GMV
GLOBAL MARITIME VENTURES

www.gmv.com.my

Laporan Tahunan
Annual Report 2009





Our Vision

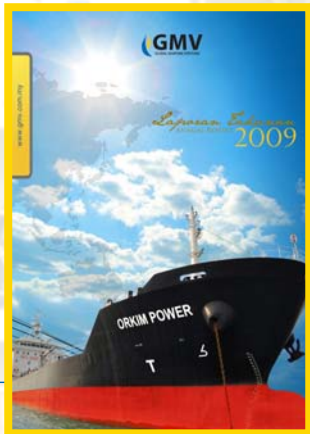
To be a premier venture capital provider in leading the development of high quality & competitive maritime transportation services, while ensuring value creation for our stakeholders

Our Mission

To be a catalyst in spearheading the physical and economic development of Malaysian maritime transportation services through joint venture, in a professional, fair, efficient and transparent manner for all the stakeholders.

Principal Activity

Marine venture capital investment holding.



Cover Rationale

The cover design focused on a dominant image of tanker with the sky and a graphic layout of the world map as a background. This clearly illustrates the focus of GMV as a leading premier venture capital provider in the maritime industry. In line with its obligations, GMV will strive to continue its prowess to develop its strengths and reaches to achieve its objectives, efficiently and professionally.

CONTENTS

GLOBAL MARITIME VENTURES BERHAD

GMV
ANNUAL REPORT/LAPORAN TAHUNAN
2009

Corporate Information

DIRECTORS	Y.Bhg. Datuk Dr Abdul Samad bin Haji Alias (Chairman) Y.Bhg. Dato' Huang Sin Cheng Y.Bhg. Datin Husniarti binti Tamin Puan Eshah binti Meor Suleiman En. Mohd Zafer bin Mohd Hashim Captain A. Ghani bin Ishak
SECRETARY	Puan Hasmah binti Razali (MAICSA No. 0772752)
AUDITORS	Ernst & Young Level 23A, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur
REGISTERED OFFICE	Level 16, Menara Bank Pembangunan Bandar Wawasan No. 1016, Jalan Sultan Ismail 50250 Kuala Lumpur
PRINCIPAL PLACE OF BUSINESS	Level 15, Menara Bank Pembangunan Bandar Wawasan No. 1016, Jalan Sultan Ismail 50250 Kuala Lumpur
BANKERS	CIMB Bank Berhad
WEBSITE	www.gmv.com.my

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Seventeenth Annual General Meeting of Global Maritime Ventures Berhad will be held on Monday, 24 May 2010 at 10:00 a.m. at Dewan Utama, Level 6, Menara Bank Pembangunan, Bandar Wawasan, No. 1016, Jalan Sultan Ismail, 50250 Kuala Lumpur for the following purposes :

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2009 together with the Reports of the Directors and Auditors thereon. **(Resolution 1)**

2. To re-elect Y.Bhg. Datin Husniarti binti Tamin as Director, who retires in accordance with Article 61 of the Articles of Association of the Company. **(Resolution 2)**

3. To re-elect the following Directors retiring pursuant to Article 66 of the Articles of Association of the Company :

   (i) Encik Mohd Zafer bin Mohd Hashim; and **(Resolution 3)**

   (ii) Captain A. Ghani bin Ishak. **(Resolution 4)**

4. To approve the payment of Directors' fees for the financial year ended 31 December 2009. **(Resolution 5)**

5. To re-appoint Messrs. Ernst & Young as Auditors and to authorize the Board of Directors to fix their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESSES

6. To consider and if thought fit, to pass the following resolutions of the Company :-

6.1 ORDINARY RESOLUTION
- AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT 1965 **(Resolution 7)**

"That, subject to the provision of Section 132D of the Companies Act, 1965, the Company's Articles of Association and the approvals of the relevant government/ regulatory authorities, the Directors of the Company be and are hereby empowered to allot and issue shares in the Company at such time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

6.2 SPECIAL RESOLUTION
- PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCATION **(Resolution 8)**

"That the Articles of Association of the Company be amended as follows :

a) by deleting the existing Article 65(a) and Articles 65(b) in its entirety as follows :

Article 65(a)
The composition of the Main Board members should comprise the four members of the Board and nominees of major institutional investors up to a maximum of eleven members. The quorum necessary for the Main Board to transact business of the directors shall be six.

Article 65 (b)
The composition of the Executive Board members should comprise the present members of the Board and two additional members of the Main Board. The quorum necessary for the Executive Board to transact business of the directors shall be four.

b) by deleting the existing Article 67, 67(a) and 67(b) in its entirety and substituting with the new Article 67 as follows :

Article 67
The Company may by ordinary resolution remove any director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead; the person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director."

7. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

By Order of the Board

Hasmah Razali
Company Secretary
MAICSA 0772752

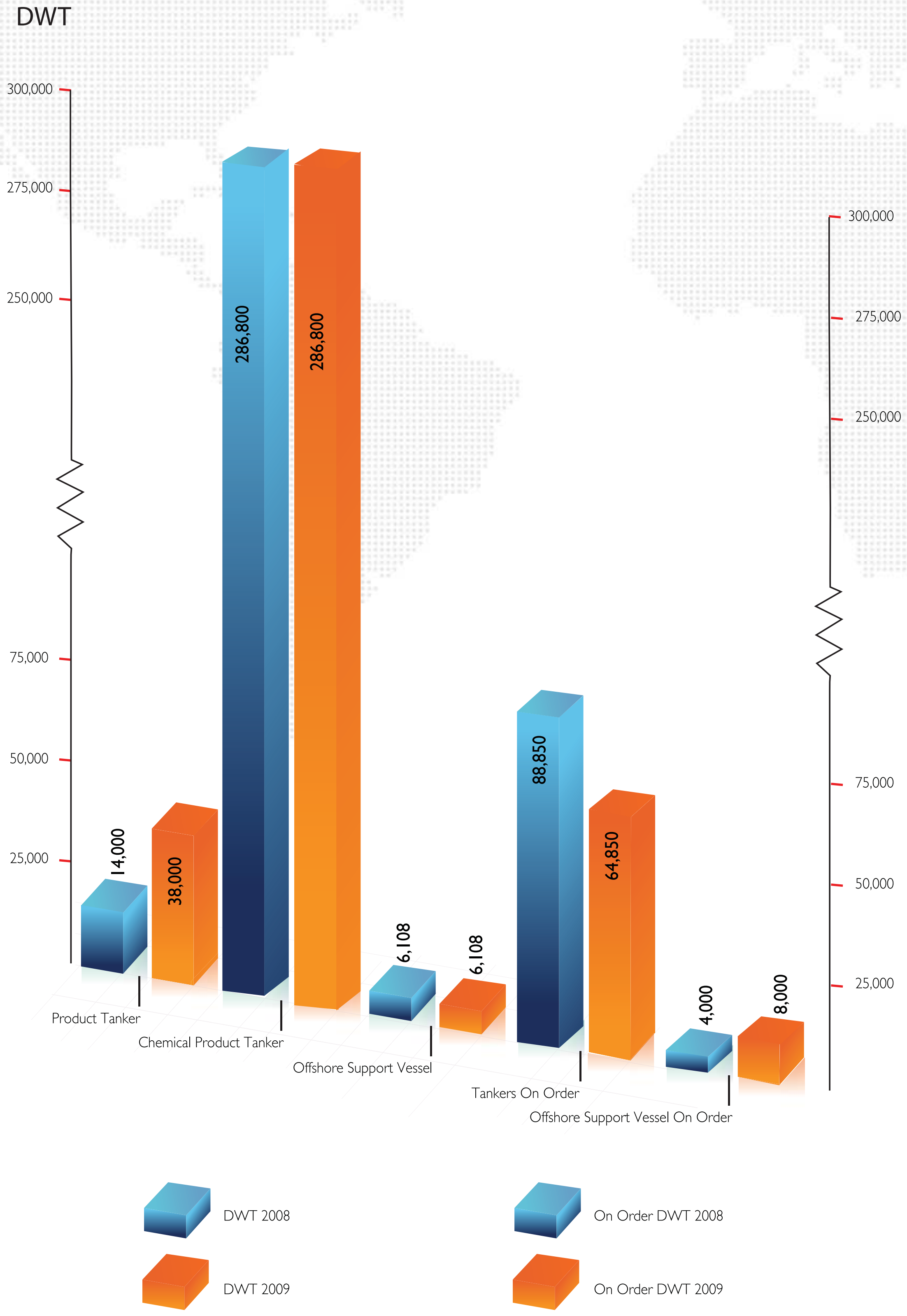
Kuala Lumpur
29 April 2010

NOTES :-

1. *A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and, on a poll to vote in his stead. A proxy may not be a member of the Company.*
2. *In the case of a Corporate Member, the instrument appointing a proxy shall be under its Common Seal or under the hand of an officer of the Corporation or attorney duly authorised.*
3. *The Proxy Form must be deposited at the Registered Office of the Company at Aras 16, Menara Bank Pembangunan, Bandar Wawasan, No. 1016, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.*
4. *Failure to lodge your Proxy Form within the stipulated time may result in your proxy being precluded from attending and voting at the Meeting or any adjournment thereof.*
5. *The lodging of the Proxy Form does not preclude a member from attending and voting in person at the Meeting should the member subsequently decide to do so.*
6. *Where a member appoints more that one proxy the appointment shall be invalid unless the proportion of his shareholding to be represented by each proxy is specified.*

