

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME OF THE GROUP  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	Note	FOURTH QUARTER		CUMULATIVE QUARTER	
		Current Quarter Ended	Preceding Quarter Ended	Current Year-To-Date Ended	Preceding Year-To-Date Ended
		31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
Revenue	A4	31,495	44,372	93,240	161,074
Cost of sales		(28,170)	(52,990)	(85,055)	(159,229)
<b>Gross (loss)/profit</b>		<b>3,325</b>	<b>(8,618)</b>	<b>8,185</b>	<b>1,845</b>
Other income		3,010	18,696	5,908	25,676
Staff costs		(5,123)	(6,099)	(19,939)	(21,549)
Other operating expenses		(90,275)	(70,275)	(108,448)	(82,309)
<b>(Loss)/Profit from operations</b>		<b>(89,063)</b>	<b>(66,296)</b>	<b>(114,294)</b>	<b>(76,337)</b>
Finance costs		(9,081)	(2,302)	(11,436)	(6,654)
Share of results of associates		21,246	(9,301)	21,450	(8,729)
Share of results of joint ventures		(51,507)	(40,843)	(65,469)	(47,178)
<b>(Loss)/profit before taxation</b>		<b>(128,405)</b>	<b>(118,742)</b>	<b>(169,749)</b>	<b>(138,898)</b>
Taxation	B5	(3,481)	(5,933)	(1,858)	(6,483)
<b>Net (loss)/profit for the period</b>		<b>(131,886)</b>	<b>(124,675)</b>	<b>(171,607)</b>	<b>(145,381)</b>
<b>Other comprehensive income</b>					
Currency translation differences		(133)	1,419	(1,752)	1,418
<b>Other comprehensive income for the period, net of tax</b>		<b>(133)</b>	<b>1,419</b>	<b>(1,752)</b>	<b>1,418</b>
<b>Total comprehensive income for the period</b>		<b>(132,019)</b>	<b>(123,256)</b>	<b>(173,359)</b>	<b>(143,963)</b>
<b>(Loss)/profit attributable to:</b>					
Owners of the parent		(132,616)	(125,703)	(174,844)	(145,971)
Non-controlling interests		730	1,028	3,237	590
		<b>(131,886)</b>	<b>(124,675)</b>	<b>(171,607)</b>	<b>(145,381)</b>
<b>Total comprehensive income for the period</b>					
Owners of the parent		(132,523)	(124,723)	(175,873)	(144,991)
Non-controlling interests		504	1,467	2,514	1,028
		<b>(132,019)</b>	<b>(123,256)</b>	<b>(173,359)</b>	<b>(143,963)</b>
Earnings per share attributable to Owners of the parent	B16				
- Basic (Sen)		(14.3)	(13.6)	(18.9)	(15.8)
- Diluted (Sen)		(14.3)	(13.6)	(18.9)	(15.8)

The unaudited statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED STATEMENT OF FINANCIAL POSITION OF THE GROUP  
AS AT 31 DECEMBER 2018**

	As At 31.12.2018 RM'000	As At 31.12.2017 RM'000
<b>Assets</b>		
<b>Non-current Assets</b>		
Property, vessel and equipment	331,919	391,083
Investment properties	1,650	1,650
Investments in associates	-	39,013
Interests in joint ventures	66,261	149,094
Deferred tax assets	-	531
	<u>399,830</u>	<u>581,371</u>
<b>Current Assets</b>		
Inventories	1,109	1,513
Trade receivables	35,163	97,416
Other receivables	82,554	118,089
Tax recoverable	4,420	5,731
Cash and bank balances	82,116	55,792
	<u>205,362</u>	<u>278,541</u>
Non-current asset held for sale	10,978	10,978
	<u>216,340</u>	<u>289,519</u>
<b>Total Assets</b>	<b><u>616,170</u></b>	<b><u>870,890</u></b>
<b>Equity And Liabilities</b>		
<b>Equity Attributable To Owners Of The Parent</b>		
Share capital	396,315	396,315
Other reserves	655	1,684
Retained profits	1,037	199,128
	<u>398,007</u>	<u>597,127</u>
Non-controlling interests	(3,575)	(3,483)
<b>Total Equity</b>	<b><u>394,432</u></b>	<b><u>593,644</u></b>
<b>Non-current Liabilities</b>		
Borrowings B9	14,057	20,439
Deferred tax liabilities	5,978	4,427
	<u>20,035</u>	<u>24,866</u>
<b>Current Liabilities</b>		
Borrowings B9	108,369	130,859
Trade payables	41,735	47,661
Other payables	51,245	73,765
Tax payable	354	95
	<u>201,703</u>	<u>252,380</u>
<b>Total Liabilities</b>	<b><u>221,738</u></b>	<b><u>277,246</u></b>
<b>Total Equity And Liabilities</b>	<b><u>616,170</u></b>	<b><u>870,890</u></b>
<b>Net Assets Per Share (RM)</b>	<b><u>0.43</u></b>	<b><u>0.65</u></b>

