

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME OF THE GROUP  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

|  | Note | THIRD QUARTER                                       |   | CUMULATIVE QUARTER                                       |  |
|--|------|---|---|--|--|
|  |      | Current<br>Quarter<br>Ended<br>30.09.2019<br>RM'000 | Preceding<br>Quarter<br>Ended<br>30.09.2018<br>RM'000 | Current<br>Year-To-Date<br>Ended<br>30.09.2019<br>RM'000 | Preceding<br>Year-To-Date<br>Ended<br>30.09.2018<br>RM'000 |
| Revenue  | A4   | 114,597   | 21,413  | 208,605  | 61,746   |
| Cost of sales  |      | (102,341)   | (25,471)  | (184,980)  | (56,885)   |
| <b>Gross (loss)/profit</b>                                   |      | <b>12,256</b>                                       | <b>(4,058)</b>  | <b>23,625</b>  | <b>4,861</b>   |
| Other income   |      | 137   | 575   | 934  | 2,898  |
| Staff costs  |      | (4,646)   | (5,075)   | (13,446)   | (14,816)   |
| Other operating expenses                                     |      | (5,219)   | (10,544)  | (13,188)   | (18,173)   |
| <b>(Loss)/Profit from operations</b>                         |      | <b>2,528</b>  | <b>(19,102)</b>                                       | <b>(2,075)</b>   | <b>(25,230)</b>  |
| Finance costs  |      | (664)   | (217)   | (1,932)  | (2,355)  |
| Share of results of associates                               |      | -   | 602   | -  | 205  |
| Share of results of joint ventures                           |      | (688)   | (5,128)   | (4,141)  | (13,962)   |
| <b>(Loss)/profit before taxation</b>                         |      | <b>1,176</b>  | <b>(23,845)</b>                                       | <b>(8,148)</b>   | <b>(41,342)</b>  |
| Taxation   | B5   | (46)  | 2,409   | (218)  | 1,623  |
| <b>Net (loss)/profit for the period</b>                      |      | <b>1,130</b>  | <b>(21,436)</b>                                       | <b>(8,366)</b>   | <b>(39,719)</b>  |
| <b>Other comprehensive income</b>                            |      |   |   |  |  |
| Currency translation differences                             |      | (140)   | 147   | 846  | (1,619)  |
| <b>Other comprehensive income for the period, net of tax</b> |      | <b>(140)</b>  | <b>147</b>  | <b>846</b>   | <b>(1,619)</b>   |
| <b>Total comprehensive income for the period</b>             |      | <b>990</b>  | <b>(21,289)</b>                                       | <b>(7,520)</b>   | <b>(41,338)</b>  |
| <b>(Loss)/profit attributable to:</b>                        |      |   |   |  |  |
| Owners of the parent   |      | 535   | (21,388)  | (8,158)  | (42,228)   |
| Non-controlling interests                                    |      | 595   | (48)  | (208)  | 2,509  |
|  |      | <b>1,130</b>  | <b>(21,436)</b>                                       | <b>(8,366)</b>   | <b>(39,719)</b>  |
| <b>Total comprehensive income for the period</b>             |      |   |   |  |  |
| Owners of the parent   |      | 1,341   | (21,278)  | (7,113)  | (43,350)   |
| Non-controlling interests                                    |      | (351)   | (11)  | (407)  | 2,012  |
|  |      | <b>990</b>  | <b>(21,289)</b>                                       | <b>(7,520)</b>   | <b>(41,338)</b>  |
| Earnings per share attributable to Owners of the parent      | B16  |   |   |  |  |
| - Basic (Sen)  |      | 0.1   | (2.3)   | (0.9)  | (4.6)  |
| - Diluted (Sen)  |      | 0.1   | (2.3)   | (0.9)  | (4.6)  |