Fleet Tonnage

As at 30 April 2010



Fleet Details-Vessels In-Operation

As at 30 April 2010

NAME OF VESSEL	VESSEL TYPE	YEAR BUILT	DWT
JV WITH WAWASAN SHIPPING SDN. BHD.			
MT Selendang Mutiara	Chemical/Product Tanker	1997	46,000
MT Selendang Sari	Chemical/Product Tanker	1999	46,000
MT Selendang Permata	Chemical/Product Tanker	1997	46,000
MT Selendang Gemala	Chemical/Product Tanker	1998	46,000
MT Selendang Ratna	Chemical/Product Tanker	1998	46,000
MT Selendang Kencana	Chemical/Product Tanker	1998	46,000
SUB-TOTAL			276,000
JV WITH ALAM MARITIM (M) SDN. BHD.			
MV Setia Tangkas	Anchor Handling Tug & Supply Boat	2006	1,204
MV Setia Unggul	Anchor Handling Tug & Supply Boat	2006	1,204
MV Setia Sakti	Support Maintenance Vessel	2006	2,200
SUB-TOTAL			4,608
JV WITH GAGASAN CARRIERS SDN. BHD.			
MT Imbak	Chemical Tanker IMO II/III	2006	10,800
SUB-TOTAL			10,800
JV WITH ORKIM SDN. BHD.			
MT Orkim Power	Product Tanker	2008	7,000
MT Orkim Leader	Product Tanker	2008	7,000
SUB-TOTAL			14,000
JV WITH GLOBAL CARRIERS BHD.			
MT Budi Mesra	Product Tanker	2008	7,000
MT Budi Mesra Dua	Product Tanker	2008	7,000
MT Budi Ikhlas	Product Tanker	2008	10,000
SUB-TOTAL			24,000
JV WITH OMNI FLEET SDN. BHD.			
MV Omni Anteia	5,200 Anchor Handling Utility Tug	2008	1,500
SUB-TOTAL			1,500
GRAND TOTAL			**330,908**

Board of Director

1

2

3

4

5

6

1. **Y.BHG. DATUK DR. ABDUL SAMAD BIN HAJI ALIAS**
2. **ENCIK MOHD ZAFER BIN MOHD HASHIM**
3. **Y.BHG. DATO' HUANG SIN CHENG**
4. **CAPTAIN A. GHANI BIN ISHAK**
5. **Y.BHG. DATIN HUSNIARTI BINTI TAMIN**
6. **PUAN ESHAH BINTI MEOR SULEIMAN**

Management Team

Puan Hasmah Binti Razali
Company Secretary

Puan Zuraidah Binti Omar
Head, Finance and Administration Department

Encik Sofian Bin Mohd Ariff
Head, Corporate Investment Department

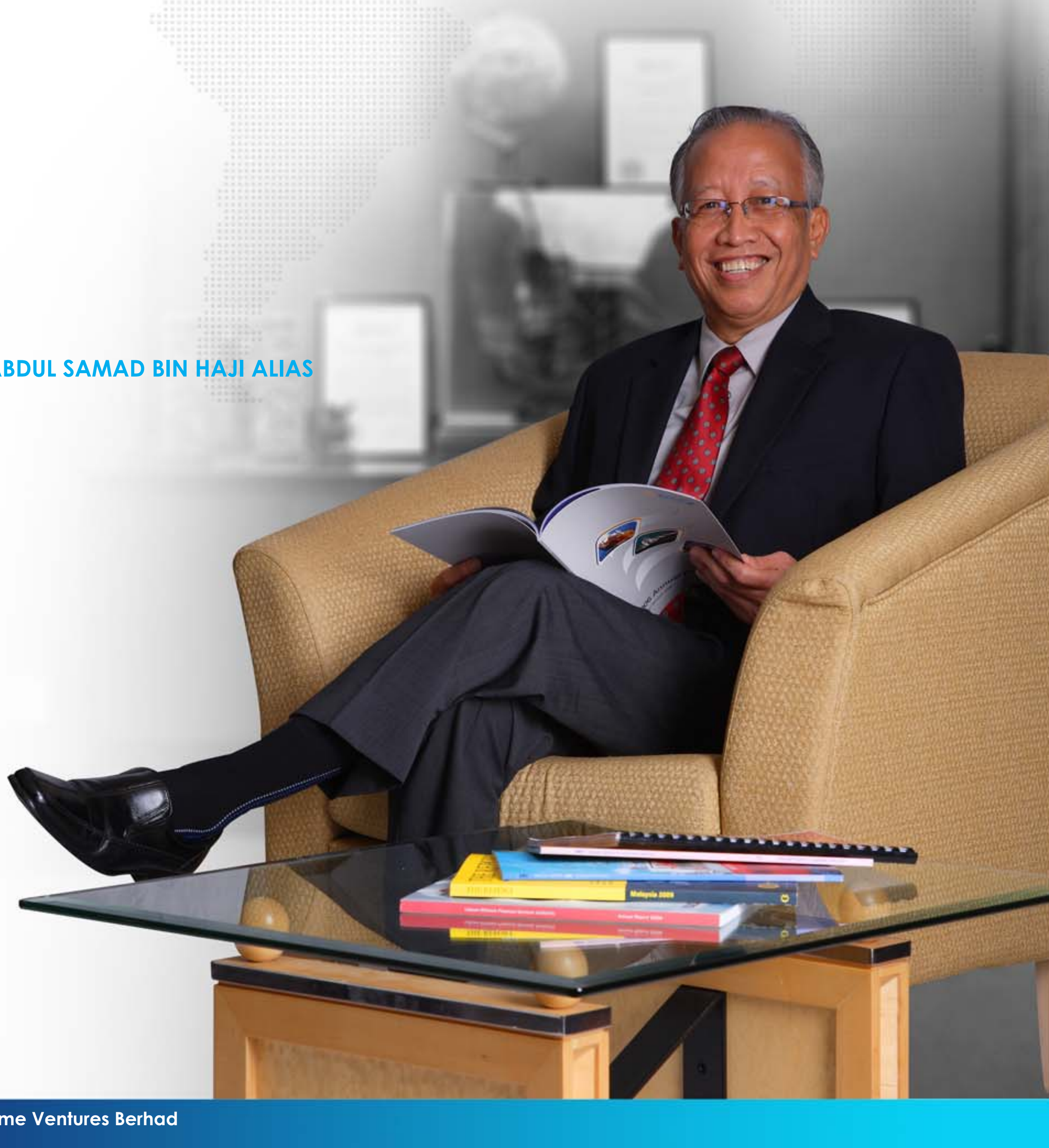
Encik Norulhadi Bin Md Shariff
Chief Executive Officer

Director's Profile

Datuk Dr. Abdul Samad bin Haji Alias was appointed as the Chairman of Global Maritime Ventures Berhad (GMVB) on October14, 2008. He holds a Bachelors Degree in Commerce from the University of Western Australia and is a council member of the Malaysian Institute of Certified Public Accountants, a fellow of the Institute of Chartered Accountants Australia and a member of the Malaysian Institute of Accountants. He was also the first Malaysian to be elected as one of the board members of the International Federation of Accountants. He now acts as the Chairman of Bank Pembangunan Malaysia Berhad (BPMB), Malaysian Venture Capital Management Berhad and Malaysia Debt Ventures Berhad.

He also sits on the Boards of Lembaga Tabung Haji, TH Plantation Berhad, Felda Holdings Berhad, Perbadanan Kemajuan Iktisad Negeri Kelantan, Malaysia Deposit Insurance Corporation, Universiti Putra Malaysia and Malaysian Communications and Multimedia Commission. Prior to his appointment as Chairman of the BPMB Group, Datuk Dr. Abdul Samad was the Non Executive Chairman of Messrs. Ernst & Young

DATUK DR. ABDUL SAMAD BIN HAJI ALIAS



Dato' Huang Sin Cheng was appointed as an Independent Non-Executive Director of GMVB on Sept 1, 2006. He holds a B.A. (Hons) from University of Malaya and a Banking Diploma from the Institute of Bankers, London. He is also a Fellow of Institute of Bankers Malaysia.

