2022 RM (Restated)	30.6.2024 RM	The Company 30.6.2023 RM	1.7.2022 RM
Non-trade:-						
Other receivables	8,322,045	11,821,068	29,494,567	8,691	8,691	8,691
Amount due from joint ventures	52,722,105	52,598,051	180,084,722	67,884	67,884	4,749,643
Amount due from associates	490,956	159,818	1,224,343	349,623	18,485	37,179
Amount due from subsidiaries	-	-	-	322,157,101	328,277,098	433,218,234
Deposits	165,474	166,158	110,168	-	-	-
Prepayments	117,613	233,675	5,594,928	-	-	-
	<u>61,818,193</u>	<u>64,978,770</u>	<u>216,508,728</u>	<u>322,583,299</u>	<u>328,372,158</u>	<u>438,013,747</u>
Allowance for impairment losses (Note 13(b))						
- other receivables	(22,635)	(13,944)	(13,944)	(8,691)	-	-
- amount due from joint ventures	(34,534,682)	(37,219,712)	(144,780,665)	(67,884)	(67,884)	(4,713,119)
- amount due from associates	(490,956)	(159,818)	(1,224,343)	(349,623)	(18,485)	(37,179)
- amount due from subsidiaries	-	-	-	(315,157,101)	(327,172,799)	(235,716,435)
	<u>(35,048,273)</u>	<u>(37,393,474)</u>	<u>(146,018,952)</u>	<u>(315,583,299)</u>	<u>(327,252,168)</u>	<u>(240,466,733)</u>
	<u>26,769,920</u>	<u>27,585,296</u>	<u>70,489,776</u>	<u>7,000,000</u>	<u>1,112,990</u>	<u>197,547,014</u>
Total trade and other receivables	<u>92,110,315</u>	<u>62,069,250</u>	<u>132,429,500</u>	<u>7,000,000</u>	<u>1,112,990</u>	<u>197,547,014</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****13. TRADE AND OTHER RECEIVABLES (CONT'D)**

- (a) The Group's normal trade credit terms range from 30 to 90 days (30.6.2023: 30 to 90 days and 1.7.2022: 30 to 90 days) from the date of invoices. Other credit terms are assessed and approved on a case by case basis.

Trade receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:-

	The Group	
	30.6.2024	30.6.2023
	RM	RM (Restated)
At the beginning of the financial year	49,567,540	78,050,581
Charge for the financial year (Note 25)	4,291,410	3,074,303
Reversal of impairment losses (Note 25)	(3,399,119)	(9,839,849)
Written off	(2,536,141)	(21,717,495)
At the end of the financial year	<u>47,923,690</u>	<u>49,567,540</u>

The information about the credit exposures is disclose in Note 34.1(b).

- (b) Non-trade receivables

The Group's non-trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of non-trade receivables are as follows:-

	The Group		The Company	
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM	RM (Restated)	RM	RM
At the beginning of the financial year	37,393,474	146,018,952	327,259,168	240,466,733
Charge for the financial year (Note 25)	1,223,063	28,593,443	1,066,483	196,349,574
Reversal of impairment losses (Note 25)	(3,568,056)	(6,282,213)	(12,742,144)	(6,902,010)
Written off	(208)	(130,936,708)	(208)	(102,655,129)
At the end of the financial year	<u>35,048,273</u>	<u>37,393,474</u>	<u>315,583,299</u>	<u>327,259,168</u>

- (c) The non-trade balance due from subsidiaries, joint ventures and associates are non-interest bearing and repayable on demand. These balances represent unsecured payments made on behalf.

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**NOTES TO THE FINANCIAL STATEMENTS
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	30.6.2024 RM	The Group 30.6.2023 RM (Restated)	1.7.2022 RM (Restated)
At the beginning of the financial year/period	72,539,633	10,707,874	6,385,531
Transfer to trade receivables	(72,539,633)	(10,707,874)	(6,385,531)
Increase due to revenue recognised for unbilled goods and services transferred to customers	84,473,530	72,539,632	10,707,874
At the end of the financial year/period	<u>84,473,530</u>	<u>72,539,632</u>	<u>10,707,874</u>
Represented by:-			
Diving and subsea services	55,561,501	66,653,991	-
Charter hire of vessels	25,741,650	2,301,628	3,674,989
Other shipping related income	2,817,579	1,259,166	637,165
Vessel's management fees	352,800	2,324,847	1,823,376
Offshore installation and construction	-	-	4,572,344
	<u>84,473,530</u>	<u>72,539,632</u>	<u>10,707,874</u>

The contract assets primarily relate to the Group's right to consideration for work completed but not yet billed as at the reporting date. The amount will be transferred to trade receivables when the Group issues billing in the manner as established in the contracts with customers.

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**NOTES TO THE FINANCIAL STATEMENTS
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15. CASH AND SHORT-TERM DEPOSITS

	30.6.2024	The Group	1.7.2022	30.6.2024	The Company	1.7.2022
	RM	30.6.2023	RM	RM	30.6.2023	RM
		RM			RM	
Cash and bank balances	22,313,552	44,499,227	21,433,613	516,079	6,403,201	2,216,038
Short-term deposits	5,586,042	8,107,735	20,844,224	-	-	-
Fixed deposits with licensed banks	17,821,878	-	-	-	-	-
	<u>45,721,472</u>	<u>52,606,962</u>	<u>42,277,837</u>	<u>516,079</u>	<u>6,403,201</u>	<u>2,216,038</u>

Short-term deposits include margin deposits for bank guarantee facilities and sinking funds to secure loans and borrowings as disclosed in Note 18.

The fixed deposits with licensed banks of the Group at the end of the reporting period borne effective interest rates of 3.75% per annum. The fixed deposits with licensed banks have maturity periods of 90 days for the Group.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****15. CASH AND SHORT-TERM DEPOSITS (CONT'D)**

For the purpose of the statements of cash flows, cash and cash equivalents comprise of the following:-

	30.6.2024	The Group	1.7.2022	30.6.2024	The Company	1.7.2022
	RM	30.6.2023	RM	RM	30.6.2023	RM
		RM			RM	
Cash and bank balances	22,313,552	44,499,227	21,433,613	516,079	6,403,201	2,216,038
Short-term deposits	5,586,042	8,107,735	20,844,224	-	-	-
Fixed deposits with licensed banks	17,821,878	-	-	-	-	-
Bank overdrafts (Note 18)	(563,091)	(896,552)	(896,552)	-	-	-
	<u>45,721,472</u>	<u>52,606,962</u>	<u>42,277,837</u>	<u>516,079</u>	<u>6,403,201</u>	<u>2,216,038</u>
Less: Short-term deposits pledged to licensed banks	(5,586,042)	(8,107,735)	(20,844,224)	-	-	-
Cash and cash equivalents	<u>39,572,339</u>	<u>43,602,675</u>	<u>20,537,061</u>	<u>516,079</u>	<u>6,403,201</u>	<u>2,216,038</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. SHARE CAPITAL

	30.6.2024	30.6.2023 Number of shares	The Group/The Company		30.6.2023 RM	1.7.2022 RM
			1.7.2022	30.6.2024 RM		
Issued and Fully Paid-Up						
Ordinary Shares						
At the beginning of the financial year/period	1,531,828,805	1,531,828,805	1,368,882,405	442,667,403	442,667,403	432,981,346
Issued during the financial year/period	-	-	162,946,400	-	-	9,686,057
At the end of the financial year/period	<u>1,531,828,805</u>	<u>1,531,828,805</u>	<u>1,531,828,805</u>	<u>442,667,403</u>	<u>442,667,403</u>	<u>442,667,403</u>

- (a) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.
- (b) In the previous financial period, the Company had increased the total number of its share capital from 1,368,882,405 ordinary shares to 1,531,828,805 ordinary shares by way of:-
- (i) issuance of 65,000,000 new ordinary shares through private placement at an issue price of RM0.0771 per ordinary share;
 - (ii) issuance of 97,776,400 new ordinary shares through private placement at an issue price of RM0.0476 per ordinary share; and
 - (iii) issuance of 170,000 new ordinary shares at an exercise price of RM0.12 per share pursuant to the exercise of warrants.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

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17. OTHER RESERVES

	30.6.2024 RM	The Group 30.6.2023 RM	1.7.2022 RM	30.6.2024 RM	The Company 30.6.2023 RM	1.7.2022 RM
Premium paid on acquisition of non-controlling interest (a)	871,683	(4,639,834)	(4,639,834)	-	-	-
Foreign currency translation reserve (b)	-	1,556,582	2,067,875	-	-	-
Employee share option reserve (c)	-	165,616	165,616	-	165,616	165,616
	<u>871,683</u>	<u>(2,917,636)</u>	<u>(2,406,343)</u>	<u>-</u>	<u>165,616</u>	<u>165,616</u>

(a) Premium paid on acquisition of non-controlling interest

A reduction of capital reserve amounting to RM5,511,517 was in relation to subsidiaries that were struck off in the current financial year as disclosed in Note 29.

(b) Foreign currency translation reserve

The foreign currency translation reserve arose from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Group's presentation currency. A reduction of foreign currency translation reserve was in relation to subsidiaries that were struck off in the current financial year as disclosed in Note 29.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****17. OTHER RESERVES (CONT'D)**

(c) Employee Share Option Reserve ("ESOS")

The share option reserve comprises the cumulative value of directors' and employees' services received for the issue of share options. The reserve is recorded over the vesting period commencing from the grant date and is reduced by the expiry of exercise of the share options. When the option is exercised, the amount from the share option reserve is transferred to share capital. When the share options expire, the amount from the share option reserve is transferred to retained earnings.

Vesting period of the share option offered:-

- (i) First 20%: Year 2019
- (ii) Remaining 80% will vest over 4 years from 2020 to 2023

Share options are granted to eligible directors and employees. The settlement of the option granted is by issuance of fully paid ordinary shares. The exercise price is determined by the ESOS committee and shall be based on the 5 days Volume Weighted Average Market Price ("VWAMP") of the Company's share immediately preceding the date of offer, with a discount, if any, of not more than 10%. The contractual term of each option granted is five years. There are no cash settlement alternatives. The options carry neither rights to dividends nor voting rights. Options may be exercised any time from the date of vesting to the date of expiry.

The ESOS expired on 2 April 2024 pursuant to the By-Laws of the ESOS.

The details of the options over ordinary shares of the Company are as follows:-

Grant Date	Balance as at 1.7.2023	Lapsed *	Balance as at 30.6.2024	Exercisable as at 30.6.2024
22 April 2019	56,553,828	(56,553,828)	-	-
Grant Date	Balance as at 1.7.2022	Lapsed *	Balance as at 30.6.2023	Exercisable as at 30.6.2023
22 April 2019	69,413,828	(12,860,000)	56,553,828	39,587,680
Grant Date	Balance as at 1.1.2021	Lapsed *	Balance as at 30.6.2022	Exercisable as at 30.6.2022
22 April 2019	110,410,742	(40,996,914)	69,413,828	48,589,680

* Due to resignation/retirement of eligible employees during the financial year/period and expiry of ESOS on 2 April 2024.