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 30 SEPTEMBER 2019**

|  | <b>As At<br/>30.09.2019<br/>RM'000</b> | <b>As At<br/>31.12.2018<br/>RM'000</b> |
|--|--|--|
| <b>Assets</b>                                      |  |  |
| <b>Non-current Assets</b>                          |  |  |
| Property, vessel and equipment                     | 300,882                                | 334,404                                |
| Investments in associates                          | -                                      | -                                      |
| Interests in joint ventures                        | 65,639                                 | 70,065                                 |
| Deferred tax assets                                | 5,538                                  | 5,538                                  |
|  | <u>372,059</u>                         | <u>410,007</u>                         |
| <b>Current Assets</b>                              |  |  |
| Inventories  | 770                                    | 1,109                                  |
| Trade receivables                                  | 50,659                                 | 35,163                                 |
| Other receivables                                  | 109,065                                | 79,260                                 |
| Tax recoverable                                    | 3,801                                  | 6,132                                  |
| Cash and bank balances                             | 79,958                                 | 81,776                                 |
|  | <u>244,253</u>                         | <u>203,440</u>                         |
| Non-current asset held for sale                    | 10,978                                 | 10,978                                 |
|  | <u>255,231</u>                         | <u>214,418</u>                         |
| <b>Total Assets</b>                                | <b><u>627,290</u></b>                  | <b><u>624,425</u></b>                  |
| <b>Equity And Liabilities</b>                      |  |  |
| <b>Equity Attributable To Owners Of The Parent</b> |  |  |
| Share capital                                      | 400,265                                | 396,315                                |
| Other reserves                                     | 1,700                                  | 655                                    |
| Retained profits                                   | (3,218)                                | 4,940                                  |
|  | <u>398,747</u>                         | <u>401,910</u>                         |
| Non-controlling interests                          | (3,892)                                | (3,485)                                |
| <b>Total Equity</b>                                | <b><u>394,855</u></b>                  | <b><u>398,425</u></b>                  |
| <b>Non-current Liabilities</b>                     |  |  |
| Borrowings   | 77,196                                 | 87,100                                 |
| Deferred tax liabilities                           | 11,067                                 | 11,068                                 |
|  | <u>88,263</u>                          | <u>98,168</u>                          |
| <b>Current Liabilities</b>                         |  |  |
| Borrowings   | 43,106                                 | 35,325                                 |
| Trade payables                                     | 69,931                                 | 41,658                                 |
| Other payables                                     | 30,011                                 | 50,704                                 |
| Tax payable  | 1,124                                  | 145                                    |
|  | <u>144,172</u>                         | <u>127,832</u>                         |
| <b>Total Liabilities</b>                           | <b><u>232,435</u></b>                  | <b><u>226,000</u></b>                  |
| <b>Total Equity And Liabilities</b>                | <b><u>627,290</u></b>                  | <b><u>624,425</u></b>                  |
| <b>Net Assets Per Share (RM)</b>                   | <b><u>0.43</u></b>                     | <b><u>0.43</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 PERIOD ENDED 30 SEPTEMBER 2019

|  | ← Attributable to Owners of the Parent → |                            |                             |                            | Total<br>RM'000 | Non-controlling<br>interests<br>RM'000 | Total<br>Equity<br>RM'000 |
|--|--|----------------------------|-----------------------------|----------------------------|-----------------|--|---------------------------|
|  | Share<br>Capital<br>RM'000               | Share<br>Premium<br>RM'000 | Other<br>Reserves<br>RM'000 | Retained Profits<br>RM'000 |                 |  |                           |
| As at 1 January 2019                             | 396,315                                  | -                          | 655                         | 4,940                      | 401,910         | (3,485)                                | 398,425                   |
| Loss for the year                                | -  | -                          | 1,045                       | (8,158)                    | (7,113)         | (407)                                  | (7,520)                   |
| Other comprehensive income                       | -  | -                          | -                           | -                          | -               | -                                      | -                         |
| <b>Total comprehensive income for the period</b> | -  | -                          | 1,045                       | (8,158)                    | (7,113)         | (407)                                  | (7,520)                   |
| Issue of ordinary shares:<br>Pursuant to RCN     | 3,950                                    | -                          | -                           | -                          | 3,950           | -                                      | 3,950                     |
| <b>As at 30 September 2019</b>                   | <b>400,265</b>                           | <b>-</b>                   | <b>1,700</b>                | <b>(3,218)</b>             | <b>398,747</b>  | <b>(3,892)</b>                         | <b>394,855</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 PERIOD ENDED 30 SEPTEMBER 2019