Dato' Huang joined Bank Negara Malaysia as an Administrative Officer in 1967. In 1991, he was appointed by Bank Negara Malaysia to Cagamas Berhad as its Chief Executive. He was reassigned to the Bank as Assistant Governor in 1998 and then promoted, in 2000, to Deputy Governor, a post that he held until his retirement in 2002. Presently, Dato' Huang sits on the Boards of Bank Perusahaan Kecil & Sederhana Malaysia Berhad, Cagamas MBS Berhad and KBB Resources Berhad. Dato' Huang is a member of the Risk Management Committee of the Board.

DATO' HUANG SIN CHENG

Datin Husniarti binti Tamin was appointed as an Independent Non-Executive Director of GMVB on Sept1, 2006. She holds a Bachelor of Economic (Honours) Degree from University of Malaya and a Master of Business Administration Degree from University of Oregon, USA. She started her career in 1972 as the Assistant Secretary in the Economic Planning Unit ("EPU") in the Prime Minister's Department. During her tenure in EPU, she held in succession several positions in various sections of the Unit, culminating in her appointment as Director of Energy Section. In1996, she was promoted to the position of Deputy Secretary General in charge of energy at Ministry of Energy, Communications and Multimedia. Subsequently, in the year 2000, she moved up to become the Deputy Secretary General (Systems and Control) at the Treasury, Ministry of Finance, where she retired in October 2004.

She currently sits on the Boards of Rangkaian Hotel Seri Malaysia Sdn. Bhd.

Datin Husniarti is a member of the Audit and Examination Committee and the Risk Management Committee of the Board.

DATIN HUSNIARTI BINTI TAMIN

Puan Eshah binti Meor Suleiman was appointed as a Non-Independent Non-Executive Director of Global Maritime Ventures Berhad on June 25, 2008. She holds a Bachelor in Economic (Hons) from University of Malaya and a Master of Business Administration (Finance) from Oklahoma City University.

She began her career in the Malaysia Civil Service in 1981 as an Assistant Director in the Economic Planning Unit, Prime Minister's Department. Subsequently, she was transferred to Government Procurement Division, Ministry of Finance (MOF) in 1991 to act as an Assistant Secretary. During her tenure in MOF, she held in succession several positions in various divisions. She is currently the Secretary, Investment, MKD (Inc.) And Privatization Division where she held the position since 2006.

Presently, Puan Eshah sits on the Boards of Malaysian Airport Holding Berhad, Jaring Communications Sdn. Bhd. apart a few private limited companies.

Puan Eshah was appointed as a member of the Audit and Examination Committee of the Board with effect from July 27, 2008.

PUAN ESHAH BINTI MEOR SULEIMAN

En Zafer Hashim was appointed as the Director of Bank Pembangunan Malaysia Berhad on August 5, 2009.

He was previously the Chief Financial Officer of Maybank Investment Bank Berhad and Bank Muamalat Malaysia Berhad. Prior to joining Bank Muamalat, he was attached to MMC Corporation Berhad as its General Manager. Encik Zafer has accumulated over 15 years of experience in banking operations, corporate management, corporate finance, risk management, treasury and audit.

He began his career with Price Waterhouse in London. He is a Chartered Accountant by profession and a member of the Institute of Chartered Accountants in England and Wales. He graduated in Economics from the London School of Economics and Political Science.

En Zafer also sits on the boards of Maybulk Carriers Berhad, Global Carriers Berhad, Pembangunan Leasing Corporation Sdn Bhd. and Perbadanan Nasional Berhad.

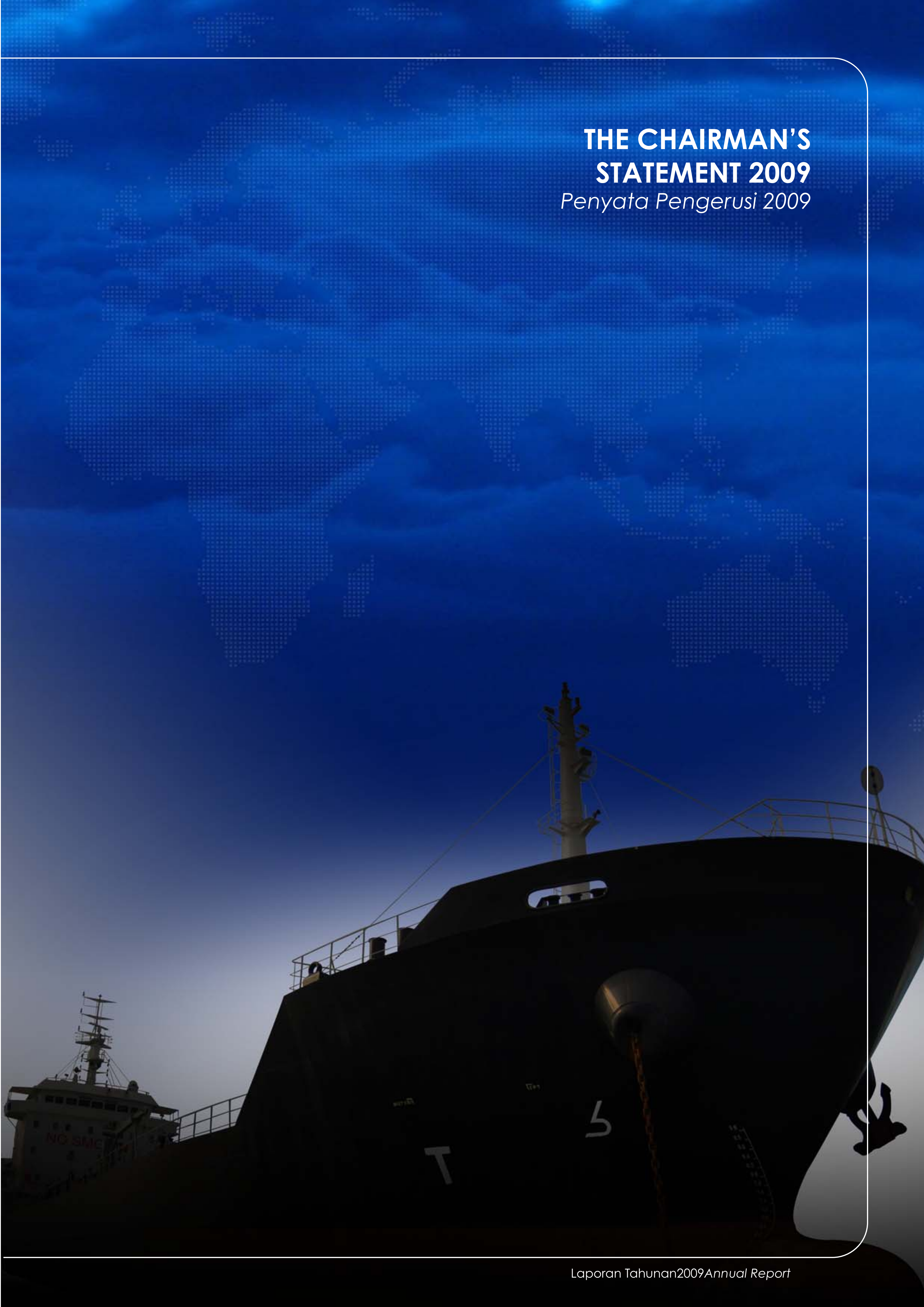
EN MOHD ZAFER BIN MOHD HASHIM

Captain A. Ghani Ishak was appointed to the Board on March 3, 2010. He holds a Bachelor of Law (Hons) and Barrister at Law from Lincoln's Inn, London. Captain A Ghani has 37 years of experience in maritime transportation, nautical logistic, petroleum & gas management operation, and also maritime law.

He started his career as Navigation Officer at Ellermen Lines Ltd. London and after that as Navigation Officer at Kuwait Shipping Company before he was called by the Malaysian Government to serve Malaysian International Shipping Corporation (MISC). At MISC, he held various positions namely as Senior Director, Petroleum Services Division; Director, Petroleum & Gas Division; Director, Liquified Natural Gas Division; Manager, Fleet Operations; Marine Superintendent and Chief Officer (Far-East Europe Services). Captain A Ghani also sits on the board of Nautical Inclinations (M) Sdn Bhd; Nippon Paints Marine (M) Sdn Bhd; and GDB Services Sdn Bhd. Prior to that, he has served as Chairman of MISC Ferry Services Sdn. Bhd.; Chairman of Techno Indah Sdn. Bhd. and also Director of Malaysian Central Merchantile Marine Fund; Malaysian Light Dues Board; Malaysian Maritime Academy (ALAM); and MISC Engineering & Marine Services. He is also a Technical Committee of American Bureau of Shipping (ABS); council member of International Association of Independent Tanker Owners (INTERTANKO); and Society of International Gas Tanker & Terminal Operators (SIGTTO).