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17. OTHER RESERVES (CONT'D)

(c) Employee Share Option Reserve ("ESOS") (Cont'd)

Exercise period	Exercise options	Exercise price RM
22 April 2019 to 21 April 2020	11,310,766	0.105
30 June 2020 to 21 April 2021	28,276,914	0.075

Options granted which are not exercised in the respective exercise period in which they first become exercisable will be carried forward and will be exercisable in subsequent periods up to 2 April 2024. The exercise price for the carried forward options will be the exercise price of the options in the respective exercise period in which they first become exercisable.

The weighted average remaining contractual life for the share options outstanding as at 30 June 2023 is 0.81 years (1 July 2022: 1.81 years).

The ESOS expired on 2 April 2024 pursuant to the By-Laws of the ESOS.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****18. LOANS AND BORROWINGS**

	30.6.2024 RM	The Group 30.6.2023 RM (Restated)	1.7.2022 RM (Restated)	30.6.2024 RM	The Company 30.6.2023 RM (Restated)	1.7.2022 RM (Restated)
Non-current:-						
Term loans	1,971,859	2,267,201	2,605,366	-	-	-
Lease liabilities	-	4,952	36,093	-	-	-
	<u>1,971,859</u>	<u>2,272,153</u>	<u>2,641,459</u>	<u>-</u>	<u>-</u>	<u>-</u>
Current:-						
Term loans	11,385,463	11,225,827	10,245,941	-	-	-
Lease liabilities	-	31,141	99,406	-	-	-
Bank overdrafts	563,091	896,552	896,552	-	-	-
Sukuk Ijarah Medium-Term Notes ("Sukuk Ijarah MTN")	53,238,097	52,997,291	56,760,420	53,238,097	52,997,291	56,760,420
Revolving credit	21,217,742	44,558,177	42,778,943	-	-	-
Hire purchase payables	-	-	63,793	-	-	-
	<u>86,404,393</u>	<u>109,708,988</u>	<u>110,845,055</u>	<u>53,238,097</u>	<u>52,997,291</u>	<u>56,760,420</u>
	<u>88,376,252</u>	<u>111,981,141</u>	<u>113,486,514</u>	<u>53,238,097</u>	<u>52,997,291</u>	<u>56,760,420</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

18. LOANS AND BORROWINGS (CONT'D)

	30.6.2024 RM	The Group 30.6.2023 RM (Restated)	1.7.2022 RM (Restated)	30.6.2024 RM	The Company 30.6.2023 RM (Restated)	1.7.2022 RM (Restated)
Total loans and borrowings:-						
Term loans	13,357,322	13,493,028	12,851,307	-	-	-
Lease liabilities	-	36,093	135,499	-	-	-
Bank overdrafts	563,091	896,552	896,552	-	-	-
Sukuk Ijarah MTN	53,238,097	52,997,291	56,760,420	53,238,097	52,997,291	56,760,420
Revolving credit	21,217,742	44,558,177	42,778,943	-	-	-
Hire purchase payables	-	-	63,793	-	-	-
	<u>88,376,252</u>	<u>111,981,141</u>	<u>113,486,514</u>	<u>53,238,097</u>	<u>52,997,291</u>	<u>56,760,420</u>

(a) The term loans of the Group are secured by:-

- (i) First legal charge over certain building of certain subsidiaries as disclosed in Note 8(b);
- (ii) First preferred statutory mortgage on vessels of certain subsidiaries as disclosed in Note 8(b);
- (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.

(b) Lease liabilities

The interest rates implicit in the leases are at rates ranging from NIL (30.6.2023: 4.95% to 7.67% and 1.7.2022: 4.95% to 7.67%).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****18. LOANS AND BORROWINGS (CONT'D)**

(i) Lease liabilities (Cont'd)

Future minimum lease payments together with the present value of net minimum lease payments are as follows:-

	30.6.2024 RM	The Group 30.6.2023 RM (Restated)	1.7.2022 RM (Restated)
Minimum lease payments:-			
Not later than one year	-	36,000	110,998
Later than one year and not later than five years	-	5,000	35,000
	-	41,000	145,998
Less: Future finance charges	-	(4,907)	(10,499)
Present value of minimum lease payments	-	36,093	135,499
Present value of minimum lease payments:-			
Not later than one year	-	31,141	99,406
Later than one year and not later than five years	-	4,952	36,093
	-	36,093	135,499
Less: Amount due within 12 months	-	(31,141)	(99,406)
Amount due after 12 months	-	4,952	36,093

(ii) Bank overdrafts

The bank overdrafts of the Group are secured by short-term deposits with licensed banks of the Group as disclosed in Note 15.

(iii) Sukuk Ijarah MTN

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;
- (iii) thereon and charter contracts; and
- (iv) sinking fund as disclosed in Note 15.

(iv) Revolving credits

The features of revolving credits issued are as follows:-

- (i) Unsecured over the non-current assets and contracts; and
- (ii) Required money pledged by way of sinking fund and corporate guarantee

(v) Hire purchase payables

In the financial period ended 1.7.2022, hire purchase payables of the Group bear interest at rates ranging from 2.47% to 3.50% per annum and were secured by the Group's motor vehicles under hire purchase arrangements as disclosed in Note 8(b).

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**NOTES TO THE FINANCIAL STATEMENTS
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19. TRADE AND OTHER PAYABLES

	Note	30.6.2024 RM	The Group 30.6.2023 RM (Restated)	1.7.2022 RM (Restated)	30.6.2024 RM	The Company 30.6.2023 RM (Restated)	1.7.2022 RM (Restated)
Current:-							
Trade:-							
Third parties	(a)	18,509,305	25,299,903	80,530,661	-	-	-
Joint ventures		52,326,207	61,606,958	124,805,630	-	-	-
Total trade payables	(b)	70,835,512	86,906,861	205,336,291	-	-	-
Non-trade:-							
Other payables		202,344	1,054,339	2,315,058	344,360	453,237	551,247
Accruals	(c)/(d)	90,762,336	69,126,675	11,738,142	3,115,982	11,792,367	8,395,626
Amount due to immediate holding company	(e)	29,855	29,855	29,855	-	-	-
Amount due to joint ventures	(e)	1,780,995	9,581,926	5,715,830	320,304	320,304	149,011
Amount due to associate	(e)	10,739,650	11,256,127	5,090,409	-	-	-
Total trade and other payables		103,515,180	91,048,922	24,889,294	3,780,646	12,565,908	9,095,884
		174,350,692	177,955,783	230,225,585	3,780,646	12,565,908	9,095,884

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****19. TRADE AND OTHER PAYABLES (CONT'D)**

- (a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranging from 30 to 60 days (30.6.2023: 30 to 60 days and 1.7.2022: 30 to 60 days). Other credit terms are assessed and approved on a case by case basis.
- (b) In light of the Proposed Debt Restructuring Plan, the completeness of the trade payables, including any interests or penalties, has not been reliably determined by the directors.
- (c) Included in accruals are primarily relate to the diving and subsea services payable to a joint venture as at reporting date, amounting to RM54,612,925 (30.6.2023: RM46,920,555 and 1.7.2022: NIL).
- (d) In light of the Proposed Debt Restructuring Plan, the interest, including any penalties, on loans and borrowings after the date of Proof of Debts ("POD") on 31 December 2023, were classified as accruals. The interest and penalty amount after POD date to financial year end was determined by the directors based on bank confirmation balances.
- (e) The non-trade balance due to immediate holding company, joint ventures, and associates are non-interest bearing and repayable on demand. These balances are advances granted to the Group and the Company.
- (f) For explanations on the Group's and the Company's liquidity risk management processes, refer to Note 34.1(c).

20. REVENUE

	The Group	
	2024	2023
	RM	RM (Restated)
Revenue from Contracts with Customers		
<u>Recognised over time:-</u>		
Charter hire of vessels	100,669,045	26,472,732
Other shipping related income	8,462,017	5,079,173
Ship catering	5,689,879	3,389,784
Diving and subsea services	234,385,373	245,254,438
Vessel's management fees	7,286,702	6,510,360
Offshore installation and construction	-	24,170,399
	356,493,016	310,876,886
Revenue from Other Sources		
Rental income	702,377	1,374,970
	<u>357,195,393</u>	<u>312,251,856</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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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 benefits expenses have been included in arriving at cost of sales:-

	The Group	
	2024 RM	2023 RM (Restated)
Salaries, bonuses and allowances	1,244,354	3,923,732
Defined contribution plans	84,160	325,449
Other staff related expenses	16,227	46,632
	1,344,741	4,295,813

22. OTHER INCOME

	The Group		The Company	
	2024 RM	2023 RM (Restated)	2024 RM	2023 RM (Restated)
Bad debts recovered	-	100,000	-	-
Gain on disposal of property, vessels and equipment	-	2,752,822	-	-
Interest income	564,669	494,104	61,225	44,588
Interest recharged to subsidiaries	-	-	3,151,184	3,129,660
Gain on realised foreign exchange	-	975,417	-	-
Lease income:-				
- rental income from investment properties	180,500	182,798	-	-
- property, vessels and equipment	556,982	21,179	-	-
Waiver of debts (a)	19,876,569	-	-	-
Others (b)	6,408,152	61,750,512	2,346	-
	27,586,872	66,276,832	3,214,755	3,174,248

(a) Waiver of debt resulted from the agreed settlement of the revolving credit facilities balance with a licensed bank (secured creditor) during the financial year.

(b) Included in others are an amount of RM2,195,440 (30.6.2023: RM60,619,083) being other income recognised arising from the Group's exercise on reconciling major balances in the financial position of the Group.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****23. EMPLOYEE BENEFIT EXPENSES**

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries bonuses and allowances	10,857,189	10,906,524	361,253	336,446
Defined contribution plan	1,015,014	1,110,554	-	-
Other staff related expenses	4,597,884	1,353,442	-	-
	<u>16,470,087</u>	<u>13,370,520</u>	<u>361,253</u>	<u>336,446</u>
Cost of sales (Note 21)	1,344,741	4,295,813	-	-
	<u>17,814,828</u>	<u>17,666,333</u>	<u>361,253</u>	<u>336,446</u>
Included in employee benefits expenses are:-				
Executive directors:-				
- fees	300,000	-	-	-
- other emoluments	3,578,486	2,161,593	-	-
	<u>3,878,486</u>	<u>2,161,593</u>	<u>-</u>	<u>-</u>
Non-executive directors:-				
- fees	326,170	243,337	326,170	243,337
- other emoluments	35,083	93,109	35,083	93,109
	<u>361,253</u>	<u>336,446</u>	<u>361,253</u>	<u>336,446</u>
Total directors' remuneration	<u>4,239,739</u>	<u>2,498,039</u>	<u>361,253</u>	<u>336,446</u>

24. FINANCE COSTS

	The Group		The Company	
	2024 RM	2023 RM (Restated)	2024 RM	2023 RM (Restated)
Interest expense on:-				
- term loans	445,638	443,524	-	-
- lease liabilities	1,566	7,479	-	-
- revolving credit	1,303,014	1,779,235	-	-
- Sukuk Ijarah MTN	3,151,184	3,129,659	3,151,184	3,129,660
- hire purchase payables	-	573	-	-
	<u>4,901,402</u>	<u>5,360,470</u>	<u>3,151,184</u>	<u>3,129,660</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****25. NET REVERSAL/(IMPAIRMENT LOSS) ON FINANCIAL ASSETS**