|  | ← Attributable to Owners of the Parent → |                            |                             |                            | Total<br>RM'000 | Non-controlling<br>interests<br>RM'000 | Total<br>Equity<br>RM'000 |
|--|--|----------------------------|-----------------------------|----------------------------|-----------------|--|---------------------------|
|  | Share<br>Capital<br>RM'000               | Share<br>Premium<br>RM'000 | Other<br>Reserves<br>RM'000 | Retained Profits<br>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)                  |
| <b>Restated</b>                                  | 396,315                                  | -                          | 1,684                       | 175,881                    | 573,880         | (3,483)                                | 570,397                   |
| <b>Total comprehensive income for the period</b> | -  | -                          | (1,029)                     | (170,941)                  | (171,970)       | 2,604                                  | (169,366)                 |
| Dividend   | -  | -                          | -                           | -                          | -               | (2,606)                                | (2,606)                   |
| <b>As at 31 December 2018</b>                    | <b>396,315</b>                           | <b>-</b>                   | <b>655</b>                  | <b>4,940</b>               | <b>401,910</b>  | <b>(3,485)</b>                         | <b>398,425</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 STATEMENT OF CASH FLOW OF THE GROUP  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

|   | <b>Current<br/>Year-To-Date<br/>Ended<br/>30.09.2019<br/>RM'000</b> | <b>Preceding<br/>Year-To-Date<br/>Ended<br/>30.09.2018<br/>RM'000</b> |
|---|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>               |   |   |
| (Loss)/profit before taxation                             | (8,148)   | (41,342)  |
| Adjustment for:   |   |   |
| Interest income   | (169)   | (380)   |
| Interest expense  | 1,932   | 2,355   |
| Depreciation  | 25,064  | 28,714  |
| Net unrealised loss/(gain) on foreign exchange            | 1,926   | 3,881   |
| Share of results of jointly ventures                      | 4,141   | 13,962  |
| Share of results of associates                            | -   | (205)   |
| (Gain)/loss on disposal of property, vessel and equipment | 1,126   | (1,778)   |
| <b>Operating profit before working capital changes</b>    | <b>25,872</b>   | <b>5,207</b>  |
| Increase/(decrease) in inventories                        | 341   | 2   |
| Decrease/(increase) in receivables                        | (44,212)  | 59,961  |
| (Increase)/decrease in payables                           | 16,051  | (40,237)  |
| <b>Cash generated from operating activities</b>           | <b>(1,948)</b>  | <b>24,933</b>   |
| Taxes paid  | (252)   | (632)   |
| Interest paid   | (1,932)   | (2,355)   |
| <b>Net cash flows from operating activities</b>           | <b>(4,132)</b>  | <b>21,946</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>               |   |   |
| Interest income received                                  | 169   | 380   |
| Proceeds from disposal of fixed assets                    | 1,409   | 9,399   |
| Purchase of fixed assets                                  | -   | (2,464)   |
| <b>Net cash flows from investing activities</b>           | <b>1,578</b>  | <b>7,315</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 PERIOD ENDED 30 SEPTEMBER 2019**

|  | <b>Current<br/>Year-To-Date<br/>Ended<br/>30.09.2019<br/>RM'000</b> | <b>Preceding<br/>Year-To-Date<br/>Ended<br/>30.09.2018<br/>RM'000</b> |
|--|---|---|
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |   |   |
| Proceeds from issuance of ordinary shares  | 3,950   | -   |
| Repayment of Overdraft   | (646)   | -   |
| Net drawdown/(repayment) of term loans   | (164)   | (8,487)   |
| Repayment of hire purchase   | (320)   | (428)   |
| Repayment of RC  | (437)   | (13,262)  |
| Repayment of MTN   | (1,000)   | -   |
| Dividend paid to non-controlling interest  | -   | (2,603)   |
| <b>Net cash flows in financing activities</b>                                      | <b>1,383</b>  | <b>(24,780)</b>   |
| Net increase/(decrease) in cash and cash equivalents                               | (1,171)   | 4,481   |
| Cash and cash equivalents at beginning of financial period                         | 35,195  | 5,479   |
| <b>Cash and cash equivalents at end of financial period</b>                        | <b>34,024</b>   | <b>9,960</b>  |
| Cash and cash equivalents at the end of the financial year comprise the following: |   |   |
| Cash on hand and at banks  | 34,442  | 10,103  |
| Deposits with licensed banks   | 45,516  | 48,820  |
|  | <b>79,958</b>   | <b>58,923</b>   |
| Bank overdrafts (Note B9)  | -   | (3,029)   |
| Amount set aside as sinking fund   | (38,414)  | (38,414)  |
| Amount pledged for bank guarantee facilities                                       | (7,520)   | (7,520)   |
| <b>Total cash and cash equivalents</b>   | <b>34,024</b>   | <b>9,960</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 2019, the Group adopted the following new and amended MFRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2019.