CAPTAIN A. GHANI BIN ISHAK

THE CHAIRMAN'S STATEMENT 2009
Penyata Pengerusi 2009



The Chairman's Statement 2009

On behalf of the Board of Directors, it gives me great pleasure to present the Annual Report of Global Maritime Ventures Berhad (GMVB) for the financial year ended 31 December 2009.

Saya bagi pihak Lembaga Pengarah, dengan sukacitanya membentangkan Laporan Tahunan Global Maritime Ventures Berhad (GMVB) bagi tahun kewangan yang berakhir pada 31 Disember 2009.

FINANCIAL PERFORMANCE

Volatility has been a hallmark of the shipping industry, even before this recent financial crisis and recession sunk in. The turbulence with which the year started did not promote optimism, as the adverse effects of the ongoing global economic downturn continued to take its toll on the industry. Declining trade volumes, softening freight rates, and higher operating costs were compounded by increased security threats along key shipping routes.

Despite operating in such volatile environment, the Group was able to register a marginal profit beyond expectations, largely as a result of timely execution of business and strategic operational initiatives.

For the year under review, the Group registered a profit after tax of RM51.04 million, slipping 67% year on year, from profits after tax of RM155.36 million. The profit was lower as earnings from the offshore sector was weighed down by the highly adverse performance of the tanker and dry bulker sectors, bogged down by depressed rates and higher costs. Consequently, the Group achieved lower earnings per share of 17 sen in 2009 from 52 sen in 2008.

At the Company level profit after tax dipped by 81% from RM113.82 million in 2008 to RM21.87 million in 2009. Revenue at the Company level was primarily attributable from dividends received from subsidiary companies, which amounted to RM12.64 million.

Dividends

Shipping, as we know it, is a capital-intensive business, and 2009 was a difficult period for the industry. Notwithstanding the challenges, the company is still in a position to declare dividends. The Board has declared an interim tax-exempt dividend of 8 sen per share on 300 million Ordinary Shares, amounting to RM24 million for the financial year ended 31 December 2009.

This dividend payout on 16 January 2010 reflects GMVB's commitment towards realizing value for shareholders, and maintaining a stable dividend payout, as well as its confidence in the long-term robustness of the Groups strategies.

PRESTASI KEWANGAN

Persekitaran yang sentiasa bergolak sememangnya merupakan ciri pasaran yang dialami oleh industri perkapalan, bahkan sebelum krisis kewangan yang melanda baru-baru ini dan kemelesetan yang semakin meresap. Situasi yang bergelora pada permulaan tahun tidak menggalakkan optimisme, malah kesan daripada kemerosotan ekonomi global terus menjejaskan industri. Pengurangan jumlah perdagangan, penyusutan kadar kargo dan kos operasi yang meningkat diperparahkan lagi dengan ancaman keselamatan di sepanjang laluan utama perkapalan.

Walaupun beroperasi dalam persekitaran yang tidak menentu, Kumpulan GMVB masih mampu meraih keuntungan marjinal yang melepasi jangkaan, hasil daripada tindakan pelaksanaan operasi perniagaan pada waktu yang tepat dan inisiatif operasi yang strategik.

Bagi tahun 2009, Kumpulan telah mencatatkan keuntungan selepas cukai sebanyak RM51.04 juta, iaitu penurunan sebanyak 67% saban tahun, daripada keuntungan selepas cukai sebanyak RM155.36 juta. Keuntungan lebih rendah disebabkan pendapatan dari sektor pesisir pantai dibebani oleh prestasi yang lemah dari sektor-sektor tangki dan pukal kering yang mengalami tingkat depresi dan kos yang lebih tinggi. Akibatnya, Kumpulan GMVB mencatat pendapatan yang lebih rendah iaitu sebanyak 17 sen setiap saham pada tahun 2009 berbanding dengan 52 sen pada tahun 2008.

Pada peringkat Syarikat, keuntungan selepas cukai menurun sebanyak 81% daripada RM113.82 juta pada tahun 2008 kepada RM21.18 juta pada tahun 2009. Sebahagian besar hasil Syarikat berpunca daripada dividen yang diterima menerusi anak-anak syarikat yang berjumlah RM12.64 juta.

DIVIDEN

Perkapalan adalah perniagaan berasaskan modal intensif, dan tahun 2009 merupakan tempoh yang sukar bagi industri ini. Walaupun menempuhi pelbagai cabaran, syarikat masih mempunyai keupayaan untuk mengeluarkan dividen. Lembaga Pengarah mengumumkan dividen yang dikecualikan cukai sebanyak 8 sen sesaham bagi 300 juta unit Saham Biasa, berjumlah RM24 juta bagi tahun kewangan berakhir 31 Disember 2009.

Pembayaran dividen pada 16 Januari 2010 mencerminkan komitmen GMVB terhadap mewujudkan nilai bagi pemegang saham dan mengekalkan bayaran dividen yang stabil, serta keyakinan dalam kekokohan strategi jangka panjang Kumpulan.


2009 IN SUMMARY

The year under review was a challenging year for GMVB and the global shipping industry as a result of heightened delivery of vessels, the financial fallout from the sub-prime crisis in the United States, and the slowing of the global economy, which in turn resulted in the weakening of freight rates.

The world economy experienced the worst effects of the global financial crisis in the first half of 2009, projecting a contraction of -0.8 % against 3% growth in 2008, before entering into a gradual but uneven recovery in the second half of the year, buoyed by the strong performance of Asian economies. The swift and concerted policy actions implemented by the respective governments of the world were instrumental in shoring up confidence and averting a global financial meltdown. The Malaysian economy was one of the hardest hit in the East Asian region, but nevertheless it remained fundamentally resilient.

Overall, amidst strong economic fundamentals and responsive domestic policies, the Malaysian economy in 2009 contracted by -1.7% from 4.6% growth in 2008, performing significantly better than expected.

The abruptness and severity of the crisis caught both banks and owners alike. For almost all owners, the meltdown called for a complete re-evaluation of strategy. In general, all uncommitted fresh projects were shelved, several newbuilding orders were cancelled, re-negotiated or delayed, operating costs were curtailed with every cost, expense or cash outflow needing justification. Moreover, owners reviewed their cash flow, paying particular attention to the performance of charterers, especially those involving high time charter contractual rates. Owners, who enjoyed paid-off fleets, and / or large liquidity reserves and / or no newbuilding commitments, began to seek out opportunities to acquire distressed/ inexpensive tonnage. Specifically in shipping, banks had to tackle the problems of drastically lower asset values.

Initially, dry bulk and container vessel values fell by 60% - 70% triggering widespread asset cover maintenance defaults.

Nevertheless, despite the economic recession, the fundamentals of the dry bulk industry remain attractive, with continued demand for dry bulk commodities. Dry bulk recovered smoothly to levels that are not far off the sector's long run Baltic Dry Index (BDI) averages of approximately 2,900. The BDI, a measure of shipping costs and commodities rose from 773 at the beginning of 2009 to a high of 4,029 in the first half of the year and is currently testing the 3,100 band. The dry bulk industry freight rates witnessed a gradual revival beyond expectations, especially fuelled by lower-than-expected deliveries, extensive scrapping and unprecedented Chinese iron ore imports and consequently, increased Chinese port congestion.

China's overall infrastructure boom continues to drive demand for steel, which in turn stimulates demand for iron ore and coal. Driven by infrastructure spending by the Government, China has become the epicenter of dry bulk demand.

Sluggish economic activity in the United States, the Europen Union and Japan suppressed demand for manufactured goods in 2009. The slowdown in imports by developing nations meant a severe setback to the Panamax sector. Improvements in the handymax/supramax market were largely due to a trickledown effect from the larger vessel sectors. Meanwhile the demand from Chinese importers for Indian iron ore has been benefiting the smaller Handy segment.

Whereas the Handysize segment has enjoyed consistent growth, supported by scrap, fertilizers and grain cargoes, especially soyabean.

The tanker sector was severely impacted by the deterioration of the world economies, with trade volumes across all routes declining sharply in 2009, thus adversely affecting freight rates.