The unaudited statement of financial position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY OF THE GROUP  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Attributable to Owners of the Parent						
	Non-Distributable		Distributable				
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Profits RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
As at 1 January 2017	231,115	165,200	704	345,099	742,118	(4,511)	737,607
Loss for the year	-	-	-	(145,971)	(145,971)	591	(145,380)
Other comprehensive income	-	-	980	-	980	437	1,417
<b>Total comprehensive income for the year</b>	231,115	165,200	1,684	199,128	597,127	(3,483)	593,644
Transfer to share capital	165,200	(165,200)	-	-	-	-	-
<b>As at 31 December 2017</b>	<b>396,315</b>	<b>-</b>	<b>1,684</b>	<b>199,128</b>	<b>597,127</b>	<b>(3,483)</b>	<b>593,644</b>

*The unaudited condensed consolidated statement of changes in equity of the Group should be read in conjunction the accompanying explanatory notes attached to the interim financial statements.*

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY OF THE GROUP (Continued)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Attributable to Owners of the Parent						
	Non-Distributable		Distributable				
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Profits RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
As at 1 January 2018	396,315	-	1,684	199,128	597,127	(3,483)	593,644
Effect of initial adoption of MFRS 9	-	-	-	(23,247)	(23,247)	-	(23,247)
Restated	396,315	-	1,684	175,881	573,880	(3,483)	570,397
Total comprehensive income for the period	-	-	(1,029)	(174,844)	(175,873)	2,514	(173,359)
Dividend	-	-	-	-	-	(2,606)	(2,606)
As at 31 December 2018	396,315	-	655	1,037	398,007	(3,575)	394,432

The unaudited condensed consolidated statement of changes in equity of the Group should be read in conjunction the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED STATEMENT OF CASH FLOW OF THE GROUP  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	<b>Current Year-To-Date Ended 31.12.2018 RM'000</b>	<b>Preceding Year-To-Date Ended 31.12.2017 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/profit before taxation	<b>(169,749)</b>	<b>(138,898)</b>
Adjustment for:		
Interest income	(1,322)	(752)
Interest expense	11,436	6,654
Depreciation	37,930	39,471
Provision for impairment loss on trade receivables	251	8,554
Reversal of impairment on trade receivables	-	(4,235)
Net unrealised loss/(gain) on foreign exchange	518	21,157
Impairment loss on interest in joint ventures and associates	78,328	14,561
Share of results of jointly controlled entities	65,469	47,178
Share of results of associates	(21,450)	8,729
Gain on disposal of property, vessel and equipment	(392)	(16,683)
Impairment loss on property, vessel and equipment	13,574	18,612
Gain on disposal of investment properties	(1,778)	(1,665)
Impairment loss on amount due from joint ventures	-	43,311
<b>Operating profit before working capital changes</b>	<b>12,815</b>	<b>45,994</b>
Increase/(decrease) in inventories	404	553
Decrease/(increase) in receivables	84,135	(80,217)
(Increase)/decrease in payables	(28,447)	44,796
<b>Cash generated from operating activities</b>	<b>68,907</b>	<b>11,126</b>
Taxes paid	(632)	(1,159)
Interest paid	(11,436)	(6,654)
<b>Net cash flows from operating activities</b>	<b>56,839</b>	<b>3,313</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income received	1,322	752
Proceeds from disposal of investment properties	9,399	8,342
Investment in a joint venture	(500)	-
Proceeds from disposal of property, vessel and equipment	-	31,194
Purchase of fixed assets	(9,263)	(34,249)
<b>Net cash flows from investing activities</b>	<b>958</b>	<b>6,039</b>