	The Group		The Company	
	2024 RM	2023 RM (Restated)	2024 RM	2023 RM (Restated)
Impairment losses (Note 13)				
- trade receivables	4,291,410	3,074,303	-	-
- non-trade receivables	1,223,063	28,593,443	-	-
- amount owing from subsidiaries	-	-	1,066,483	196,349,574
Reversal of impairment losses (Note 13)				
- trade receivables	(3,399,119)	(9,839,849)	-	-
- non-trade receivables	(3,568,056)	(6,282,213)	-	-
- amount owing from subsidiaries	-	-	(12,742,144)	(6,902,010)
	<u>(1,452,702)</u>	<u>15,545,684</u>	<u>(11,675,661)</u>	<u>189,447,564</u>

26. PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	2024 RM	2023 RM (Restated)	2024 RM	2023 RM (Restated)
Profit/(Loss) before taxation is arrived at after charging:-				
Auditors' remuneration (Crowe Malaysia PLT)				
- audit fees	750,000	-	262,000	-
- non-audit fees	8,000	-	8,000	-
Auditors' remuneration (Baker Tilly Monteiro Heng PLT)				
- audit fees	-	452,000	-	160,000
- non-audit fees	-	8,000	-	8,000

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	The Group		The Company	
	2024 RM	2023 RM (Restated)	2024 RM	2023 RM (Restated)
Profit/(Loss) before taxation is arrived at after charging:- (Cont'd)				
Material Expenses				
Depreciation of:-				
- property, vessels and equipment	5,531,533	8,797,596	-	-
- investment property	74,575	55,061	-	-
Lease expenses:-				
- short-term leases	1,496,463	1,848,333	-	-
- low-value assets	49,470	95,542	-	-
Impairment losses on property, vessels and equipment	1,086,549	4,325,708	-	-
Loss on foreign exchange:-				
- realised	48,260	-	-	-
- unrealised	306,053	473,781	-	-
Property, vessels and equipment written off	7,320	598,905	-	-
Other receivables written off	-	12,186,639	-	-
Loss on disposal of property, vessels and equipment	4,234,925	-	-	-
Loss on lease modification	11,296	-	-	-
Loss on disposal of subsidiaries (Note 29) (including cumulative foreign exchange translation losses reclassified from other comprehensive income of RM1,462,985)	3,311,136	-	-	-

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**NOTES TO THE FINANCIAL STATEMENTS
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Income Tax Expenses Recognised in Profit or Loss

	The Group		The Company	
	2024 RM	2023 RM (Restated)	2024 RM	2023 RM (Restated)
Current tax expense	9,884,168	105,612	-	-
Under provision in the previous financial year	125,681	218,898	-	-
	<u>10,009,849</u>	<u>324,510</u>	<u>-</u>	<u>-</u>
Deferred tax (Note 12):-				
- origination and reversal of temporary differences	1,677,426	710,027	-	-
- overprovision in the previous financial year	(495,925)	(371,121)	-	-
	<u>1,181,501</u>	<u>338,906</u>	<u>-</u>	<u>-</u>
Total tax expense	<u>11,191,350</u>	<u>663,416</u>	<u>-</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****27. INCOME TAX EXPENSE (CONT'D)**

Income Tax Expenses Recognised in Profit or Loss (Cont'd)

	The Group		The Company	
	2024 RM	2023 RM (Restated)	2024 RM	2023 RM (Restated)
Profit/(Loss) before taxation	37,471,032	19,110,616	8,544,344	(191,953,756)
Tax at the statutory tax rate of 24% (30.6.2023: 24%)	8,993,048	4,586,548	2,050,643	(46,068,901)
Tax effects of:-				
Share of results in joint ventures	(2,426,970)	(857,296)	-	-
Non-taxable income	(2,925,617)	(20,784,070)	(3,265,788)	(1,709,165)
Non-deductible expenses	8,120,032	16,814,092	1,215,145	47,778,066
Deferred tax assets not recognised during the financial year	3,444	2,194,518	-	-
Utilisation of deferred tax assets previously not recognised	(273,490)	-	-	-
Effect of tax rates in other tax jurisdiction	71,147	(1,138,153)	-	-
Under provision of current tax in the previous financial year	125,681	218,898	-	-
Over provision of deferred taxation in the previous financial year	(495,925)	(371,121)	-	-
Total tax expense	11,191,350	663,416	-	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (30.6.2023: 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

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**NOTES TO THE FINANCIAL STATEMENTS
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28. EARNINGS PER SHARE

(a) Basic Earnings per ordinary share

Basic earnings per share is based on the profit/(loss) for the financial year attributable to owners of the Company and the weighted average number of ordinary shares during the financial year, calculated as follows:-

	The Group	
	2024	2023
	RM	RM (Restated)
Profit attributable to owners of the Company		
Profit for the financial year	26,311,108	19,428,588
Weighted average number of ordinary shares for basic earnings per share	1,531,828,805	1,531,828,805
Basic earnings per ordinary share (sen)	1.72	1.27

The comparative figures have been restated to reflect the adjustments arising from restatement to the profit for the financial year.

(b) Diluted earnings per ordinary share

The diluted earnings per ordinary share of the Group for the financial year ended 30 June 2024 and financial year ended 30 June 2023 are same as the basic earnings per ordinary share of the Group as the Company has no dilutive potential ordinary shares.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****29. DISPOSAL OF INDIRECTLY OWNED SUBSIDIARIES**

On 8 January 2024 and 10 October 2024, Eastar Offshore Pte. Ltd. ("EASTAR") and Alam Subsea Pte. Ltd. ("ASPL"), indirectly owned subsidiaries of the Company had completed the application for striking off with Accounting and Corporate Regulatory Authority ("ACRA"), Singapore.

The financial effects of the disposal at the date of struck off are summarised below:-

	The Group 2024 RM
Non-controlling interests	4,774,121
Carrying amount of net assets disposed of	-
<i>Foreign exchange translation reserve reclassified to profit or loss (Note 17)</i>	(1,462,985)
Net disposal proceeds	3,311,136
Loss on disposal of subsidiaries (Note 26)	-
	3,311,136
Consideration received, satisfied in cash	-
Less: Cash and bank balances of subsidiaries disposed of	-
Net cash inflow from the disposal of subsidiaries	-

30. CASH FLOW INFORMATION

(a) The reconciliations of liabilities arising from financing activities are as follows:-

	1.7.2023 RM (Restated)	Cash Flows RM	Non-Cash RM	30.6.2024 RM
The Group				
Term loans	13,493,028	(220,073)	84,367	13,357,322
Lease liabilities	36,093	(25,147)	(10,946)	-
Sukuk Ijarah MTN	52,997,291	240,806	-	53,238,097
Revolving credit	44,558,177	(3,463,866)	(19,876,569)	21,217,742
Amounts owing to associates	11,256,127	(516,477)	-	10,739,650
	122,340,716	(3,984,757)	(19,803,148)	98,552,811

Included in non-cash movement of revolving credit is waiver of debt of RM19,876,569 resulted from the agreed settlement of the revolving credit facilities balance with a licensed bank (secured creditor) during the financial year.

The non-cash movement of RM84,367 resulted from foreign exchange.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****30. CASH FLOW INFORMATION (CONT'D)**

(a) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

	1.7.2022 RM (Restated)	Cash Flows RM	Non-Cash RM	30.6.2023 RM (Restated)
The Group				
Term loans	12,851,307	83,325	558,396	13,493,028
Lease liabilities	135,499	(99,406)	-	36,093
Sukuk Ijarah MTN	56,760,420	(3,763,129)	-	52,997,291
Revolving credit	42,778,943	1,779,234	-	44,558,177
Hire purchase payables	63,793	(63,793)	-	-
Amounts owing to associates	5,090,409	6,165,718	-	11,256,127
	<u>117,680,371</u>	<u>4,101,949</u>	<u>558,396</u>	<u>122,340,716</u>

The non-cash movement of RM558,396 resulted from foreign exchange.

	1.7.2023 RM (Restated)	Cash Flows RM	Non-Cash RM	30.6.2024 RM
The Company				
Sukuk Ijarah MTN	52,997,291	240,806	-	53,238,097

	1.7.2022 RM (Restated)	Cash Flows RM	Non-Cash RM	30.6.2023 RM (Restated)
The Company				
Sukuk Ijarah MTN	56,760,420	(3,763,129)	-	52,997,291

(b) The total cash outflows for leases as a lessee are as follows:-

	The Group	
	2024 RM	2023 RM (Restated)
Payment of short-term leases	1,496,463	1,848,333
Payment of low-value assets	49,470	95,542
Interest paid on lease liabilities	1,566	7,479
Payment of lease liabilities	25,147	99,406
	<u>1,572,646</u>	<u>2,050,760</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****31. KEY MANAGEMENT PERSONNEL COMPENSATION**

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
(a) Executive directors				
- Fees	300,000	-	-	-
- Other emoluments	3,578,486	2,161,593	-	-
	3,878,486	2,161,593	-	-
(b) Non-executive directors				
- Fees	326,170	243,337	326,170	243,337
- Other emoluments	35,083	93,109	35,083	93,109
	361,253	336,446	361,253	336,446
Total directors' remuneration (Note 23)	4,239,739	2,498,039	361,253	336,446
(c) Other Key Management Personnel				
- Short-term employee benefits	2,158,768	3,350,295	-	-
- Post employee benefit	247,912	286,752	-	-
	2,406,680	3,637,047	-	-
Total Key Management Personnel Compensations	6,646,419	6,135,086	361,253	336,446

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****32. RELATED PARTY DISCLOSURES**

(a) Identity of related parties

Parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:-

- (i) Company's holding company;
- (ii) Subsidiaries;
- (iii) Associates;
- (iv) Joint ventures;
- (v) Entities in which directors have substantial financial interests; and
- (vi) Key management personnel of the Group's and the Company's holding company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Company	
	2024 RM	2023 RM (Restated)	2024 RM	2023 RM (Restated)
<u>Associates</u>				
Vessels management fees income	(1,380,000)	(1,265,660)	-	-
<u>Joint ventures</u>				
Vessels management fees income	-	(2,519,019)	-	-
Corporate management fees income	(2,775,000)	-	-	-
Chartering cost vessels	46,941,435	-	-	-
Purchase of project equipment	220,132,867	241,157,263	-	-
<u>Subsidiaries</u>				
Interest recharged	-	-	3,214,755	3,174,248

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

The related party transactions described above were entered into in the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with respective parties.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

33. OPERATING SEGMENTS

33.1 Reporting format

Operating segments are prepared in a manner consistent with the internal reporting provided to the Board of Directors as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis.

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 is organised into two (2) main reportable segments as follows:-

(i) 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.

(ii) Subsea services

Provision of offshore facilities construction and installation services such as marine construction related services, subsea engineering services and offshore pipeline construction related services and designing, manufacturing and operating of remotely operated vehicles.

33.2 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.

33.3 Geographical segments

Segmental reporting by geographical segments has not been prepared as the Group's operations are carried out predominantly in Malaysia.