An unexpected firm first quarter gave way to a summer of indifferent rates, which in most cases, were well below capital costs, and in some cases not far from operating expenses. This came as a direct result of significant cutbacks of production from chemical commodity producers, which were experiencing an unprecedented inventory de-stocking, and on the verge of idling or shutting down plants. The shutdown of major plants in Saudi Arabia, Iran, Qatar and Kuwait for scheduled and unscheduled maintenance greatly, affected the availability of cargo for trading. The fact that chemical producers scaled down their production and the low demand for crude oil and refined products let to diminished tonnage demand, thus bringing down charter rates.

The continued delivery of newbuildings also added to the troubles as the overall number of idle vessels increased. The total fleet is projected to increase by over 33% from 2009 to 2011.

The offshore sector has been weak due to the oversupply of vessel, compounded by the plunge in oil price during the second half of the year. During the year, the instability in the industry resulted in exploration and production expenditures and budgets of major industry players being slashed. On a year-to-date basis, oil prices raised to $82 a barrel, well above the full year average of about $62 for 2009, but still below the 2008 average of nearly $100. OPEC looks to oil prices to stay within the $70-$80 a barrel range for the near future.

In Q3 2009, transaction levels in the energy services sector remained below 2008 levels. However, several large transactions were announced, indicating that the leading industry players were beginning to seek opportunities for consolidation in light of the expected economic recovery. Regardless of the poor performance, the sector remained positive as some oil majors pledged to maintain investment plans, on projection of an eventual economic upswing, and aggressively pursue their long term business plans, as exploration and development spending gained traction.

Asian vessel owners have been rather optimistic over the past few months as some offshore development and construction projects for 2010/11, which were on the brink of postponement when oil prices plunged, seem set to be revived.

This changing of tides has not deterred us. GMVB Group started FY2009 with fourteen vessels in operation, comprising seven Chemical Tankers, two Handysize and two Handymax dry Bulk Carriers, two Anchor Handling Tug & Supply and one Support Maintenance vessel.

In the course of the year, five product tankers and one offshore support vessel were delivered, whilst four drybulkers were sold in early 2010 bringing the Group's total fleet size to sixteen vessels in operation. Although the prospects for shipping remain uncertain and the remaining newbuilding order book remains daunting, nevertheless, GMVB with the astute awareness of market conditions has leveraged on opportunities in the present shipping market, by entering into a joint venture with Borcos Shipping Sdn Bhd a prominent offshore market player.

This latest strategic alliance is another milestone in GMVB's investment portfolios, which involves investment of equity interest in profitable and viable companies. Apart from the Borcos Shipping tie up, GMVB is expected to receive another twelve newlybuilt vessels within the next three years. The vessels are currently under various stages of construction, with five units in Malaysian yards and another seven units in China.

While we pursue our business commitments, we acknowledge our responsibility to our business partners, and the environment we operate in. In 2009, we sponsored three cadets in Diploma in Nautical Studies and three cadets in Diploma in Marine Engineering at the Akademi Laut Malaysia. These programmes are helping the Company build up an efficient and well-qualified pool of experienced seafarers for an expanding fleet. As the Company continues to grow, we will remain committed to playing our role in building up the maritime expertise in Malaysia.

RINGKASAN TAHUN 2009

Tahun yang ditinjau merupakan tahun yang mencabar bagi GMVB dan industri perkapalan global disebabkan oleh penerimaan kapal siap yang semakin meningkat, krisis kewangan yang berpunca daripada krisis 'sub-prime' di Amerika Syarikat dan juga kemelesetan ekonomi global, yang mengakibatkan penyusutan tambang kargo kapal.

Ekonomi dunia mengalami kesan yang terburuk daripada krisis kewangan global pada suku tahun pertama 2009, iaitu pengurangan negatif sebanyak -0.8% berbanding dengan peningkatan 3% pada tahun 2008, sebelum pertumbuhan berperingkat yang tidak menentu pada suku tahun kedua 2009, digalakkan dengan prestasi tinggi dari ekonomi Asia. Tindakan polisi yang pantas dan bersepadu yang dilaksanakan oleh kerajaan di serata dunia telah memainkan peranan penting dalam meningkatkan keyakinan dan mencegah krisis kewangan global. Ekonomi Malaysia merupakan salah satu kuasa besar di rantau Asia Timur yang menerima tamparan terhebat, namun begitu, ia kekal pada dasarnya yang kukuh.

Secara keseluruhannya, walaupun mempunyai dasar ekonomi yang kukuh dan polisi domestik yang responsif, ekonomi Malaysia pada tahun 2009 mencatatkan pengurangan negatif iaitu sebanyak -1.7% berbanding dengan 4.6% pada tahun 2008, nyata sekali menunjukkan prestasi yang lebih baik daripada yang dijangkakan.

Kekasaran dan keparahan krisis ini menyebabkan kedua-dua bank dan pemilik terpalit. Bagi hampir semua pemilik, krisis ini mendesak untuk penilaian semula keseluruhan strategi. Secara umum, semua projek baru yang tidak terikat terpaksa ditunda, beberapa arahan pembinaan kapal-kapal baru dibatalkan, ditunda atau dirunding semula dan kos operasi terpaksa dikawal dengan setiap kos, perbelanjaan atau pengaliran keluar tunai memerlukan justifikasi.

Selain daripada itu, pemilik juga terpaksa mengkaji semula pengaliran keluar tunai dengan memberi perhatian khusus terhadap prestasi penyewa-penyewa kapal. Pemilik-pemilik yang menikmati "paid-off fleets", mempunyai aset berlikuiditi yang besar dan tidak mempunyai komitmen untuk membina kapal-kapal baru, mula mencari peluang untuk memperolehi muatan kapal yang murah. Khususnya dalam industri perkapalan, bank-bank terpaksa menangani masalah berkenaan dengan penurunan nilai aset secara drastik.

Pada mulanya, nilai-nilai pukal kering dan kapal kontena turun hampir 60% - 70%, mencetuskan kegagalan meliputi penyelenggaraan aset secara meluas.

Namun demikian, walaupun dilanda kemelesetan ekonomi, dasar asas industri pukal kering kekal menarik dengan permintaan berterusan untuk barangan komoditi ini yang semakin meningkat. Sektor pukal kering pulih secara lancar ke tahap yang memberansangkan daripada purata Indeks Baltic Dry (BDI), sekitar 2,900. BDI, pengukur untuk kos perkapalan dan komoditi, telah meningkat dari 773 pada awal tahun 2009 ke 4,029 pada suku pertama tahun ini, dan ketika ini berada di paras 3,100. Kadar tambang industri pukal kering pulih secara beransur melepasi jangkaan, terutamanya kerana penerimaan kapal baru yang rendah, pelupusan kapal yang meluas dan peningkatan aktiviti import bijih besi oleh negara China, mengakibatkan kesesakan di pelabuhan negara itu.

Kelonjakkan tinggi yang dialami oleh keseluruhan sektor infrastruktur di negara China terus mendorong kepada permintaan terhadap bahan keluli, yang juga akan mendorong kepada permintaan bijih besi dan arang batu. Dengan dorongan perbelanjaan yang tinggi untuk pembangunan infrastruktur oleh kerajaan, negara China telah menjadi pusat terbesar bagi permintaan pukal kering.

Kegiatan ekonomi yang lembap di Amerika Syarikat, negara-negara Kesatuan Eropah dan Jepun pada tahun 2009 menyekat permintaan barang-barang buatan. Pengurangan import oleh negara-negara membangun mengakibatkan kejatuhan pada sektor panamax manakala prestasi meningkat yang dicatatkan oleh pasaran handymax/supramax, merupakan kesan ‘trickledown’ dari sektor kapal lebih besar. Sementara itu, permintaan mengimport bijih besi oleh negara China khususnya dari negara India membawa keuntungkan pada segmen handy kecil ini.

Segmen handysize menikmati perkembangan yang konsisten dan kerap digunakan untuk mengangkut muatan skrap, baja dan bijiran terutamanya muatan kacang soya.

Sektor kapal tangki terjejas berikutan kemerosotan ekonomi di serata dunia yang mengakibatkan jumlah perdagangan di setiap laluan morosot pada tahun 2009, memberi kesan negatif ke atas kadar tambang.