The condensed consolidated statement of cash flow should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED STATEMENT OF CASH FLOW OF THE GROUP (Continued)**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	<b>Current Year-To-Date Ended 31.12.2018 RM'000</b>	<b>Preceding Year-To-Date Ended 31.12.2017 RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net drawdown/(repayment) of term loans	(8,912)	2,479
Repayment of hire purchase	(506)	(709)
Repayment of RC	(15,721)	(2,920)
Dividend paid	(2,603)	-
Net cash set aside for sinking fund	-	(9,983)
Marginal deposit	-	(4,563)
<b>Net cash flows in financing activities</b>	<b>(27,742)</b>	<b>(15,696)</b>
Net increase/(decrease) in cash and cash equivalents	30,055	(6,344)
Effect of exchange rate changes on cash and cash equivalent	-	4,779
Cash and cash equivalents at beginning of financial year	5,479	7,044
<b>Cash and cash equivalents at end of financial year</b>	<b>35,534</b>	<b>5,479</b>
 Cash and cash equivalents at the end of the financial year comprise the following:		
Cash on hand and at banks	34,601	7,989
Deposits with licensed banks	47,515	47,803
	<b>82,116</b>	<b>55,792</b>
Bank overdrafts (Note B9)	(646)	(4,378)
Amount set aside as sinking fund	(38,414)	(38,413)
Amount pledged for bank guarantee facilities	(7,522)	(7,522)
<b>Total cash and cash equivalents</b>	<b>35,534</b>	<b>5,479</b>

The condensed consolidated statement of cash flow should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

## **PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

### **A1. BASIS OF PREPARATION**

The interim financial statements have been prepared under the historical cost convention. The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting and Chapter 9.22, part K of Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The interim financial report is in compliance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the explanatory notes attached to the interim financial statements which provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group.

### **A2. CHANGES IN ACCOUNTING POLICIES**

On 1 January 2018, the Group adopted the following new and amended MFRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2018.

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 2 Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)	1 January 2018
MFRS 9 Financial Instruments	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 140 Transfers of Investment Property (Amendments to MFRS 140)	1 January 2018
Annual Improvements to MFRS Standards 2014 – 2016 Cycle	1 January 2018
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018

The adoption of the above MFRS and amendments to MFRS that came into effect on 1 January 2018, did not have significant impact on the unaudited condensed financial statements upon the initial application on 1 January 2018 except for as disclosed in note A16.

#### Standards and interpretations issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective.

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 9 Prepayment Features with Negative Compensation (Amendments to MFRS 9)	1 January 2019
MFRS 16 Leases	1 January 2019
MFRS 128 Long-term Interests in Associates and Joint Ventures (Amendments to MFRS 128)	1 January 2019
Annual Improvements to MFRS Standards 2015–2017 Cycle	1 January 2019
MFRS 119 Plan Amendment, Curtailment or Settlement (Amendments to MFRS 119)	1 January 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
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 101 Presentation of Financial Statements	1 January 2020
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
Amendments to MFRS 138 Intangible Assets	1 January 2020

**A2. CHANGES IN ACCOUNTING POLICIES (CONTD.)**

Standards and interpretations issued but not yet effective (contd.)

The Group has not adopted the following standards and interpretations that have been issued but not yet effective.

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 17 Insurance Contracts	1 January 2021

The Group has not completed its assessment of the financial effects of standards and interpretations issued but not yet effective.

**A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors draw attention to the material uncertainty of the Group and of the Company. The Group and the Company incurred a loss for the year of RM145,380,551 and RM1,974,661 respectively during the financial year ended 31 December 2017. These conditions, along with other matters as set forth in Note 2.2 of the audited financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. The auditors' opinion is not modified in respect of this matter.