33.4 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 the transfers between business segments. These transfers are eliminated on consolidation.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****33. OPERATING SEGMENTS (CONT'D)**

33.5 Business segments

30.6.2024	Offshore Support and Services RM	Subsea Services RM	All Other Segments RM	Consolidation Adjustments RM	The Group RM
Revenue					
External revenue	119,091,882	234,562,492	3,541,019	-	357,195,393
Inter-segment revenue	1,765,000	-	1,547,844	(3,312,844)	-
Total revenue	<u>120,856,882</u>	<u>234,562,492</u>	<u>5,088,863</u>	<u>(3,312,844)</u>	<u>357,195,393</u>
Results					
Segment profit	53,969,895	15,147,077	14,691,837	(51,548,750)	32,260,059
Finance costs	(4,774,894)	-	(3,277,692)	3,151,184	(4,901,402)
Share of profits of equity-accounted joint ventures	-	10,112,375	-	-	10,112,375
Profit before taxation	<u>49,195,001</u>	<u>25,259,452</u>	<u>11,414,145</u>	<u>(48,397,566)</u>	<u>37,471,032</u>
Other Information					
Depreciation:-					
- property, vessels and equipment	4,482,839	700,261	83,789	264,644	5,531,533
- investment properties	-	80,304	267,074	(272,803)	74,575
Impairment losses on:-					
- property, vessels and equipment	1,086,549	-	-	-	1,086,549
- trade and other receivables	5,410,933	-	1,279,883	(1,176,343)	5,514,473
Reversal of impairment losses on trade and other receivables	(5,532,084)	(31,225)	(14,787,758)	13,383,892	(6,967,175)
Loss on disposal of:-					
- subsidiary	-	-	-	3,311,136	3,311,136
- property, vessels and equipment	4,234,925	-	-	-	4,234,925
Property, vessels and equipment written off	7,320	-	-	-	7,320

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33.5 Business segments (Cont'd)

	Offshore Support and Services RM	Subsea Services RM	All Other Segments RM	Consolidation Adjustments RM	The Group RM
30.6.2024					
Assets					
Segment assets	372,333,377	86,228,352	18,338,050	(228,955,719)	247,944,060
Investments in joint ventures	-	500,000	-	288,677	788,677
Unallocated assets:-					
- deferred tax assets	-	96,000	-	-	96,000
Consolidated total assets					<u>248,828,737</u>
Liabilities					
Segment liabilities	682,833,190	84,407,877	69,273,428	(573,787,551)	262,726,944
Unallocated liabilities:-					
- deferred tax liabilities	1,840,000	-	-	-	1,840,000
- current tax liabilities	9,637,576	-	83,499	-	9,721,075
Consolidated total liabilities					<u>274,288,019</u>

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33.5 Business segments (Cont'd)

30.6.2023 (Restated)	Offshore Support and Services RM	Subsea Services RM	All Other Segments RM	Consolidation Adjustments RM	The Group RM
Revenue					
External revenue	61,991,138	246,236,798	4,023,920	-	312,251,856
Inter-segment revenue	1,780,000	-	3,222,451	(5,002,451)	-
Total revenue	63,771,138	246,236,798	7,246,371	(5,002,451)	312,251,856
Results					
Segment profit/(loss)	34,156,015	20,455,386	(211,997,472)	178,285,092	20,899,021
Finance costs	(5,260,562)	(1,887)	(3,234,413)	3,136,392	(5,360,470)
Share of profits of equity-accounted joint ventures	-	3,572,065	-	-	3,572,065
Profit/(Loss) before taxation	28,895,453	24,025,564	(215,231,885)	181,421,484	19,110,616
Other Information					
Depreciation:-					
- property, vessels and equipment	7,022,218	1,578,057	177,494	19,827	8,797,596
- investment properties	-	50,584	267,074	(262,597)	55,061
Impairment losses on:-					
- property, vessels and equipment	4,325,708	-	-	-	4,325,708
- trade and other receivables	39,344,051	16,734	197,239,828	(204,932,867)	31,667,746
Reversal of impairment losses on trade and other receivables	(14,918,933)	(7,304)	(8,136,390)	6,940,565	(16,122,062)
Gain on disposal of:-					
- property, vessels and equipment	(1,609,509)	(3,208,476)	-	2,065,163	(2,752,822)
Property, vessels and equipment written off	-	598,905	-	-	598,905

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**NOTES TO THE FINANCIAL STATEMENTS
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33.5 Business segment (Cont'd)

30.6.2023 (Restated)	Offshore Support and Services RM	Subsea Services RM	All Other Segments RM	Consolidation Adjustments RM	The Group RM
Assets					
Segment assets	342,569,690	81,018,955	17,945,732	(209,970,729)	231,563,648
Investments in joint ventures	-	500,000	-	3,626,302	4,126,302
Unallocated assets:-					
- deferred tax assets	-	168,251	-	-	168,251
Consolidated total assets					<u>235,858,201</u>
Liabilities					
Segment liabilities	702,669,578	73,622,297	78,821,740	(565,176,691)	289,936,924
Unallocated liabilities:-					
- deferred tax liabilities	-	-	-	730,750	730,750
- current tax liabilities	-	-	115,834	-	115,834
Consolidated total liabilities					<u>290,783,508</u>

(a) Business segment and geographical information

The Group operates predominantly in one business segment in Malaysia. Accordingly, the information by business and geographical segments is not presented.

(b) Major customers

The following are major customers with revenue equal to or more than 10% of the Group's total revenue:-

	Revenue		Segment
	2024 RM	2023 RM (Restated)	
Customer #1	232,032,474	163,569,618	Offshore support and subsea services
Customer #2	49,041,131	376,041	Offshore support and subsea services
Customer #3	5,206,984	36,290,440	Offshore support and subsea services

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**NOTES TO THE FINANCIAL STATEMENTS
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The activities of the Group and of the Company are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

34.1 FINANCIAL RISK MANAGEMENT POLICIES

The policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk**(i) Foreign Currency Risk**

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when sales, purchases, cash and short-term deposits and loans and borrowings that are denominated in a foreign currency). The foreign currency in which these transactions are denominated is mainly United States Dollar ("USD").

The Group does not use any forward contracts to hedge against its exposure to foreign currency risk as the foreign exchange exposure in transactional currencies other than functional currency of the Group are kept to an acceptable level.

The Group's unhedged financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows:-

Foreign Currency Exposure

	The Group	
	30.6.2024	30.6.2023
	RM	RM (Restated)
United States Dollar (USD)		
<u>Financial Assets</u>		
Cash and bank balances	48,826	568,338
Trade and other receivables	2,599,764	9,278,288
	<u>2,648,590</u>	<u>9,846,626</u>
<u>Financial Liabilities</u>		
Trade and other payables	(10,804,479)	(2,144,406)
Loans and borrowings	(11,129,311)	(10,883,925)
	<u>(21,933,790)</u>	<u>(13,028,331)</u>
Net financial liabilities	<u>(19,285,200)</u>	<u>(3,181,705)</u>

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34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	The Group	
	30.6.2024	30.6.2023
	RM	RM (Restated)
Effects on Profit After Taxation and Equity		
USD/RM – strengthened by 3% (2023: 3%)	(439,703)	(72,543)
– weakened by 3% (2023: 3%)	439,703	72,543

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from:-

(i) Interest bearing financial assets

Cash deposits are short-term in nature and are not held for speculative purposes. The Group manages its interest rate yield by prudently placing deposits with varying maturity periods.

(ii) Interest bearing financial liabilities

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating borrowings. The Group actively review its debt portfolio, taking into account the investment holding period and the nature of its assets. This strategy allows them to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

Sensitivity analysis for interest rate risk

As at the reporting date, if interest rates had been 100 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM101,516 (30.6.2023: RM102,547; 1.7.2022: RM97,670) higher/lower respectively, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the current observable market environment.

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34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group and the Company manage their exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances, deposits with banks and financial institutions and other financial instruments), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries and joint ventures. The Company monitors the ability of the subsidiaries and joint ventures to serve their loans on an individual basis.

(i) Credit Risk Concentration Profile

The Group determines concentration of credit risk by monitoring the segment profits of its trade receivables on an ongoing basis.

At the end of the reporting period, the Group's major concentration of credit risk relates to the amounts owing by three (3) (30.6.2023: 3) customers which constituted approximately 68% (30.6.2023: 75%) of its trade receivables and contract assets (including related parties), net of loss allowance.

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

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34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses

The Group and the Company have an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group and the Company closely monitor the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group and the Company evaluate whether any of the financial assets at amortised cost, contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:-

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; or
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group and the Company consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group and the Company in full or is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more a lagging default criterion is more appropriate.

Trade Receivables and Contract Assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position.

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group and the Company consider any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

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34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)*Allowance for Impairment Losses*

The information about the credit exposure and loss allowances recognised for trade receivables and contract assets are as follows:-

	Gross Amount RM	Lifetime Individual Allowance RM	Carrying Amount RM
The Group			
30.6.2024			
Current (not past due)	39,941,309	-	39,941,309
1 to 30 days past due	5,284,386	-	5,284,386
31 to 60 days past due	1,757,398	-	1,757,398
61 to 90 days past due	131,662	-	131,662
More than 90 days past due	18,225,640	-	18,225,640
Credit impaired	47,923,690	(47,923,690)	-
Trade receivables	113,264,085	(47,923,690)	65,340,395
Contract assets	84,473,530	-	84,473,530
	197,737,615	(47,923,690)	149,813,925
30.6.2023 (Restated)			
Current (not past due)	25,871,349	-	25,871,349
1 to 30 days past due	72,753	-	72,753
31 to 60 days past due	562,392	-	562,392
61 to 90 days past due	92,676	-	92,676
More than 90 days past due	7,884,784	-	7,884,784
Credit impaired	49,567,540	(49,567,540)	-
Trade receivables	84,051,494	(49,567,540)	34,483,954
Contract assets	72,539,632	-	72,539,632
	156,591,126	(49,567,540)	107,023,586

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34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)*Allowance for Impairment Losses (Cont'd)*

The information about the credit exposure and loss allowances recognised for trade receivables and contract assets are as follows:- (Cont'd)

	Gross Amount RM	Lifetime Individual Allowance RM	Carrying Amount RM
The Group			
1.7.2022 (Restated)			
Current (not past due)	46,204,468	-	46,204,468
1 to 30 days past due	1,493,229	-	1,493,229
31 to 60 days past due	164,711	-	164,711
61 to 90 days past due	2,317,929	-	2,317,929
More than 90 days past due	11,759,387	-	11,759,387
Credit impaired	78,050,581	(78,050,581)	-
Trade receivables	139,990,305	(78,050,581)	61,939,724
Contract assets	10,707,874	-	10,707,874
	150,698,179	(78,050,581)	72,647,598

Trade receivables and contract assets that are individually determined to be impaired relate to debtors who are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements.

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34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other receivables and other financial assets

For other receivables and other financial assets (including cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, expected credit losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

Other than the credit-impaired amounts owing by subsidiaries and other receivables, the Group and the Company consider these financial assets to be of low credit risk, for which no material loss allowance is required.