Kadar suku pertama yang melepasi jangkaan, telah merudum pada suku kedua tahun ini mengakibatkan pendapatan yang diperolehi Cuma dapat menampung kos operasi. Ini merupakan akibat langsung daripada pengurangan yang ketara ke atas pengeluaran dari pengilang komoditi kimia yang mengalami masalah hasil disebabkan kelembapan ekonomi. Buat kali pertama, mereka terpaksa mengambil tindakan pengurangan stok inventori, langkah-langkah mengurangkan pengeluaran secara drastik ataupun menghentikan operasi kilang. Penutupan kilang-kilang utama di negara Arab Saudi, Iran, Qatar dan Kuwait untuk penyelenggaraan tidak berjadual mempengaruhi ketersediaan barang untuk perdagangan. Pengurangan pengeluaran oleh pengilang bahan kimia turut menyumbang secara langsung kepada permintaan yang rendah untuk minyak mentah dan produk olahan. Situasi ini seterusnya mengurangkan permintaan terhadap kargo sehingga menurunkan permintaan penyewaan kapal dan kadar tambang.

Penghantaran kapal-kapal siap secara berterusan turut menyumbang kepada peningkatan jumlah kapal yang tidak digunakan atau tidak aktif. Jumlah kapal dijangka akan meningkat lebih dari 33% dari tahun 2009 hingga 2011.

Sektor pesisir pantai juga mengalami kelemahan disebabkan oleh masalah lebihan kapal ditambah lagi dengan kejatuhan harga minyak pada separuh kedua tahun ini. Sepanjang tahun 2009, ketidakstabilan industri mengakibatkan perbelanjaan dan bajet bagi eksplorasi dan pengeluaran minyak terpaksa dikurangkan.

Pada tahun semasa, harga minyak naik sehingga $82 setong, jauh lebih tinggi berbanding dengan harga purata $62 pada tahun 2009. Walaubagaimanapun, harga ini masih kurang daripada paras purata tahun 2008 iaitu hampir $100. OPEC menjangka harga minyak akan kekal pada paras $70-$80 setong dalam jangkamasa beberapa tahun akan datang.

Sepanjang tempoh yang ditinjau, tahap urusniaga dalam sektor perkhidmatan tenaga tetap di bawah paras tahun 2008. Namun, beberapa transaksi yang bernilai tinggi telah diumumkan, menunjukkan bahawa para pemain industri terkemuka mula mencari peluang untuk konsolidasi ketika proses pemulihan ekonomi sedang giat dilaksanakan. Walaupun prestasi kurang memberangsangkan, sektor tersebut kekal positif dan optimis kerana beberapa syarikat minyak kekal mempertahankan rancangan pelaburan jangka panjang dan perbelanjaan mereka terhadap aktiviti eksplorasi dan pengeluaran minyak.

Pemilik syarikat perkapalan di Asia agak optimis sejak beberapa bulan ini kerana projek-projek pembinaan dan pembangunan telaga minyak yang dirancang untuk tahun 2010/2011 yang tertangguh akibat kejatuhan harga minyak, telah mula dipergiatkan semula.

Perubahan persekitaran ini tidak dapat menggoyahkan syarikat di mana Kumpulan GMVB memulakan tahun kewangan 2009 dengan memiliki empat belas buah kapal, ianya terdiri daripada tujuh buah kapal tangki kimia, dua kapal handysize dan dua kapal handymax pukal kering, dua “Anchor Handling Tug & Supply” dan sebuah kapal “Support and Maintenance”.

Sepanjang tahun ini, lima kapal tangki petroleum dan satu kapal sokongan pesisir pantai telah diterima manakala empat kapal pukal kering dijual pada awal tahun 2010, membawa jumlah keseluruhan kapal yang dimiliki oleh Kumpulan kepada enam belas buah.

Walaupun prospek industri perkapalan tidak menentu dan ditambah dengan pesanan kapal baru yang tinggi, kumpulan telah berjaya memanfaatkan peluang dalam pasaran yang tidak menentu ini dengan mengadakan *perkongsian strategik bersama syarikat perkapalan utama di Malaysia iaitu Borcos Shipping Sdn. Bhd., salah satu pemain utama di pasaran pesisir pantai.*

Perkongsian strategik ini merupakan satu lagi pencapaian bersejarah dalam portfolio pelaburan GMVB yang melibatkan pelaburan ekuiti di syarikat-syarikat yang menguntungkan dan berdaya maju. GMVB dijangkakan menerima dua belas buah kapal baru dalam jangkamasa tiga tahun. Kapal-kapal tersebut sedang berada dalam pelbagai peringkat pembinaan, dengan lima unit di beberapa limbungan kapal tempatan dan tujuh unit lagi di negara China. Dengan pengembangan baru ini, jumlah keseluruhan kapal yang dimiliki oleh Kumpulan akan menjadi 28 kapal.

Dalam meneruskan komitmen perniagaan kami, Kumpulan juga menyedari akan tanggungjawab kepada rakan-rakan dan persekitaran perniagaan. Pada tahun 2009, kami telah menaja tiga kadet untuk mengikuti kursus Diploma Pengajian Nautika dan tiga kadet lagi untuk kursus Diploma Kejuruteraan Marin di Akademi Laut Malaysia. Program sebegini mampu membantu syarikat mewujudkan bilangan pelaut atau "seafarers" yang berkebolehan dan berpengalaman dalam usaha mengembangkan jumlah kapal yang sedia ada. Seiring dengan perkembangan syarikat, kami akan tetap komited dalam memainkan peranan untuk membina kepakaran maritim di Malaysia.

OUTLOOK

Taking into account the current economic condition, it may be safe to infer that the acute phase of the financial crisis has passed, and a global economic recovery is under way. The recovery is fragile and expected to remain uneven in the second half of 2010 as the growth impact of fiscal and monetary measures wane, and the current inventory cycle runs its course.

The International Monetary Fund (IMF) revised its global economic outlook for 2010 to 3.9%, up from an earlier forecast of 3.1% and strengthened further its outlook for 2011. In most advanced economies, the recovery is expected to remain sluggish by past standards, whereas in many emerging and developing economies, activity is expected to be relatively vigorous, driven by buoyant internal demand. Growth in Asia has been stronger than elsewhere, especially in China, where growth has surged and has been the primary reason for the rebound in the shipping sectors.

With East Asia leading the recovery and advanced economies showing progressive improvements, the Malaysian economy registered a positive growth of 4.5% in the fourth quarter of 2009 and is expected to improve further in 2010. The Malaysian economy is projected to expand by 4.5-5.5% in 2010, underpinned by strengthening domestic demand and supported by the improving external environment. Growth is expected to be increasingly driven by private sector activity. International trade, especially seaborne trade, has traditionally been the lifeblood of Malaysia. Presently it is estimated that 90% of the Country's trade is seaborne thus shipping still remains an important feature of the nation's economic development. However, the recovery for Malaysia's shipping sector is not expected till 2012.

The global shipping industry is expected to be more competitive and challenging in the upcoming year, as substantial new capacity will be delivered, adding pressure to the softening freight rate environment. For a sustained shipping recovery, the rate of newbuilding cancellations must be substantially heightened, shipyard newbuilding capacity contained, newbuilding delays maximized, as well as increased scrapping of ships.

In a nutshell, it is the supply side reality that will dictate the pace of recovery in shipping markets.

There is little optimism in the chemical tanker market in the last Q2009 and 2010; where a gloomy global economic picture, combined with another record-breaking year of deliveries, points to a very challenging year ahead.

The chances of recovery in the short-term are very bleak. The only hope will be if the deliveries are delayed and orders cancelled, with scrapping activities being accelerated and an improvement in the world economy. Any recovery can only be expected in 2010, coinciding with the phase out of single hull tonnage. It is expected that the freight market will bottom out, and recover in tandem, however any improvement in freight is expected to be small and range-bound, mainly due to a situation of oversupply. Most of the spot freight rates were reported to be at levels that were last recorded during 2003. Bearish sentiments continued to dominate the clean tanker market with spot freight rates declining on all reported routes. Global refinery maintenance and vessel availability, coupled with arbitrage activities are the key issues in the clean tanker market. In the short-term, China dominates the refinery capacity additions, while the Middle East projects will not come on stream before 2012 and 2013.

The dry bulk market started 2010 exactly as it began back at the beginning of 2009, with a bullish stance and renewed cargo interest. The future will depend greatly on the availability of funds to finance shipbuilding for both shipowners and shipyards and efforts to slow down the pace of deliveries, to ensure employment of vessels further down the line.

During the year imports of commodities are expected to slow down in China as the Government plans to impose import restrictions to curb its problem of over capacity in steel production, namely to close all steel mills with under one million tones annual production and stricter lending by banks.

On the other hand, economies such as the United States and the European Union are expected to increase investment, as they appear to be back on the growth path. Further with the growth of the Indian economy, and scarcity of its natural resources, India is likely to continue its demand for dry bulk commodities. The outlook is, nevertheless, still dominated by a large orderbook and modest growth in demand. However, it is expected that the huge scheduled deliveries will not be fully actualized over 2009 to 2011 as speculative orders have been cancelled or delayed.