**A4. SEGMENTAL INFORMATION**

The results and other information of the Group as at 31 December 2018 are as follows:-

<b>As at 31 December 2018</b>	<b>Offshore support vessels and services RM'000</b>	<b>Subsea services &amp; OIC RM'000</b>	<b>Others RM'000</b>	<b>Consol RM'000</b>	<b>TOTAL RM'000</b>
<b>Revenue</b>					
External	51,195	36,521	5,524	-	93,240
Intra group	52,868	-	-	(52,868)	-
<b>Total</b>	<b>104,063</b>	<b>36,521</b>	<b>5,524</b>	<b>(52,868)</b>	<b>93,240</b>
<b>Results</b>					
(Loss)/profit from operations	(100,695)	1,331	(374)	(14,556)	(114,294)
Finance costs	(10,856)	(275)	(305)	-	(11,436)
Share of results of associates	21,450	-	-	-	21,450
Share of results of controlled entities	(65,469)	-	-	-	(65,469)
<b>(Loss)/profit before taxation</b>	<b>(155,570)</b>	<b>1,056</b>	<b>(679)</b>	<b>(14,556)</b>	<b>(169,749)</b>
<b>As at 31 December 2017</b>					
<b>Revenue</b>					
External	81,693	79,381	-	-	161,074
Intra group	46,948	63,368	4,070	(114,386)	-
<b>Total</b>	<b>128,641</b>	<b>142,749</b>	<b>4,070</b>	<b>(114,386)</b>	<b>161,074</b>
<b>Results</b>					
(Loss)/Profit from operations	(94,110)	17,107	2,097	(1,431)	(76,337)
Finance costs	(2,000)	(999)	(3,655)	-	(6,654)
Share of results of associates	(8,729)	-	-	-	(8,729)
Share of results of jointly controlled entities	(35,786)	(11,392)	-	-	(47,178)
<b>(Loss)/profit before taxation</b>	<b>(140,625)</b>	<b>4,716</b>	<b>(1,558)</b>	<b>(1,431)</b>	<b>(138,898)</b>



**A5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current financial year except as disclosed in Note A2.

**A6. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES**

There were no changes in estimates that have had a material effect in the current financial year's results.

**A7. SEASONAL AND CYCLICAL FACTORS**

The Group's performance would be subject to the risk of increase in downtime and off-hires due to the adverse weather conditions such as monsoon seasons.

Notwithstanding the above, our chartered vessels are made available regardless of the weather condition.

**A8. (LOSS)/PROFIT BEFORE TAXATION**

Included in the (loss)/profit before taxation are the following items:

	Current Quarter Ended 31.12.2018 RM'000	Preceding Quarter Ended 31.12.2017 RM'000	Current Year-To-Date Ended 31.12.2018 RM'000	Preceding Year-To-Date Ended 31.12.2017 RM'000
Interest income	(943)	(102)	(1,322)	(752)
Interest expense	9,081	2,302	11,436	6,654
Reversal of impairment on trade receivables	-	-	-	(4,235)
Depreciation	9,216	7,648	37,930	39,471
Provision for impairment loss on trade receivables	251	8,554	251	8,554
Impairment loss on property, vessel and equipment	13,574	18,612	13,574	18,612
Impairment loss on interest in joint ventures and associates	78,328	14,561	78,328	14,561
Impairment loss on amount due from joint ventures	-	43,311	-	43,311
Net (gain)/loss on foreign exchange	(2,670)	1,146	518	21,157

**A9. DIVIDENDS PAID**

No dividend was paid in the financial year under review.

**A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

There was no valuation of the property, vessel and equipment in the current financial year under review.

**A11. DEBT AND EQUITY SECURITIES**

There were no issuance, cancellations, repurchases, resale and repayments of debts and equity in the financial year under review.

**A12. CHANGES IN COMPOSITION OF THE GROUP**

There were no changes in composition of the Group for the financial year under review.

**A13. CAPITAL COMMITMENTS**

There were no material capital commitments for the financial year under review.

**A14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

As at 31 December 2018, our contingent liabilities, comprising of bank and performance guarantees for contracts entered into with customers, stood at approximately RM40.8 million. In addition, the Company has provided corporate guarantee for the credit facilities totalling RM17.03 million granted by HSBC Bank Malaysia Berhad to a wholly owned subsidiary, Alam Maritim (M) Sdn. Bhd. ("AMSB") and USD28.56 million granted by Maybank International (L) Ltd to 60%-owned subsidiaries of AMSB, namely Alam Synergy I (L) Inc, Alam Synergy II (L) Inc and Alam Synergy III (L) Inc.