| <b>Description</b>  | <b>Effective for annual periods beginning on or after</b> |
|---|---|
| MFRS 9 Prepayment Features with Negative Compensation<br>(Amendments to MFRS 9)           | 1 January 2019  |
| MFRS 16 Leases  | 1 January 2019  |
| MFRS 128 Long-term Interests in Associates and Joint Ventures<br>(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  |

The adoption of the above MFRS and amendments to MFRS that came into effect on 1 January 2019, did not have significant impact on the unaudited condensed financial statements upon the initial application on 1 January 2019.

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> |
|---|---|
| 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.

| Description                 | Effective for<br>annual periods<br>beginning on or<br>after |
|-----------------------------|---|
| 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' report on the financial statements of the Company and its subsidiaries for the financial year ended 31 December 2018 were not qualified 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 30 September 2019 are as follows:-

| As at 30 September 2019                            | Offshore<br>support<br>vessels and<br>services<br>RM'000 | Subsea<br>services<br>& OIC<br>RM'000 | Others<br>RM'000 | Consol<br>RM'000 | TOTAL<br>RM'000 |
|--|--|---------------------------------------|------------------|------------------|-----------------|
| <b>Revenue</b>                                     |  |                                       |                  |                  |                 |
| External   | 49,583   | 156,005                               | 3,017            | -                | 208,605         |
| Intra group  | 48,110   |                                       | -                | (48,110)         | -               |
| <b>Total</b>                                       | <b>97,693</b>  | <b>156,005</b>                        | <b>3,017</b>     | <b>(48,110)</b>  | <b>208,605</b>  |
| <b>Results</b>                                     |  |                                       |                  |                  |                 |
| (Loss)/profit from operations                      | (10,522)   | 9,538                                 | (1,091)          | -                | (2,075)         |
| Finance costs                                      | (1,837)  | (76)                                  | (19)             | -                | (1,932)         |
| Share of results of associates                     | -  | -                                     | -                | -                | -               |
| Share of results of<br>controlled entities         | (5,736)  | 1,595                                 | -                | -                | (4,141)         |
| <b>(Loss)/profit before taxation</b>               | <b>(18,095)</b>  | <b>11,057</b>                         | <b>(1,110)</b>   | <b>-</b>         | <b>(8,148)</b>  |
| <b>As at 30 September 2018</b>                     |  |                                       |                  |                  |                 |
| <b>Revenue</b>                                     |  |                                       |                  |                  |                 |
| External   | 35,104   | 22,859                                | 3,783            | -                | 61,746          |
| Intra group  | 34,713   | -                                     | -                | (34,713)         | -               |
| <b>Total</b>                                       | <b>69,817</b>  | <b>22,859</b>                         | <b>3,783</b>     | <b>(34,713)</b>  | <b>61,746</b>   |
| <b>Results</b>                                     |  |                                       |                  |                  |                 |
| (Loss)/Profit from operations                      | (11,374)   | 74                                    | (192)            | (13,738)         | (25,230)        |
| Finance costs                                      | (1,877)  | (249)                                 | (229)            | -                | (2,355)         |
| Share of results of associates                     | 205  | -                                     | -                | -                | 205             |
| Share of results of jointly<br>controlled entities | (13,962)   | -                                     | -                | -                | (13,962)        |
| <b>(Loss)/profit before taxation</b>               | <b>(27,008)</b>  | <b>(175)</b>                          | <b>(421)</b>     | <b>(13,738)</b>  | <b>(41,342)</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 period'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:

|                                     | <b>Current<br/>Quarter<br/>Ended<br/>30.09.2019<br/>RM'000</b> | <b>Preceding<br/>Quarter<br/>Ended<br/>30.09.2018<br/>RM'000</b> | <b>Current<br/>Year-To-Date<br/>Ended<br/>30.09.2019<br/>RM'000</b> | <b>Preceding<br/>Year-To-Date<br/>Ended<br/>30.09.2018<br/>RM'000</b> |
|-------------------------------------|--|--|---|---|
| Interest income                     | (94)   | (49)   | (169)   | (380)   |
| Interest expense                    | 664  | 217  | 1,932   | 2,355   |
| Depreciation                        | 8,593  | 8,886  | 25,064  | 28,714  |
| Net (gain)/loss on foreign exchange | <u>1,595</u>   | <u>1,868</u>   | <u>1,926</u>  | <u>3,881</u>  |

**A9. DIVIDENDS PAID**

No dividend was paid in the financial period under review.