Energy use over the long-term is expected to continue increasing steadily, as a result of rising living standards and growing populations, particularly in the developing countries.

Against the backdrop of growing demand, production from existing fields is nevertheless expected to decline, resulting in an output gap that could reach 45 million barrels of oil equivalent per day by 2015. To continue meeting demand in sustainable fashion, the industry will need to invest in substantial new production capacity. The offshore sector is expected to grow further with active exploration and production activities, especially in the deepwater sector. With an increasing need for oil coupled with high depletion rates, the long-term prognosis for the offshore support market is good. In the short-term conditions will be challenging.

Oil companies intend to increase spending levels in 2010, in reaction to the recent steady rise in oil prices, but offshore vessel rates are unlikely to recover much in the next two year due to the oversupply issue.

In the Malaysian front, with the recovery of the global economy, oil business will continue to play a strategic role in adding further value to the nation's petroleum resources. Thus the demand for Oil & Gas equipment and services seems set to increase, supporting the expansion in the Exploration & Production activities. These include jobs to make drilling rigs; build, transport and install platforms; supply drilling mud; providing diving services and supply bases; consulting and maintenance services; chartering offshore vessels and barges.

Going forward, the interest in the market has propelled freight rates since the beginning of the year, and has been enough to improve ship values. The renewed interest for the acquisition of secondhand vessels at today's prices among ship owners, is the fact that they offer large prospects for profit. As newbuilding activities appear to be moving out of recession, prices may well begin to increase again.

RAMALAN

Setelah mengambil kira kedudukan ekonomi sekarang, boleh dikatakan bahawa krisis ekonomi telah pun reda dan pemulihan ekonomi global sedang rancak dilaksanakan. Walaubagaimanapun, perihal keberkesanan proses pemulihan tidak dapat diramal pada enam bulan kedua tahun 2010 kerana impak pembangunan fiskal, langkah monetari dan kitaran inventori semasa mungkin sedikit sebanyak mengekang proses pemulihan ini.

Tabung Monetari Antarabangsa atau "International Monetary Fund" mengunjurkan ramalan pertumbuhan sebanyak 3.9% pada tahun 2010, iaitu angka yang lebih tinggi berbanding ramalan sebelumnya iaitu hanya sebanyak 3.1%. Bagi negara-negara maju, proses pemulihan dijangka akan berlaku secara perlahan manakala negara-negara sedang membangun, proses pemulihan dijangka berlaku dengan cepat dan agresif ekoran dibayangi permintaan dalaman yang agresif. Perkembangan di Asia adalah lebih positif berbanding negara-negara di benua lain terutamanya di negara China, satu negara dimana perkembangan itu telah menyebabkan berlakunya pemulihan sektor perkapalan.

Dengan Asia Timur sedang menjalani pemulihan dan negara-negara membangun menunjukkan pertumbuhan yang progresif, ekonomi Malaysia mula menunjukkan tanda-tanda positif dengan mencatatkan pertumbuhan sebanyak 4.5 % dalam suku keempat tahun 2009 dan dijangka akan bertambah pada tahun 2010. Ekonomi Malaysia diramal akan berkembang sebanyak 4.5%-5.5% pada tahun 2010 ekoran permintaan domestik yang tinggi dan sokongan daripada pihak kerajaan. Pertumbuhan ini juga dijangka akan dijana oleh aktiviti-aktiviti oleh pihak swasta. Perdagangan antarabangsa terutamanya perdagangan laut telah menjadi tulang belakang ekonomi Malaysia. Ketika ini, 90% daripada perdagangan negara adalah melibatkan sektor ini. Justeru, sektor perkapalan masih lagi dianggap sebagai sektor penting dalam memacu pembangunan ekonomi negara. Walaubagaimanapun, pemulihan sektor perkapalan di Malaysia dijangka tidak akan pulih sepenuhnya sehingga tahun 2012.

Industri perkapalan global dijangkakan akan menjadi lebih kompetitif dan mencabar pada tahun mendatang. Hal ini disebabkan oleh penerimaan kapasiti baru menambahkan lagi beban kepada nilai penghantaran kargo semasa. Untuk memungkinkan pemulihan sepenuhnya, nilai bagi kapal-kapal baru harus dipertingkatkan, limbungan baru mampu menampung kapasiti yang besar, masa penghantaran kapal-kapal baru dikurangkan dan meningkatkan pelupusan kapal-kapal lama.

Realitinya, faktor permintaan akan menentukan sejauhmana proses pemulihan sektor ini berlangsung.

Petunjuk pada akhir suku tahun 2009 dan 2010 menunjukkan nilai negatif, dibayangi oleh ekonomi global yang meruncing, penerimaan kapal siap yang memecah rekod, menjanjikan cabaran yang lebih hebat pada tahun mendatang.

Peluang untuk pemulihan dalam jangka masa singkat adalah sukar. Sekiranya penerimaan kapal-kapal baru dilewatkan dan pesanan bagi unit-unit baru dibatalkan, ianya mungkin membantu memulihkan ekonomi dunia. Pemulihan mungkin akan bermula sekitar tahun 2010 seiring dengan pemansuhan "single hull tonnage". Pasaran kargo dijangkakan berada dalam mod pemulihan tetapi disebabkan oleh lebihan permintaan dan sebarang pemulihan hanyalah bersifat sementara. Kebanyakan nilai kargo berada pada paras yang direkodkan ketika tahun 2003. Sentimen yang tidak jelas *akan terus mendominasi pasaran kapal tangki dengan nilai kargo dilaporkan semakin menurun untuk semua laluan utama perkapalan. Pusat penyelenggaraan global dan ketersediaan kapal-kapal ditambah dengan aktiviti-aktiviti mengeksploitasi harga pasaran semasa adalah perkara pokok dalam pasaran kapal tangki. Jika dilihat dalam jangkamasa singkat, negara China terus mendominasi sektor ini manakala projek-projek di Asia Barat akan mula membangun selepas tahun 2012 dan 2013.*

Pasaran kargo kering pada tahun 2010 pula dilihat mula menunjukkan tanda-tanda positif dengan adanya permintaan untuk kargo dan kepercayaan syarikat-syarikat bahawa sektor perkapalan telah mula pulih. Masa depan sektor ini bergantung sepenuhnya kepada modal bagi menanggung bebanan kewangan untuk membina kapal-kapal baru, pembinaan limbungan kapal dan langkah-langkah untuk mengurangkan penerimaan kapal-kapal baru. Hal ini dilakukan bagi memastikan kapal-kapal sedia ada digunakan sepenuhnya.

Pada tahun ini, aktiviti impot komoditi dijangkakan berkurang di negara China. Hal ini disebabkan oleh perancangan kerajaan China untuk mengenakan sekatan bagi mengatasi masalah kapasiti berlebihan dalam pengeluaran besi. Salah satu langkah yang diambil ialah menutup semua kilang besi dengan jumlah hasil besi dikeluarkan setiap tahun di bawah satu juta tan dan proses pinjaman yang lebih ketat dikenakan oleh bank ke atas syarikat-syarikat.

Selain itu, ekonomi dunia seperti di Amerika Syarikat dan negara-negara Kesatuan Eropah dijangka meningkatkan pelaburan mereka. Dengan peningkatan ekonomi dan kesukaran memperoleh sumber-sumber semulajadi, permintaan kargo kering di negara India dijangka akan meningkat dan berterusan. Sektor ini dijangka akan didominasi oleh pesanan dan permintaan yang tinggi. Walaubagaimanpun, penerimaan kapal-kapal baru akan bermula secara beransur-ansur mulai 2009 sehingga 2011.

Penggunaan tenaga dalam jangkamasa panjang dijangka meningkat setelah dibayangi peningkatan taraf hidup daripada yang rendah kepada yang lebih tinggi terutamanya di negara-negara membangun.

Berlawanan dengan peningkatan terhadap permintaan semasa, pengeluaran minyak dijangka akan berkurangan. Hal ini menyebabkan wujudnya jurang pengeluaran yang mampu mencapai 45 juta tong sehari sehingga tahun 2015. Bagi memenuhi permintaan ini, industri harus membuat pelaburan di dalam kapasiti teknologi yang terkini. Pertumbuhan sektor pesisir pantai dijangka akan meningkat dengan adanya aktiviti-aktiviti eksplorasi dan pengeluaran minyak terutamanya di sektor laut dalam. Dengan permintaan tinggi terhadap minyak dan ditambah pula nilai tinggi penggunaan sumber asli, kebarangkalian untuk kemudahan pesisir pantai adalah baik. Dalam jangkamasa pendek, keadaan mungkin akan lebih mencabar.