Refer to Note 4.2(a) for the Group's and the Company's other accounting policies for impairment of financial assets.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****34. FINANCIAL INSTRUMENTS (CONT'D)****34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
The Group					
30.6.2024					
<u>Non-derivative Financial Liabilities</u>					
Trade and other payables	174,350,692	174,350,692	174,350,692	-	-
Term loans	13,357,322	13,876,518	11,483,874	1,114,379	1,278,265
Bank overdrafts	563,091	563,091	563,091	-	-
Sukuk Ijarah MTN	53,238,097	53,238,097	53,238,097	-	-
Revolving credit	21,217,742	21,217,742	21,217,742	-	-
	262,726,944	263,246,140	260,853,496	1,114,379	1,278,265
30.6.2023 (Restated)					
<u>Non-derivative Financial Liabilities</u>					
Trade and other payables	177,955,783	177,955,783	177,955,783	-	-
Term loans	13,493,028	14,159,557	11,379,407	1,224,900	1,555,250
Lease liabilities	36,093	41,000	41,000	-	-
Bank overdrafts	896,552	896,552	896,552	-	-
Sukuk Ijarah MTN	52,997,291	52,997,291	52,997,291	-	-
Revolving credit	44,558,177	44,558,177	44,558,177	-	-
	289,936,924	290,608,360	287,828,210	1,224,900	1,555,250

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34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
The Group					
1.7.2022 (Restated)					
<u>Non-derivative Financial Liabilities</u>					
Trade and other payables	230,225,585	230,225,585	230,225,585	-	-
Term loans	12,851,307	13,634,965	10,382,416	1,420,314	1,832,235
Lease liabilities	135,499	145,998	110,998	35,000	-
Bank overdrafts	896,552	896,552	896,552	-	-
Sukuk Ijarah MTN	56,760,420	56,760,420	56,760,420	-	-
Revolving credit	42,778,943	42,778,943	42,778,943	-	-
Hire purchase payables	63,793	64,538	64,538	-	-
	343,712,099	344,507,001	341,219,452	1,455,314	1,832,235
The Company					
30.6.2024					
<u>Non-derivative Financial Liabilities</u>					
Trade and other payables	3,780,646	3,780,646	3,780,646	-	-
Sukuk Ijarah MTN	53,238,097	53,238,097	53,238,097	-	-
	57,018,743	57,018,743	57,018,743	-	-
30.6.2023 (Restated)					
<u>Non-derivative Financial Liabilities</u>					
Trade and other payables	12,565,908	12,565,908	12,565,908	-	-
Sukuk Ijarah MTN	52,997,291	52,997,291	52,997,291	-	-
	65,563,199	65,563,199	65,563,199	-	-
1.7.2022 (Restated)					
<u>Non-derivative Financial Liabilities</u>					
Trade and other payables	9,095,884	9,095,884	9,095,884	-	-
Sukuk Ijarah MTN	56,760,420	56,760,420	56,760,420	-	-
	65,856,304	65,856,304	65,856,304	-	-

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****34. FINANCIAL INSTRUMENTS (CONT'D)****34.2 CAPITAL RISK MANAGEMENT**

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximises shareholder value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company 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 financial year ended 30 June 2024 and 30 June 2023.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's and the Company's policy is to keep the gearing ratio not exceeding 75%. The Group and the Company include within net debt, borrowings, trade and other payables, less cash and short-term deposits. Capital includes equity attributable to the owners of the Company.

	The Group		The Company	
	30.6.2024 RM	30.6.2023 RM (Restated)	30.6.2024 RM	30.6.2023 RM (Restated)
Trade and other payables	174,350,692	177,955,783	3,780,646	12,565,908
Loans and borrowings	88,376,252	111,981,141	53,238,097	52,997,291
Less: Cash and short-term deposits	(45,721,472)	(52,606,962)	(516,079)	(6,403,201)
Net debts	<u>217,005,472</u>	<u>237,329,962</u>	<u>56,502,664</u>	<u>59,159,998</u>
Equity attributable to the owners of the Company	<u>(25,459,282)</u>	<u>(54,925,307)</u>	<u>(49,502,664)</u>	<u>(58,047,008)</u>
Capital and net debts	<u>191,546,190</u>	<u>182,404,655</u>	<u>7,000,000</u>	<u>1,112,990</u>
Gearing ratio	<u>113%</u>	<u>130%</u>	<u>807%</u>	<u>5315%</u>

There were no changes in the approach to capital management during the financial year.

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****34. FINANCIAL INSTRUMENTS (CONT'D)****34.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS**

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:-

- (i) Amortised cost
(ii) Designated fair value through other comprehensive income ("DFVOCI")

	30.6.2024 RM	30.6.2023 RM (Restated)	30.6.2022 RM (Restated)
The Group			
Financial assets			
<u>Amortised Cost</u>			
Trade and other receivables, net of prepayments	91,992,702	61,835,575	126,834,572
Cash and short-term deposits	45,721,472	52,606,962	42,277,837
	<u>137,714,174</u>	<u>114,442,537</u>	<u>169,112,409</u>
Financial assets			
<u>DFVOCI</u>			
Other investment	350,000	350,000	350,000
Financial liabilities			
<u>Amortised Cost</u>			
Loans and borrowings	88,376,252	111,981,141	113,486,514
Trade and other payables	174,350,692	177,955,783	230,225,585
	<u>262,726,944</u>	<u>289,936,924</u>	<u>343,712,099</u>
The Company			
Financial assets			
<u>Amortised Cost</u>			
Trade and other receivables, net of prepayments	7,000,000	1,112,990	197,547,014
Cash and short-term deposits	516,079	6,403,201	2,216,038
	<u>7,516,079</u>	<u>7,516,191</u>	<u>199,763,052</u>
Financial liabilities			
<u>Amortised Cost</u>			
Loans and borrowings	53,238,097	52,997,291	56,760,420
Trade and other payables	3,780,646	12,565,908	9,095,884
	<u>57,018,743</u>	<u>65,563,199</u>	<u>65,856,304</u>

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The carrying amounts of cash and short-term deposits, short-term receivables and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

The carrying amounts of long-term and short-term floating rate borrowings are reasonable approximation of fair values as the loans will be re-priced to market interest rate on or near reporting date.

There have been no transfers between Level 1 and Level 2 during the financial year (30.6.2023: no transfer in either directions).

The following table provides the fair value measurement hierarchy of the Group's financial instruments:-

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
The Group								
30.6.2024								
<u>Financial Assets</u>								
Other investments:-								
– golf club membership	350,000	-	-	-	-	-	350,000	350,000
30.6.2023								
<u>Financial Assets</u>								
Other investments:-								
– golf club membership	350,000	-	-	-	-	-	350,000	350,000
1.7.2022								
<u>Financial Assets</u>								
Other investments:-								
– golf club membership	350,000	-	-	-	-	-	350,000	350,000

Level 2 fair value**Fair value of financial instruments carried at fair value**

The fair value of the golf club membership is determined by reference to its market value.

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35. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Details of significant events during and subsequent to the end of the financial year are as follows:-

On 31 October 2022, the Company announced that it had triggered the prescribed criteria pursuant to Paragraph 8.04 and Paragraph 2.1(d) of Practice Note 17 ("PN17") of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). Hence, with effect from 31 October 2022, the Company is considered as a PN17 listed issuer. The Company has 12 months to submit the regularisation plan to the relevant authorities for approval.

On 17 October 2023, the Company has submitted the application to Bursa Malaysia for extension of time for the Company to submit its Proposed Regularisation Plan in relation to PN17 of the MMLR of Bursa Malaysia. Subsequently, Bursa Malaysia had vide its letter dated 1 November 2023 resolved to grant the Company an extension of time of 6 months until 30 April 2024 to submit its regularisation plan to the regulatory authorities.

On 25 October 2023, the Company announced that the Company and Alam Maritim (M) Sdn. Bhd. ("AMSB") (a wholly-owned subsidiary of the Company) (collectively "Applicants") have obtained the following Orders from the High Court of Malaya at Kuala Lumpur ("High Court") pursuant to Sections 366 and 368 of the Companies Act 2016 for, among others:-

- (i) An order pursuant to Section 366(1) of the Companies Act 2016 to summon meetings of the creditors of the Applicants or any class of them for the purpose of considering and, if thought fit, approving with or without modification, a Scheme of Arrangement and compromise proposed between the Applicants and the Scheme Creditors;
- (ii) That the Applicants be at liberty to fix the date, time and venue of the scheme meetings within three (3) months from 25 October 2023; and
- (iii) A restraining order pursuant to Section 368(1) of the Companies Act 2016, whereby all current and further proceedings in any legal actions or proceedings against AMSB and/or the assets of AMSB be restrained and stayed except by leave of Court for a period of three (3) months from 25 October 2023.

On 24 January 2024, the Company announced that the High Court had granted the Company and AMSB an extension of time of 9 months from 25 January 2024 to summon the Court Convened Meeting ("CCM") for the Proposed Debt Restructuring and an extension of the Restraining Order for AMSB for a period of 9 months from 25 January 2024.

On 29 April 2024, the Company announced that the High Court had granted a Restraining Order for the Company for a period of 3 months from 29 April 2024.

On 30 May 2024, Bursa Malaysia extended the regularisation plan submission dateline to 31 October 2024.

On 5 July 2024, the Company announced that both the Company and AMSB will convene the CCM for the Proposed Debt Restructuring on 26 July 2024 and that the notice of CCM, the proxy forms and the Explanatory Statement have been issued to the Scheme Creditors.

On 25 July 2024, the Company announced that the High Court has granted an extension of the Restraining Order for the Company until 31 December 2024.

On 26 July 2024, the Company announced that the Company had obtained the approval of the requisite majority in value of the Scheme Creditors to undertake the Proposed Debt Restructuring during the CCM held on even date.

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**35. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR
(CONT'D)**

Details of significant events during and subsequent to the end of the financial year are as follows:- (Cont'd)

On 19 August 2024, the Company announced that the application in relation to the Proposed Regularisation Plan had been submitted to Bursa Malaysia on 16 August 2024. As at the date of this report, the Proposed Regularisation Plan has not been approved by Bursa Malaysia.

The Proposed Regularisation Plan shall be undertaken in conjunction with the Proposed Scheme of Arrangement and compromise pursuant to Section 366 of the Companies Act 2016 between the Company, AMSB (a wholly-owned subsidiary of the Company) and their creditors comprising, amongst others, full and final and/or partial settlement of outstanding debts owing to the scheme creditors of AMSB ("AMSB Scheme Creditors") ("AMSB Scheme Amounts") and Alam Maritim Resources Berhad ("AMRB/the Company") ("AMRB Scheme Creditors") ("AMRB Scheme Amounts") by way of cash as well as issuance of the Settlement Shares and the Settlement Warrants ("Proposed Debt Restructuring").

The Scheme of Arrangement between AMSB and the AMSB Scheme Creditors shall be referred to as the "AMSB Unsecured Scheme" whereas the Scheme of Arrangement between AMRB and the AMRB Scheme Creditors shall be referred to as the "AMRB Unsecured Scheme".

The AMSB Scheme Creditors and the AMRB Scheme Creditors shall collectively be referred to as the "Scheme Creditors".

The inter-conditionality of the corporate exercises to be undertaken by the Company is as follows:-

- (i) The Proposed Debt Restructuring comprises the Bilateral Settlement, AMSB Unsecured Scheme and AMRB Unsecured Scheme. Accordingly, each component of the Proposed Debt Restructuring is inter-conditional; and
- (ii) The Proposed Regularisation Plan and the Proposed Debt Restructuring are interconditional.