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

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

**A11. DEBT AND EQUITY SECURITIES**

There were no issuance, cancellations, repurchases, resale and repayments of debts and equity in the financial period under review except for 23,888,888 new ordinary shares issued at the price of RM0.09 per share following the conversion of Redeemable Convertible Notes.

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

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

**A13. CAPITAL COMMITMENTS**

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

**A14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

As at 30 Sep 2019, 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 period, except for the following:

There were new ordinary shares issued at the price of RM0.09 per share following the conversion of Redeemable Convertible Notes comprising 11,111,111 ordinary shares on 4 October 2019, 5,555,555 ordinary shares on 30 October 2019, 5,555,555 ordinary shares on 6 November 2019, and 11,111,111 ordinary shares on 15 November 2019.

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

**B1. PERFORMANCE REVIEW**

|                   | OSV<br>Segment<br>RM'000 | Subsea/<br>OIC Segment<br>RM'000 | Others/<br>Elimination<br>RM'000 | Consolidated<br>Total<br>RM'000 |
|-------------------|--------------------------|----------------------------------|----------------------------------|---------------------------------|
| Revenue (FY 2019) | 49,583                   | 156,005                          | 3,017                            | 208,605                         |
| Revenue (FY 2018) | <u>35,104</u>            | <u>22,859</u>                    | 3,783                            | <u>61,746</u>                   |
| Variance (%)      | <u>41.2%</u>             | <u>582.5%</u>                    |                                  | <u>237.8%</u>                   |

The Group recorded a turnover of RM208.6 million for financial period ended 30 September 2019 as compared to RM61.7 million for the same period last year, resulting in a favourable variance of 237.8%. Revenue from Offshore Support Vessels ("OSV") segment increased by 41.2% due to an increase in charter contracts.

Revenue derived from Subsea Services/Offshore Installation & Construction ("OIC") segment was higher by 582.5% as compared to last year, mainly due to higher contribution from OIC projects.

|                                    | OSV<br>Segment<br>RM'000 | Subsea/<br>OIC Segment<br>RM'000 | Others/<br>Elimination<br>RM'000 | Consolidated<br>Total<br>RM'000 |
|------------------------------------|--------------------------|----------------------------------|----------------------------------|---------------------------------|
| Profit/(Loss) Before Tax - FY 2019 | (18,095)                 | 11,057                           | (1,110)                          | (8,149)                         |
| Profit/(Loss) Before Tax - FY 2018 | <u>(27,008)</u>          | <u>(175)</u>                     | (14,158)                         | <u>(41,342)</u>                 |
| Variance (%)                       | <u>33.0%</u>             | <u>6431.2%</u>                   |                                  | <u>80.3%</u>                    |

The Group recorded loss before taxation for the current financial period of RM8.15 million, resulting in positive variance of 80.3% as compared to loss before taxation of RM41.34 million recorded for the preceding financial period. The performance of OSV segment was recorded higher by 33.0% primarily due to increase in charter contracts.

Subsea Services/OIC segment registered profit before taxation of RM11.06 million as compared to loss before taxation of RM0.18 million recorded in the same period last year due to higher revenue and margin contribution registered by OIC segment during the current financial period.

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

The Group's revenue for the current quarter of RM114.60 million was higher than the preceding quarter's revenue figure of RM66.39 million with a favourable variance of 73.5%. This was mainly due to higher revenue contribution from OIC segment during the current financial quarter under review.

The profit before taxation for the current financial quarter was recorded at RM1.18 million as compared to loss before taxation of RM5.02 million registered for the preceding financial quarter. The higher profit registered for the current quarter compared to preceding quarter were due to profit contribution from OIC segment.