AMSB has provided a corporate guarantee for the banking facilities amounting to RM18.0 million granted by financial institutions to Alam Hidro (M) Sdn Bhd ("AHSB"), a wholly owned subsidiary of AMSB. Alam Maritim (L) Inc has also provided corporate guarantee on proportionate basis (50%) for the credit facilities totalling RM154.0 million granted by Ambank Group to its jointly controlled entity, Alam Swiber DLB 1 (L) Inc. AMLI has also provided corporate guarantee on proportionate basis (51%) i.e USD24,480,000 for the credit facilities granted by Oversea-Chinese Banking Corp Limited to MDSV I (L) Inc.

Save as disclosed above, there were no material contingent liabilities that may, upon materialisation, have a material effect on the Group's financial results or position.

**A15. SUBSEQUENT EVENTS**

There were no material events subsequent to the end of the current financial year.

**A16. RESTATEMENT**

As stated in note A2, adoption of MFRS 9 Financial Instruments requires an entity to classify its financial assets based on the business models within which they are held as well as their contractual cash flow characteristics. The Group has performed a detailed impact assessment of MFRS 9 and the reconciliation of equity at the date of the adoption of MFRS is provided below:

Reconciliation of equity as at 1 January 2018

	Extracted Statement of Financial Position	Effect of initial adoption of MFRS 9	Extracted Restated Statement of Financial
Other receivables	118,089	(23,247)	94,842
Retained earnings	<u>199,128</u>	(23,247)	<u>175,881</u>

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA  
MALAYSIA SECURITIES BERHAD**

**B1. PERFORMANCE REVIEW**

	OSV Segment RM'000	Subsea/ OIC Segment RM'000	Others/ Elimination RM'000	Consolidated Total RM'000
Revenue (FY 2018)	51,195	36,521	5,524	93,240
Revenue (FY 2017)	81,693	79,381	-	161,074
Variance (%)	<u>(37.3%)</u>	<u>(54.0%)</u>		<u>(42.1%)</u>

The Group recorded a turnover of RM93.24 million for financial year ended 31 December 2018 as compared to RM161.07 million for the same period last year, resulting in an adverse variance of 42.1%. Revenue from Offshore Support Vessels ("OSV") segment decreased by 37.3% due to lower average utilisation rate of chartered vessels.

Revenue derived from Subsea Services/Offshore Installation & Construction ("OIC") segment was lower by 54.0% as compared to last year, mainly due to lower contribution from OIC projects.

	OSV Segment RM'000	Subsea/ OIC Segment RM'000	Others/ Elimination RM'000	Consolidated Total RM'000
Profit/(Loss) Before Tax - FY 2018	(155,570)	1,056	(15,235)	(169,749)
Profit/(Loss) Before Tax - FY 2017	(140,625)	4,716	(2,989)	(138,898)
Variance (%)	<u>(10.6%)</u>	<u>(77.6%)</u>		<u>(22.2%)</u>

The Group recorded loss before taxation for the current financial year of RM169.75 million, resulting in negative variance of 22.2% as compared to loss before taxation of RM138.90 million recorded for the preceding financial year. The performance of OSV segment was recorded lower by 10.6% primarily due to impairment loss on property, vessel and equipment and impairment loss on interest in joint ventures and associates.

Subsea Services/OIC segment registered profit before taxation of RM1.06 million as compared to profit before taxation of RM4.72 million recorded in the same period last year due to lower revenue and margin contribution registered by Subsea/OIC segment during the current financial year.

**B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER**

The Group's revenue for the current quarter of RM31.50 million was higher than the preceding quarter's revenue figure of RM21.41 million with a favourable variance of 47.1%. This was mainly due to higher revenue contribution from OSV segment during the current financial quarter under review.

The loss before taxation for the current financial quarter was recorded at RM128.41 million as compared to loss before taxation of RM23.84 million registered for the preceding financial quarter. The higher losses registered for the current quarter compared to preceding quarter were due to impairment loss on property, vessel and equipment and impairment loss on interest in joint ventures and associates.