On 4 September 2024, the Company announced that the Company and AMSB have obtained from the High Court of Malaya at Kuala Lumpur the following Order pursuant to Section 366 of the Companies Act 2016 to sanction the Company's and AMSB's Schemes of Arrangement ("Order"). The Order sets out, among others:-

- (i) That the Scheme of Arrangement in the Explanatory Statement dated 5 July 2024 for the Company and AMSB, be approved and sanctioned by High Court so as to be binding upon the Company and AMSB and their Scheme Creditors as defined therein; and
- (ii) That an office copy of the Order shall be lodged with the Companies Commission of Malaysia.

On 20 September 2024, the sealed Order has been lodged with the Companies Commission of Malaysia and the Scheme of Arrangement took effect.

The Order granted by the High Court was obtained as part of the Group's overall restructuring and rehabilitation plan by way of a Scheme of Arrangement with its creditors.

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36. MATERIAL LITIGATION

As at the date of this report, save as disclosed below, the Group and the Company is not engaged in any material litigation, claim and/or arbitration, either as plaintiff or defendant, which may have a material effect on the financial position or business of the Group and the Company and the Board of Directors confirms that there are no proceedings, pending or threatened, or any facts likely to give rise to any proceedings which may have a material effect on the financial position or business of the Group and of the Company:-

(i) Matters which form part of the Proposed Debt Restructuring and will be settled via the Proposed Debt Restructuring whereby on 26 July 2024, the Company and Alam Maritim (M) Sdn. Bhd. ("AMSB") (a wholly-owned subsidiary of the Company) had obtained approval on the Company's and AMSB's Scheme of Arrangement (Debt Restructuring) from the scheme creditors; and on 4 September 2024, the Company and AMSB had obtained from the High Court an Order pursuant to Section 366 of the Companies Act 2016 ("the Act") to sanction the Company's and AMSB's Schemes of Arrangement and on 20 September 2024 the sealed Order has been lodged with the Companies Commission of Malaysia:-

(a) Kuala Lumpur High Court Companies (Winding-up) Petition No.: WA-28NCC**/2024 by CIMB Bank Berhad ("CIMB") against the Company

On 19 February 2024, CIMB issued a statutory notice of demand pursuant to Sections 465(1)(e) and 466(1)(a) and (2) of the Companies Act 2016 to the Company claiming for the sum of RM12,965,656 pursuant to a judgment dated 25 November 2022 and an allocator dated 4 December 2020 given in the Kuala Lumpur High Court Suit No.: WA-22NCC-367-08/2020 ("Notice of Demand").

Following the lapse of the Notice of Demand, CIMB filed a winding-up petition against the Company on 26 April 2024 and served the unsealed copy of the winding-up petition on AMRB on even date.

As at the date of this report, the Company has not received the sealed copy of the winding-up petition from CIMB.

For information purposes, the outstanding amount due and owing by the Company to CIMB will be settled via the Proposed Debt Restructuring/Scheme of Arrangement.

(b) RHB Islamic Bank Berhad ("RHB Islamic") vs Alam Maritim (L) Inc. ("AMLI") (a wholly-owned subsidiary of the Company) and the Company:-

(i) RHB Islamic Bank Berhad ("Plaintiff") against Alam Maritim (L) Inc. ("Defendant")

On 7 December 2023, the Plaintiff filed a legal suit against the Defendant claiming for the sum of RM10,796,317 (USD2,347,281), being the payment due and owing to the Plaintiff under the Commodity Murabahah Term Financing-i and the Commodity Murabahah Revolving Credit-i granted to the Defendant (collectively, the "RHB Islamic Facilities") and subsequently filed an application for summary judgment on 13 February 2024.

The Defendant subsequently filed an application for stay and discovery of documents on 6 March 2024 ("AMLI Stay and Discovery Application"). On 8 August 2024, AMLI Stay and Discovery Application was allowed.

On 9 September 2024, the Plaintiff obtained order and summary judgement for the RHB Islamic Facilities in the amount of arrears amounting to RM10,796,317 (USD2,347,281) owed. The decision of the summary judgment application was obtained by the High Court.

ALAM MARITIM RESOURCES BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

36. MATERIAL LITIGATION (CONT'D)

(i) Matters which form part of the Proposed Debt Restructuring and will be settled via the Proposed Debt Restructuring whereby on 26 July 2024, the Company and Alam Maritim (M) Sdn. Bhd. ("AMSB") (a wholly-owned subsidiary of the Company) had obtained approval on the Company's and AMSB's Scheme of Arrangement (Debt Restructuring) from the scheme creditors; and on 4 September 2024, the Company and AMSB had obtained from the High Court an Order pursuant to Section 366 of the Companies Act 2016 ("the Act") to sanction the Company's and AMSB's Schemes of Arrangement and on 20 September 2024 the sealed Order has been lodged with the Companies Commission of Malaysia:- (Cont'd)

(b) RHB Islamic Bank Berhad ("RHB Islamic") vs Alam Maritim (L) Inc. ("AML") (a wholly-owned subsidiary of the Company) and the Company:- (Cont'd)

(i) RHB Islamic Bank Berhad ("Plaintiff") against Alam Maritim (L) Inc. ("Defendant") (Cont'd)

On 13 September 2024, the Defendant filed an appeal against the summary judgment order and applied to High Court for stay of execution pending appeal and court sanction against the Plaintiff. On 23 October 2024, the High Court allowed the Stay of Execution.

(ii) RHB Islamic Bank Berhad ("Plaintiff") vs the Company ("Defendant")

On 26 December 2023, the Plaintiff filed a legal suit against the Defendant claiming for the sum of RM10,796,317 (USD2,347,281), being the payment due and owing by AML to the Plaintiff under the RHB Islamic Facilities by virtue of the corporate guarantee provided by the Defendant in favour of the Plaintiff.

On 22 January 2024, a judgment in default of appearance for the sum of RM10,796,317 (USD2,347,281) was entered against the Defendant ("RHB Islamic JID").

The Defendant subsequently filed an application on 24 January 2024 to set aside the RHB Islamic JID and to stay the enforcement of the RHB Islamic JID pending disposal of the Defendant's setting aside application ("JID Setting Aside Application"). The Defendant also filed an application on 6 March 2024 for discovery of documents ("AMRB Discovery Application").

According to an Order dated 29 April 2024 from High Court of Malaya Kuala Lumpur, OS No: WA-2NCC-567-10/2023, the Honourable Court allowed a Restraining Order ("RO") against court proceedings being taken against the Defendant.

In light of the RO, the case management for the JID Setting Aside Application and the AMRB Discovery Application is fixed on 6 January 2025.

For information purposes, the outstanding amount due and owing by AML to the Plaintiff will be settled via the Proposed Debt Restructuring/Scheme of Arrangement.

ALAM MARITIM RESOURCES BERHAD

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

36. MATERIAL LITIGATION (CONT'D)

(i) Matters which form part of the Proposed Debt Restructuring and will be settled via the Proposed Debt Restructuring whereby on 26 July 2024, the Company and Alam Maritim (M) Sdn. Bhd. ("AMSB") (a wholly-owned subsidiary of the Company) had obtained approval on the Company's and AMSB's Scheme of Arrangement (Debt Restructuring) from the scheme creditors; and on 4 September 2024, the Company and AMSB had obtained from the High Court an Order pursuant to Section 366 of the Companies Act 2016 ("the Act") to sanction the Company's and AMSB's Schemes of Arrangement and on 20 September 2024 the sealed Order has been lodged with the Companies Commission of Malaysia:- (Cont'd)

(c) Bendera Shipping Agencies Sdn. Bhd. ("Plaintiff") vs AMSB ("Defendant")

On 2 August 2021, the Plaintiff filed a legal suit against the Defendant claiming for the sum of RM1,813,424 from the Defendant, being the payment due and owing based on the invoices issued by the Plaintiff to the Defendant pursuant to the logistics and agency services rendered.

The Plaintiff subsequently filed an application for summary judgment on 7 September 2021. In light of the Restraining Order, the hearing of the summary judgment application was adjourned by the court pending the lapse of the Restraining Order. On 28 October 2024, the Court has fixed a case management on 4 November 2024 on the status of the AMSB's Scheme of Arrangement Order which was granted on 4 September 2024 and lodged with Companies Commission of Malaysia on 20 September 2024.

For information purposes, the outstanding amount due and owing by the Defendant to the Plaintiff will be settled via the Proposed Debt Restructuring/Scheme of Arrangement.

(d) Eastern Distinction Sdn. Bhd. ("Plaintiff") vs AMSB ("Defendant")

On 30 September 2020, the Plaintiff filed a legal suit against the Defendant claiming for the sum of RM611,800 from the Defendant, being the amount due and owing to the Plaintiff pursuant to the offshore catering and associated services rendered by the Plaintiff for 2 of the projects of the Defendant.

In light of the Restraining Order, the matter was adjourned by the court pending the lapse of the Restraining Order. On 28 October 2024, the Court has fixed a case management on 4 November 2024 on the status of the AMSB's Scheme of Arrangement Order which was granted on 4 September 2024 and lodged with Companies Commission of Malaysia on 20 September 2024.

For information purposes, the outstanding amount due and owing by the Defendant to the Plaintiff will be settled via the Proposed Debt Restructuring/Scheme of Arrangement.

(e) F. H. Bertling Projects Logistics Sdn. Bhd. ("Plaintiff") vs AMSB ("Defendant")

On 14 May 2020, the Plaintiff filed a legal suit against the Defendant claiming for the sum of RM4,752,771 and all other unpaid invoices issued, expenses due and owing to the Plaintiff since 18 February 2020 pursuant to a letter of award dated 7 November 2019 for the provision of transportation services for rigid line pipes. As at the date of this report, in light of the Restraining Order, the case management for this matter is fixed on 15 November 2024.

For information purposes, the outstanding amount due and owing by the Defendant to the Plaintiff will be settled via the Proposed Debt Restructuring Scheme of Arrangement/Scheme of Arrangement.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

36. MATERIAL LITIGATION (CONT'D)

(ii) Matters which are not part of the Proposed Debt Restructuring

(a) Vestigo Petroleum Sdn. Bhd. ("VPSB") vs AMSB

- (i) Setting Aside Application: VPSB ("Plaintiff") against AMSB ("Defendant")
- (ii) Enforcement Application: AMSB ("Plaintiff") against VPSB ("Defendant")
- (iii) Stay Application: VPSB ("Plaintiff") against AMSB ("Defendant")

AMSB was appointed by VPSB to carry out works for a project in relation to the provision of engineering, procurement, construction, installation and pre-commissioning of pipeline system ("Project"). The dispute between AMSB and VPSB was referred to adjudication wherein AMSB claimed for the costs incurred by AMSB pursuant to the variation orders and the payment of outstanding invoices in respect of the work done by AMSB under the Project.

On 27 December 2022, AMSB obtained an adjudication decision against VPSB to pay the following sum ("Adjudication Decision"):-

- i. RM7,347,347 for rectification works;
- ii. RM2,207,177 and USD936,242 for rectification works;
- iii. USD1,450,603 for invoice dated 19 May 2021;
- iv. RM200,897 for invoice dated 24 November 2020; and
- v. RM478,826 for invoice dated 2 February 2021

On 31 January 2023, VPSB filed the Setting Aside Application to set aside the Adjudication Decision.

On 16 February 2023, AMSB filed the Enforcement Application to enforce the Adjudication Decision.