**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**

|                                       | Current Quarter      |                       | Year-To-Date         |                       |
|---------------------------------------|----------------------|-----------------------|----------------------|-----------------------|
|                                       | 30.09.2019<br>RM'000 | 30.09.2018<br>RM'000  | 30.09.2019<br>RM'000 | 30.09.2018<br>RM'000  |
| Income Taxation                       |                      |                       |                      |                       |
| -Current year                         | 22                   | (1,158)               | 105                  | (780)                 |
| -(Over)/under-provision in prior year | -                    | -                     | -                    | -                     |
|                                       | <u>22</u>            | <u>(1,158)</u>        | <u>105</u>           | <u>(780)</u>          |
| Deferred Taxation                     |                      |                       |                      |                       |
| -Current year                         | 24                   | (1,251)               | 113                  | (843)                 |
| -(Over)/under-provision in prior year | -                    | -                     | -                    | -                     |
|                                       | <u>24</u>            | <u>(1,251)</u>        | <u>113</u>           | <u>(843)</u>          |
|                                       | <b><u>46</u></b>     | <b><u>(2,409)</u></b> | <b><u>218</u></b>    | <b><u>(1,623)</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 period under review.

**B7. INVESTMENTS IN QUOTED SECURITIES**

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

**B8. BORROWINGS**

|                              | <b>Total<br/>As at<br/>30.09.2019<br/>RM'000</b> | <b>Total<br/>As at<br/>31.12.2018<br/>RM'000</b> |
|------------------------------|--|--|
| <b>Short Term Borrowings</b> |  |  |
| Unsecured:                   |  |  |
| Revolving credit facilities  | 32,761   | 22,849   |
| Overdraft                    | -  | 646  |
| Secured:                     |  |  |
| MTN - Sukuk Ijarah           | 8,000  | 9,000  |
| Term loans                   | 2,296  | 2,460  |
| Hire purchase                | 49   | 370  |
|                              | <u><b>43,106</b></u>                             | <u><b>35,325</b></u>                             |
| <b>Long-term borrowings</b>  |  |  |
| Unsecured:                   |  |  |
| Revolving credit facilities  | -  | 9,474  |
| Secured:                     |  |  |
| Term loans                   | 10,365   | 10,838   |
| Hire purchase                | 831  | 788  |
| MTN - Sukuk Ijarah           | 66,000   | 66,000   |
|                              | <u><b>77,196</b></u>                             | <u><b>87,100</b></u>                             |
| <b>Total Borrowings</b>      | <u><b>120,302</b></u>                            | <u><b>122,425</b></u>                            |

**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 30 September 2019.

**B13. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There are no off balance sheet financial instruments as at 30 September 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 30 September 2019. 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.

**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>30.09.2019</b>      | <b>30.09.2018</b> | <b>30.09.2019</b>   | <b>30.09.2018</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 | 535                    | (21,388)          | (8,158)             | (42,228)          |
| Weighted average number of ordinary shares issued   | 874,218                | 924,461           | 924,461             | 924,461           |
| <b>Basic EPS (Sen)</b>                              | <b>0.1</b>             | <b>(2.3)</b>      | <b>(0.9)</b>        | <b>(4.6)</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>30.09.2019</b>      | <b>30.09.2018</b> | <b>30.09.2019</b>   | <b>30.09.2018</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                       | 535                    | (21,388)          | (8,158)             | (42,228)          |
| Weighted average number of ordinary shares issued                         | 874,218                | 924,461           | 924,461             | 924,461           |
| Effects of dilution from ESOS*  | -                      | -                 | -                   | -                 |
| Adjusted weighted average number of ordinary shares in issue and issuable | 874,218                | 924,461           | 924,461             | 924,461           |
| <b>Diluted EPS (Sen)</b>  | <b>0.1</b>             | <b>(2.3)</b>      | <b>(0.9)</b>        | <b>(4.6)</b>      |

\*Note: The estimation of effects of dilution from ESOS was based on the average closing price of RM0.09 for the financial year ended 30 September 2019.

**B17. RELATED PARTY TRANSACTIONS**

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

|   | <b>Cumulative<br/>quarter period<br/>ended<br/>30.06.2019<br/>RM'000</b> |
|---|--|
| <b><u>Jointly controlled entities</u></b> |  |
| Charter hire vessels                      | 26,146   |
| Vessel management fees                    | 6,658  |
| <b><u>Associates</u></b>                  |  |
| Charter hire vessels                      | <u>39,089</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 13 November 2019.

**BY ORDER OF THE BOARD**

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