**B3. COMMENTARY ON PROSPECTS**

The business outlook for Alam Maritim Group is influenced by the level of capital expenditure spending by the Oil Majors which is in line with the volume of exploration and production activities. Based on the recently issued PETRONAS Activity Outlook for 2019-2021, Petronas maintains its prudent view on the industry outlook and will respond with cautious optimism particularly on new capital projects. However, growth is expected in Brownfield activities particularly in rigs and OSV segment.

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

**B4. PROFIT FORECAST**

The Group did not provide any profit forecast or profit guarantee in any public document.

**B5. INCOME TAX EXPENSE**

	<b>Current Quarter</b>		<b>Year-To-Date</b>	
	<b>31.12.2018</b>	<b>31.12.2017</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income Taxation				
-Current year	1,674	339	893	592
-(Over)/under-provision in prior year	-	922	-	922
	<u>1,674</u>	<u>1,261</u>	<u>893</u>	<u>1,514</u>
Deferred Taxation				
-Current year	1,807	3,675	965	3,675
-(Over)/under-provision in prior year	-	997	-	1,294
	<u>1,807</u>	<u>4,672</u>	<u>965</u>	<u>4,969</u>
	<b><u>3,481</u></b>	<b><u>5,933</u></b>	<b><u>1,858</u></b>	<b><u>6,483</u></b>

The effective tax rate for the current financial year is lower than the statutory tax rate of 24% principally due to certain income which is taxed at a lower tax regime, and losses registered by certain subsidiary companies.

**B6. SALE OF PROPERTIES**

There were no sales of properties in the financial year under review.

**B7. INVESTMENTS IN QUOTED SECURITIES**

There were no dealings by the Group in quoted securities for the financial year under review.

## **B8. CORPORATE PROPOSALS**

- (i) On 30 March 2018, the Company and certain of its subsidiaries, jointly controlled entities and associated companies ("Affected Companies") received the requisite approval-in-principle of the Proposed Restructuring Scheme ("PRS") from the respective lenders and financiers. To date, the Group has received the requisite approval-in-principle representing 87% of the secured debt and 100% of the unsecured debt.

The PRS is deemed effective subject to:

- 1) Award of stipulated contracts;
- 2) Consent of shareholders of the Affected Companies; and
- 3) Completion of the bilateral settlement documentation within 60 days from 30 March 2018 or any extension thereof.

On 30 August 2018, the Affected Companies had entered into the supplemental letters of offer and/or supplemental agreements and security sharing agreement ("Bilateral Agreements") with their respective lenders/financiers wherein the parties have agreed to vary the terms of and restructure the existing facilities in accordance with the PRS.

- (ii) On 12 October 2018 and 26 October 2018, the Company announced to undertake the following:

- 1) a bonus issue of up to 462,230,460 free warrants in AMRB ("Free Warrant(s)") on the basis of one (1) Free Warrant for every two (2) existing ordinary shares in AMRB ("AMRB Share(s)" or "Share(s)") held on an entitlement date to be determined and announced later ("Proposed Bonus Issue of Warrants");
- 2) an issuance of Redeemable Convertible Notes ("RCN") with an aggregate principal amount of up to RM160.0 million convertible in to a maximum of 1,777,777,778 conversion shares at the minimum conversion price of RM0.09 per share ("Proposed Notes Issue").
- 3) termination of the existing employees' share option scheme of AMRB ("ESOS") ("Proposed ESOS Termination"); and
- 4) an establishment of a new ESOS of up to 15% of the total number of issued ordinary shares in AMRB ("AMRB Shares" or "Shares") (excluding treasury shares, if any) at any one time over the duration of the scheme for eligible persons ("Proposed New ESOS").

On 30 January 2019, the shareholders have approved all the above mentioned corporate proposals.

**B9. BORROWINGS**

	Total As at 31.12.2018 RM'000	Total As at 31.12.2017 RM'000
<b>Short Term Borrowings</b>		
Unsecured:		
Revolving credit facilities	32,324	48,045
Overdraft	646	4,379
Secured:		
MTN - Sukuk Ijarah	75,000	75,000
Term loans	72	3,067
Hire purchase	327	368
	<b>108,369</b>	<b>130,859</b>
<b>Long-term borrowings</b>		
Secured:		
Term loans	13,226	19,143
Hire purchase	831	1,296
	<b>14,057</b>	<b>20,439</b>
<b>Total Borrowings</b>	<b>122,426</b>	<b>151,298</b>

**B10. DERIVATIVE FINANCIAL INSTRUMENTS**

There were no outstanding derivatives as at the end of the reporting period.