On 28 November 2023, VPSB filed the Stay Application to stay the Adjudication Decision pending the disposal of an arbitration commenced by VPSB against AMSB pursuant to a Notice of Arbitration dated 15 December 2022 ("NOA").

As at the date of this report, the hearing of the Setting Aside Application, the Enforcement Application and the Stay Application is fixed on 8 November 2024.

(iv) Arbitration matter between VPSB ("Claimant") and AMSB ("Respondent")

Pursuant to the NOA dated 15 December 2022, the dispute between VPSB and AMSB was referred to arbitration wherein VPSB is claiming for, amongst others:-

- (1) a declaration that AMSB is not entitled to claim from VPSB the costs incurred for the rectification works carried out by AMSB under the Project;
- (2) a declaration that AMSB is liable to pay VPSB incidental costs incurred by VPSB amounting to USD1,615,078 due to the extension of the mechanical completion date of the Project; and
- (3) alternatively, an order for AMSB to pay VPSB liquidated damages amounting to USD5,864,917 or USD4,662,609 or any amount deemed fit by the tribunal by reason of late performance by AMSB.

ALAM MARITIM RESOURCES BERHAD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

36. MATERIAL LITIGATION (CONT'D)

(ii) Matters which are not part of the Proposed Debt Restructuring (Cont'd)

(a) Vestigo Petroleum Sdn. Bhd. ("VPSB") vs AMSB (Cont'd)

(iv) Arbitration matter between VPSB ("Claimant") and AMSB ("Respondent") (Cont'd)

AMSB had subsequently responded to VPSB on 16 January 2023 and made counterclaims against VPSB to claim for, amongst others:-

(1) the payment of the sums of RM12,420,881 and USD1,217,115 respectively for the rectification works carried out by AMSB under the Project; and

(2) the payment of the sums of RM679,722 and USD1,466,229 respectively, being the payments due and owing based on the invoices issued by AMSB to VPSB.

As at the date of this report, in light of the Restraining Order, the arbitration proceedings could not proceed until the Restraining Order lapses.

The solicitors for AMSB are of the opinion that AMSB has a reasonable chance of success in defending the claims by VPSB and in pursuing its counterclaims against VPSB in the arbitration proceedings.

For information purposes, as at the date of this report, the parties are negotiating an amicable settlement in respect of the litigation and arbitration matters between VPSB and AMSB.

(b) John Albert D'Lima ("JADL") vs AMLI and Workboat International DMCCO ("WIDMCCO")

(i) Panama First Maritime Court Auto No. 95 del 14 de marzo de 2024 by Plaintiff and WIDMCCO against AMLI; and

(ii) Arbitration matter between the Plaintiff and the Defendants

On 28 August 2016, WIDMCCO, a joint venture company incorporated in the United Arab Emirates, entered into a memorandum of agreement with AMLI for the disposal of a vessel, WBI Trinity, for a consideration of USD7,500,000 ("WBI Trinity Disposal").

JADL, the former managing director of WIDMCCO, subsequently sought to unwind the WBI Trinity Disposal.

On 8 January 2018, WIDMCCO and JADL filed a legal suit against AMLI in the First Maritime Court of Panama ("Panama Court") claiming for an aggregate sum of USD9,647,218, being the end of service benefits owed for the termination of JADL's employment, the advances given by JADL to WIDMCCO during his tenure as the managing director of WIDMCCO, the purchase consideration of the WBI Trinity Disposal and the legal fees relating to his claim. The Panama Court had on 7 November 2019 decided in favour of WIDMCCO and JADL ("Panama Court Decision").

ALAM MARITIM RESOURCES BERHAD

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

36. MATERIAL LITIGATION (CONT'D)

- (ii) Matters which are not part of the Proposed Debt Restructuring (Cont'd)
 - (b) John Albert D'Lima ("JADL") vs AMLI and Workboat International DMCCO ("WIDMCCO") (Cont'd)
 - (ii) Arbitration matter between the Plaintiff and the Defendants (Cont'd)

AMLI subsequently appealed against the Panama Court Decision. The Maritime Court of Appeals of Panama ("Panama Court of Appeals") had on 2 September 2020 revoked the Panama Court Decision and decided that it was not the proper forum for the said dispute to be ventilated and made an order for the dispute to be referred to arbitration in Kuala Lumpur, Malaysia.

Pursuant to a notice of arbitration dated 11 September 2020, JADL referred the dispute to arbitration in Kuala Lumpur claiming for an aggregate sum of USD3,947,218 against WIDMCCO and/or AMLI, being the advances given by JADL to WIDMCCO during his tenure as the managing director of WIDMCCO and the proceeds of WBI Trinity Disposal agreed by the then existing directors of WIDMCCO.

On 6 July 2023, AMLI filed a motion to uplift the injunction registered on the Certificate of Registry of WBI Trinity in Panama, originally lodged by JADL in 2018 after the vessel sale dispute arose but the said motion was dismissed by the Panama Court.

In view of the fact that JADL did not initiate arbitration proceedings in Kuala Lumpur within the 2-year limited under the laws of Panama, the Panama Court had on 13 July 2023 ruled to re-acquire jurisdiction over this matter and granted JADL and WIDMCCO a 30-day period to formally and properly initiate arbitration proceedings in Kuala Lumpur upon notification.

On 3 August 2023, the Panama Court ordered JDL and WIDMCCO to proceed with the arbitration proceedings in Kuala Lumpur within 30 days from the acceptance of the court order ("Panama Court Order").

On 4 October 2023, JADL served the notice of arbitration dated 11 September 2020 to WIDMCCO in Kuala Lumpur. On 27 October 2023, the solicitors for AMLI and WIDMCCO responded and contended that the arbitration initiated in Kuala Lumpur was not in compliance with the Panama Court Order.

On 21 December 2023, AMLI filed another motion to uplift the injunction registered on the Certificate of Registry of WBI Trinity in Panama but the said motion was again dismissed by the Panama Court. The Panama Court had also ruled to re-acquire jurisdiction over this matter and to decide the merits of the claim in Panama given that the claim was not litigated in Kuala Lumpur.

As at the date of this report, AMLI has not received any official reply from JDL pertaining to the arbitration despite numerous follow-ups.

The solicitors for AMLI are of the opinion that JADL does not have a good claim under the Notice of Arbitration dated 11 September 2020 and a negative outcome is most probable.

ALAM MARITIM RESOURCES BERHAD

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****37. COMPARATIVE FIGURES**

The following figures have been adjusted and reclassified:-

	As Previously Reported RM	Prior year adjustments RM (i)	Reclassification RM (ii)	As Restated RM
The Group				
30.6.2023				
Consolidated Statement of Financial Position (Extract):-				
<u>Non-current assets</u>				
Property, vessels and equipment	41,855,694	(653,299)	-	41,202,395
Investment properties	1,117,119	1,020,467	-	2,137,586
<u>Current assets</u>				
Trade and other receivables	61,528,844	2,807,091	(2,266,685)	62,069,250
Contract assets	66,653,992	3,618,955	2,266,685	72,539,632
<u>Equity</u>				
Accumulated losses	492,720,951	(2,757,376)	-	489,963,575
Non-controlling interests	6,349,953	(1,638,454)	-	4,711,499
<u>Non-current liabilities</u>				
Loan and borrowings	(2,649,341)	377,188	-	(2,272,153)
<u>Current liabilities</u>				
Loan and borrowings	(109,618,668)	(90,320)	-	(109,708,988)
Trade and other payables	(175,271,531)	(2,684,252)	-	(177,955,783)
Consolidated Statement of Comprehensive Income and Other Comprehensive Income (Extract):-				
Revenue	310,603,419	1,348,901	299,536	312,251,856
Cost of sales	(300,916,771)	(1,264,427)	-	(302,181,198)
Other income	64,361,335	2,474,819	(559,322)	66,276,832
Other expenses	(26,187,051)	(605,000)	259,786	(26,532,265)
Finance costs	(7,665,674)	2,305,204	-	(5,360,470)

ALAM MARITIM RESOURCES BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

37. COMPARATIVE FIGURES (CONT'D)

The following figures have been adjusted and reclassified:- (Cont'd)

	As Previously Reported RM	Prior year adjustments RM (i)	Reclassification RM (ii)	As Restated RM
The Group				
30.6.2023				
Consolidated Statement of Cash Flows (Extract):-				
Net cash used in operating activities	(17,593,324)	3,139,529	-	(14,453,795)
Net cash generated from investing activities	34,471,294	159,783	-	34,631,077
Net cash generated from financing activities	6,187,644	(2,085,695)	-	4,101,949
Effect of foreign exchange translation	-	(1,213,617)	-	(1,213,617)
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The Group				
30.6.2022				
Consolidated Statement of Financial Position (Extract):-				
<u>Non-current assets</u>				
Property, vessels and equipment	70,409,504	(2,357,157)	-	68,052,347
Investment properties	1,130,083	1,062,564	-	2,192,647
<u>Current assets</u>				
Trade and other receivables	132,205,089	1,790,226	(1,565,815)	132,429,500
Contract assets	6,762,630	2,379,429	1,565,815	10,707,874
<u>Equity</u>				
Accumulated losses	507,890,042	1,502,121	-	509,392,163
Non-controlling interests	5,161,616	(1,638,454)	-	3,523,162
<u>Non-current liabilities</u>				
Loan and borrowings	(2,951,410)	372,937	(62,986)	(2,641,459)
<u>Current liabilities</u>				
Loan and borrowings	(108,736,277)	(2,171,764)	62,986	(110,845,055)
Trade and other payables	(229,285,683)	(939,902)	-	(230,225,585)
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ALAM MARITIM RESOURCES BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****37. COMPARATIVE FIGURES (CONT'D)**

The following figures have been adjusted and reclassified:- (Cont'd)

	As Previously Reported RM	Prior year adjustments RM (i)	Reclassification RM (ii)	As Restated RM
The Company				
30.6.2023				
Statement of Financial Position (Extract):-				
Equity	499,950,899	929,128	-	500,880,027
Accumulated losses				
Current liabilities				
Loan and borrowings	(52,055,248)	(942,043)	-	(52,997,291)
Trade and other payables	(12,578,823)	12,915	-	(12,565,908)
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Statement of Comprehensive Income and Other Comprehensive Income (Extract):-				
Other income	3,393,758	(219,510)	-	3,174,248
Finance costs	(3,349,170)	219,510	-	(3,129,660)
Net impairment losses on financial assets	(189,667,074)	219,510	-	(189,447,564)
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ALAM MARITIM RESOURCES BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

37. COMPARATIVE FIGURES (CONT'D)

The following figures have been adjusted and reclassified:- (Cont'd)

	As Previously Reported RM	Prior year adjustments RM (i)	Reclassification RM (ii)	As Restated RM
The Company				
30.6.2022				
Consolidated Statement of Financial Position (Extract):-				
<u>Equity</u>				
Accumulated losses	307,777,633	1,148,638	-	308,926,271
<u>Current liabilities</u>				
Loan and borrowings	(55,818,377)	(942,043)	-	(56,760,420)
Trade and other payables	(8,889,289)	(206,595)	-	(9,095,884)

- (i) Prior year adjustments are in respect of various misstatements incurred in prior financial periods. Accordingly, the consolidated financial statements of the Group and the financial statements of the Company for the end of the preceding period, 30 June 2023 and the beginning of the preceding period, 1 July 2022 have been restated.
- (ii) The comparative figures have been reclassified to conform with current year presentation.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ALAM MARITIM RESOURCES BERHAD**

(Incorporated in Malaysia)

Registration No: 200501018734 (700849-K)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Disclaimer of Opinion

We were engaged to audit the financial statements of Alam Maritim Resources Berhad, which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 12 to 108.