**B11. FAIR VALUE HIERARCHY**

No transfer between any levels of the fair value estimation took place during the current interim period and the comparative period. There were also no changes in the purpose of any financial instrument that subsequently resulted a change in those instruments.

**B12. DISCLOSURE OF GAINS/LOSSES ARISING FROM FAIR VALUE CHANGES OF FINANCIAL LIABILITIES**

The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 December 2018.

**B13. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There are no off balance sheet financial instruments as at 26 February 2019.

**B14. CHANGES IN MATERIAL LITIGATION**

The Group is not engaged in any material litigation, whether as plaintiff or defendant, which may have a material impact on the financial position or performance of the Group as at 31 December 2018. The Board of Directors is not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial or business position of the Group except as below:

**B14. CHANGES IN MATERIAL LITIGATION (CONTD.)**

On 7 November 2017, a subsidiary of Alam Maritim Resources Berhad, Alam Hidro (M) Sdn Bhd ("AHSB") had filed writ and statement of claim against Low Hoo & Son Sdn Bhd ("LHS") claiming a sum of RM6,177,167.61 being the amount purportedly due and owing under the Provision of Air / Saturation Diving Services for Pedu Dam Project, Kedah. LHS has made a counterclaim against AHSB for an approximate sum of RM25,700,261.80 on the basis that AHSB was negligent and/or has committed a breach in relation to its performance pursuant to the abovementioned services.

Prior to full trial date, the Court directed parties to mediate the case at the Court Mediation Centre and upon 3 mediation sessions, the Parties agreed for an amicable settlement and recorded consent judgment on 10 January 2019 and accordingly, parties withdraw its claim against each other without liberty to file afresh.

**B15. DISCLOSURE OF NATURE OF OUTSTANDING DERIVATIVE**

There were no outstanding derivatives as at the end of the reporting period.

**B16. EARNINGS PER SHARE ("EPS")**

**Basic EPS**

Basic earnings per share amount is calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares issued during the period.

	<b>Current Quarter</b>		<b>Year-To-Date</b>	
	<b>31.12.2018</b>	<b>31.12.2017</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit attributable to equity holders of the parent	(132,616)	(125,703)	(174,844)	(145,971)
Weighted average number of ordinary shares issued	924,461	924,461	924,461	924,461
<b>Basic EPS (Sen)</b>	<b>(14.3)</b>	<b>(13.6)</b>	<b>(18.9)</b>	<b>(15.8)</b>

**Diluted EPS**

Diluted earnings per share amount is calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issued during the period after adjusting for the dilutive effects of all potential ordinary shares to be issued under ESOS.

	<b>Current Quarter</b>		<b>Year-To-Date</b>	
	<b>31.12.2018</b>	<b>31.12.2017</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit attributable to equity holders of the parent	(132,616)	(125,703)	(174,844)	(145,971)
Weighted average number of ordinary shares issued	924,461	924,461	924,461	924,461
Effects of dilution from ESOS*	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable	924,461	924,461	924,461	924,461
<b>Diluted EPS (Sen)</b>	<b>(14.3)</b>	<b>(13.6)</b>	<b>(18.9)</b>	<b>(15.8)</b>

\*Note: The estimation of effects of dilution from ESOS was based on the average closing price of RM0.13 for the financial year ended 31 December 2018.

**B17. RELATED PARTY TRANSACTIONS**

Significant related party transactions during the financial period are described below:

	<b>Cumulative quarter period ended 31.12.2018 RM'000</b>
<b><u>Jointly controlled entities</u></b>	
Charter hire vessels	26,666
Vessel management fees	7,969
<b><u>Associates</u></b>	
Charter hire vessels	<u>70,157</u>

**B18. AUTHORISATION FOR ISSUE**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 26 February 2019.

**BY ORDER OF THE BOARD**

**Nuranisma binti Ahmad**  
(MAICSA No. 7067610)  
**Nur Aznita binti Taip**  
(MAICSA No. 7067607)  
Company Secretary  
Kuala Lumpur  
28 February 2019