We do not express an opinion on the accompanying financial statements of the Group and of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. Going concern

As disclosed in Note 3.3 to the financial statements:

During the financial year ended 30 June 2024, the Group's and the Company's current liabilities exceeded their current assets by RM47,197,406 and RM49,502,664 respectively and recorded a capital deficiency of RM25,459,282 and RM49,502,664 respectively. The Group and Company also recorded a negative operating cash flow of RM14,524,679 and RM15,462,680 respectively during the financial year ended 30 June 2024.

On 31 October 2022, the Company announced that it became an Affected Listed Issuer pursuant to Practice Note 17 ("PN 17") of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") for the Main Market.

These events or conditions indicate existence of material uncertainties that may cast significant doubt on the Group's and the Company's ability to continue as a going concern.

Nevertheless, the financial statements of the Group and of the Company have been prepared by the directors on a going concern basis, the validity of which is highly dependent on the successful implementation of the Proposed Regularisation Plan and Proposed Debt Restructuring Plan by the directors in responding to the conditions above.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ALAM MARITIM RESOURCES BERHAD (CONT'D)**

(Incorporated in Malaysia)

Registration No: 200501018734 (700849-K)

Basis for Disclaimer of Opinion (Cont'd)

1. Going concern (Cont'd)

In view of the matters set out above, there are material uncertainties involving the approval by various parties and successful implementation of the Proposed Regularisation Plan and Proposed Debt Restructuring Plan, including sufficiency of funding support and possible monetisation of assets of the Group that may cast significant doubt on the ability of the Group and of the Company to continue as a going concern. Accordingly, we have not been able to obtain sufficient and appropriate audit evidence to ascertain the appropriateness of the preparation of the financial statements of the Group and of the Company on a going concern basis.

2. Opening balances for financial year ended 30 June 2024

We were appointed as auditors of the Group and the Company on 12 July 2024 for the financial year ended 30 June 2024. In accordance with International Auditing Standards 510 *Initial Audit Engagements – Opening Balances*, we are required to determine whether the opening balances contain misstatements that materially affect the current period's financial statements.

The financial statements of the Group and of the Company for the financial year ended 30 June 2023 and financial period ended 30 June 2022 were audited by another firm of Chartered Accountants. Their reports dated 28 October 2022 and 18 October 2023 included disclaimer opinion. These opinion highlighted that the predecessor auditors were unable to obtain sufficient and appropriate audit evidence on property, vessels and equipment, contract assets, other receivables, bank balances, trade and other payables, investment in joint ventures, loans and borrowings, revenue, cost of sales, other income, non-controlling interests, amounts owing from subsidiaries, inter-company balances and consolidated and equity accounted unaudited subsidiaries, associates and joint ventures.

We were unable to obtain sufficient and appropriate audit evidence to verify the accuracy, existence and completeness and determine whether the following accounting balances as at 30 June 2023 and 30 June 2022/1 July 2022 respectively, and for the respective corresponding financial years then ended contain material misstatements:

- (i) As disclosed in Note 13 to the financial statements, the Group's trade and other receivables amounted to RM62,069,250 (1 July 2022: RM132,429,500).
- Included in these balances are other receivables balance of RM11,821,068 and RM29,494,567 as at 30 June 2023 and 30 June 2022/1 July 2022, respectively, for which we have not received sufficient and appropriate evidence on the recoverable amount determined, and unreconciled balances arising from inter-company reconciliation that have not been eliminated, amounted to RM3,886,963 as at 30 June 2022/1 July 2022.
 - The amount due from joint ventures amounted to RM17,379,059 and RM35,336,533 as at 30 June 2023 and 30 June 2022/1 July 2022, respectively.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ALAM MARITIM RESOURCES BERHAD (CONT'D)**

(Incorporated in Malaysia)

Registration No: 200501018734 (700849-K)

Basis for Disclaimer of Opinion (Cont'd)

2. Opening balances for financial year ended 30 June 2024 (Cont'd)

We were unable to obtain sufficient and appropriate audit evidence to verify the accuracy, existence and completeness and determine whether the following accounting balances as at 30 June 2023 and 30 June 2022/1 July 2022 respectively, and for the respective corresponding financial years then ended contain material misstatements: (Cont'd)

- (ii) As disclosed in Note 19 to the financial statements the Group's trade and other payables amounted to RM177,955,783 (1 July 2022: RM230,225,585).
- The trade payables amounted to RM25,299,903 and RM80,530,661 as at 30 June 2023 and 30 June 2022/1 July 2022, respectively.
 - The amount due to joint ventures amounted to RM71,188,884 and RM130,521,460 as at 30 June 2023 and 30 June 2022/1 July 2022, respectively.
 - The amount due to associates amounted to RM11,256,127 and RM5,090,409 as at 30 June 2023 and 30 June 2022/1 July 2022, respectively.
- (iii) The cash and bank balances of the Group as at 30 June 2022/1 July 2022 amounted to RM42,277,837. As at the date of the report, we have not received sufficient and appropriate evidence on the bank reconciliation items on the bank balances amounted to RM9,215,747.
- (iv) As disclosed in Note 21 to the financial statements, the Group's costs of sales for the financial year ended 30 June 2023 amounted to RM302,181,198 in which we have not been able to obtain sufficient and appropriate audit evidence concerning the amount.
- (v) As disclosed in Note 22 to the financial statements, included in other income for the financial year ended 30 June 2023 is an amount of RM60,619,083 being other income recognised arising from the Group's exercise on reconciling major balances in the financial position of the Group in which the appropriateness, nature and validity cannot be reliably determined.
- (vi) As disclosed in Note 5 and Note 13 to the financial statements, the costs of investment in subsidiaries and amount due from subsidiaries of the Company as at 30 June 2022/1 July 2022 amounted to RM Nil and RM197,501,799, respectively, as at the end of the financial period. The Company has impaired the cost of investment in subsidiaries but has not yet completed its impairment assessment to determine the recoverability of the amount due from subsidiaries.
- (vii) The truth and fairness of accumulated losses balance as at 30 June 2022/1 July 2022 of the Group and the Company amounted to RM509,392,163 and RM308,926,271 respectively.
- (viii) The truth and fairness of accumulated losses balance as at 30 June 2023 of the Group and the Company amounted to RM489,963,575 and RM500,880,027 respectively.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ALAM MARITIM RESOURCES BERHAD (CONT'D)**

(Incorporated in Malaysia)

Registration No: 200501018734 (700849-K)

Basis for Disclaimer of Opinion (Cont'd)

2. Opening balances for financial year ended 30 June 2024 (Cont'd)

Accordingly, we have not been able to obtain sufficient and appropriate audit evidence concerning these balances. Therefore, we could not determine the effect of adjustment, if any, on the financial statements of the Group and of the Company as at 30 June 2023 and 30 June 2022/1 July 2022 respectively or on its financial performance for the corresponding financial years then ended respectively.

Since the opening amount of the above balances affects the determination of the results of operations, we are unable to determine whether any adjustment to the results of the operations and retained earnings might be necessary for the previous financial year ended 30 June 2023 and financial period ended 30 June 2022/1 July 2022.

Our opinion on the current year's financial statements is also modified because of the possible effect of these matters on the comparability of the current year's figures and the corresponding figures.

3. Current period's account balance

We were unable to obtain sufficient and appropriate audit evidence to verify the accuracy, existence and completeness and determine whether the following accounting balances as at 30 June 2024 and for the financial year then ended contain material misstatements:

- (i) As disclosed in Note 13 to the financial statements, the Group's trade and other receivables as at 30 June 2024 amounted to RM92,110,315.
 - Included in these balances are other receivables balance of RM8,322,045 as at 30 June 2024, for which we have not received sufficient and appropriate evidence on the recoverable amount determined, and unreconciled balances arising from inter-company reconciliation that have not been eliminated, amounted to RM1,600,162 as at 30 June 2024.
 - The amount due from joint ventures amounted to RM31,671,098 as at 30 June 2024.
- (ii) As disclosed in Note 19 to the financial statements the Group's trade and other payables as at 30 June 2024 amounted to RM174,350,692.
 - The trade payables amounted to RM18,509,305 as at 30 June 2024.
 - The amount due to joint ventures amounted to RM54,107,202 as at 30 June 2024.
 - The amount due to associates amounted to RM10,739,650 as at 30 June 2024.
- (iii) As disclosed in Note 21 to the financial statements, the Group's costs of sales for the financial year ended 30 June 2024 amounted to RM324,611,310 in which in which we have not been able to obtain sufficient and appropriate audit evidence concerning the amount.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ALAM MARITIM RESOURCES BERHAD (CONT'D)**

(Incorporated in Malaysia)

Registration No: 200501018734 (700849-K)

Basis for Disclaimer of Opinion (Cont'd)

3. Current period's account balance (Cont'd)

- (iv) As disclosed in Note 22 to the financial statements, included in other income for the financial year ended 30 June 2024 is an amount of RM2,195,440 being other income recognised arising from the Group's exercise on reconciling major balances in the financial position of the Group in which the appropriateness, nature and validity cannot be reliably determined.
- (v) The truth and fairness of accumulated losses balance as at 30 June 2024 of the Group and the Company amounted to RM468,998,368 and RM492,170,067 respectively.

Accordingly, we have not been able to obtain sufficient and appropriate audit evidence concerning these balances. Therefore, we could not determine the effect of adjustment, if any, on the financial statements of the Group as at 30 June 2024 or on its financial performance for the year then ended.

Any adjustments or additional disclosures that may be necessary in respect of the above matters, including any related tax impact, may have a consequential significant impact on the financial position of the Group and of the Company as at 30 June 2024 and the financial results and cash flows of the Group and of the Company for the financial year then ended.

4. Limitation of scope on the audit of Subsidiaries, Associates Entities and Jointly Controlled Entities

The list of subsidiaries, associates and joint ventures and of which we have not acted as auditors is disclosed in Notes 5, 6 and 7 to the financial statements respectively.

The associates and joint ventures had been consolidated and equity accounted for in the Group's financial statement. We were unable to carry out our audit procedures per ISA 600, *Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)*. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ALAM MARITIM RESOURCES BERHAD (CONT'D)**

(Incorporated in Malaysia)

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Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of 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 of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of 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 responsibility is to conduct an audit of the Company's financial statements in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, and to issue an auditors' report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Independence and Other Ethical Responsibilities

We are independent of the Group and of 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ALAM MARITIM RESOURCES BERHAD (CONT'D)**

(Incorporated in Malaysia)

Registration No: 200501018734 (700849-K)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia ("Act"), we report that in our opinion:

- (a) the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.
- (b) the accounting and other records for the matter as described in the *Basis for Disclaimer of Opinion* section have not been properly kept by the Company in accordance with the provision of the Act.
- (c) we have not obtained all the information and explanations that we required.

OTHER MATTERS

This report is made solely to the members of 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.



Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants



Lou Hpe Yin
03120/04/2026 J
Chartered Accountant

Kuala Lumpur
29 October 2024