Syarikat-syarikat minyak bercadang untuk meningkatkan perbelanjaan pada tahun 2010, kesan daripada peningkatan harga minyak global tetapi nilai kapal-kapal pesisir pantai sukar untuk pulih sepenuhnya dalam masa dua tahun seterusnya jika isu lebihan pengeluaran minyak masih tidak dapat dikawal.

Di Malaysia, dengan pemulihan ekonomi global sekarang, pasaran minyak akan menjadi pemangkin dalam menambah nilai sumber petroleum negara. Justeru, permintaan terhadap peralatan dan perkhidmatan minyak dan gas akan meningkat dan seterusnya menampung aktiviti penambahbaikan eksplorasi dan pengeluaran minyak di rantau ini. Aktiviti-aktiviti ini temasuk mencarigali telaga minyak; membina, menghantar dan memasang platform; penyediaan cecair penggalian, khidmat penyelam laut dalam; menasihat dan menguruskan servis yang melibatkan syarikat minyak, khidmat kapal dan limbungan pesisir pantai.

Kehendak pasaran yang dijana sejak awal tahun ini dilihat semakin berkembang. Hal ini boleh menaiktarafkan nilai kargo dan kapal. Pembaharuan terhadap faedah bagi pemilikan kapal-kapal terpakai menjadi pilihan operator dan pemilik kapal. Faktor ini menjadi penyumbang terbesar kepada margin keuntungan mereka. Ketika aktiviti pembinaan kapal dijangka "keluar" daripada perangkap ekonomi, harga jualan dijangka akan kembali meningkat seperti sedia kala.

THE WAY FORWARD

An important strategy for GMVB going forward, beyond the financial crisis, is to further strengthen its financial and resource integration. The current downturn has also provided an opportunity for GMVB to take stock of internal processes, fine tune and further develop required capabilities to reinforce our platform upon which to launch our next growth phase. In view of the challenging business environment, GMVB will continue to enhance and add value to its businesses by looking into further integration within its present portfolio of businesses, while positioning itself strategically in the Malaysian shipping landscape. GMVB will continue to harness its position, particularly as the premier shipping venture capitalist within the local shipping industry to sharpen our competitive edge to seize new opportunities and deliver greater value. Building strategic partnerships will also continue to be an important element in GMVB's growth. GMVB will continue to explore and invest in value creation opportunities for our shareholders. A blueprint is being formulated to set the latest policies and action plans according to the changes in the current global economy.

To support our business strategy, it is crucial to focus on our human resources and good seamanship if we are to succeed in this market. Upgrading the skills of seafarers to meet the demand for competent officers for the Malaysian merchant shipping industry, remains a primary calling. To support the above initiative, GMVB plans to strengthen the quality and capability of seafarers by continuing with the Cadet Sponsorship Program at Akademi Laut Malaysia (ALAM) in 2010.

As these strategies become more pronounced, it will not only contribute towards unlocking GMVB's full potential, but will also contribute towards the growth of the shipping industry in this region.

PERANCANGAN MASA DEPAN

Antara strategi penting untuk GMVB maju ke hadapan mengatasi krisis kewangan adalah dengan memperkukuhkan lagi integrasi sumber dan kewangan. Kemerosotan semasa juga memberi peluang kepada GMBV untuk menilai proses dalaman, memperbaiki dan seterusnya melahirkan kebolehan yang diperlukan bagi memperkuatkan lagi platform kami bagi melancarkan fasa perkembangan yang seterusnya. Mengambilkira persekitaran perniagaan yang mencabar, GMVB akan terus mengukuhkan dan menambahkan nilai perniagan dengan mengkaji integrasi portfolio dalam perniagaan semasa disamping meletakkan diri secara strategik di landskap perkapalan Malaysia. GMVB akan terus mengekalkan kedudukannya terutama sekali sebagai peneraju modal teroka perkapalan tempatan bagi meningkatkan daya saing untuk merebut peluang-peluang baru dan memberi lebihan nilai. Membina perkongsian strategik akan sentiasa menjadi satu unsur yang penting dalam pembangunan GMVB. Kumpulan akan terus meneroka dan melabur dalam pelaburan yang memberi tambahan nilai untuk pemegang-pemegang saham kami. Satu pelan induk sedang dirumuskan untuk menetapkan dasar-dasar terkini dan juga pelan tindakan berdasarkan perubahan dalam ekonomi dunia semasa.

Untuk menyokong strategi perniagaan kami, ia adalah amat penting untuk memberi tumpuan pada sumber daya manusia dan ilmu pelayaran yang baik untuk berjaya. Sehubungan ini, menaiktaraf kemahiran bagi memenuhi permintaan pegawai-pegawai berkebolehan dalam industri perkapalan perdagangan Malaysia merupakan satu agenda yang harus diutamakan. Untuk menyokong inisiatif ini, GMVB merancang untuk meningkatkan mutu dan kebolehan pelaut-pelaut dengan meneruskan Program Penajaan Kadet di Akademi Laut Malaysia (ALAM) pada tahun 2010.

Apabila strategi-strategi ini mejadi kenyataan, ia bukan sahaja akan menyumbang kepada pembangunan GMVB secara menyeluruh, malahan juga akan membantu dalam pembangunan industri perkapalan di rantau ini.

APPRECIATION

GMVB owes a great deal of its success to the support and cooperation of so many quarters. These include the Ministry of Finance, all Government authorities and agencies, our various stakeholders, clients, business associates, financiers. Not to be forgotten are our shareholders and our joint venture partners. Your trust and confidence in us has made all the difference in a challenging year.

During the year I have received steadfast support from the Board of Directors and Bank Pembangunan Malaysia Berhad for their guidance and undivided support. In particular, I would like to extend my gratitude to YBhg. Dato Abdul Rahim bin Bakar who resigned as a Director of GMVB in December 2009, for YBhg. Dato's commitment in the Company's success, and I am pleased to welcome En. Mohd Zafer Mohd Hashim and Cpt. A. Ghani bin Ishak who were appointed to the Board in August 2009 and in March 2010 respectively. We look forward to benefit from their fresh insights and contributions to the Company.

We have become accustomed to taking challenges in our stride. This is attributed to the professionalism, commitment and efforts of management and staff. The Group is able to face these uncertain times with confidence, because we know that as a team, we will go far in shaping our future.

PENGHARGAAN

Kejayaan GMVB adalah rentetan daripada sokongan yang tidak berbelah bagi dan kepercayaan berterusan yang diberikan oleh pelbagai pihak seperti Kementerian Kewangan, agensi-agensi Kerajaan, badan-badan berkuasa, pemegang-pemegang saham, para pelanggan, rakan-rakan perniagaan dan usahasama, dan juga pembiaya kewangan. Kepercayaan dan keyakinan anda terhadap kami telah memainkan peranan yang besar dalam tahun yang mencabar ini. Sepanjang tahun ini, saya telah menerima bantuan dan sokongan yang tidak berbelah bahagi daripada Lembaga Pengarah dan Bank Pembangunan Malaysia Berhad. Saya ingin merakamkan ucapan terima kasih khususnya kepada Y.Bhg. Dato' Abdul Rahim bin Bakar yang telah meletak jawatan sebagai Pengarah GMVB pada bulan Disember 2009, di atas komitmen beliau dalam memastikan kejayaan Syarikat ini. Dengan sukacitanya, saya juga ingin mengalu-alukan En. Mohd Zafer Mohd Hashim dan Kapten A. Ghani bin Ishak yang telah dilantik sebagai Ahli Lembaga Pengarah GMVB yang berkuatkuasa Ogos 2009 dan Mac 2010. Kami berharap mereka dapat menyalurkan sumbangan dan pandangan baru untuk kemajuan syarikat ini seterusnya.

Cabaran bukan sesuatu yang baru bagi kami di dalam langkah untuk mencapai kejayaan. Ini telah dizahirkan melalui profesionalisme, komitmen dan usaha-usaha berterusan dari pihak pengurusan dan kakitangan kami. Kumpulan GMVB mampu mengharungi segala persekitaran yang tidak menentu dengan penuh keyakinan kerana wujudnya kerjasama berkumpulan yang erat yang seterusnya akan membentuk masa hadapan syarikat.

Risk Management Committee

1. Objective

The primary objective of the Risk Management Committee (RMC) is to oversee:

a. The overall management of all risks covering investment risk, financial risk and operational risk management.
b. Review and recommend the risk management policies and risk tolerance limits.
c. Ensures infrastructure, resources and systems are in place for risk management.

2. Functions and Responsibilities

The functions and responsibilities of the Committee are as follows:

a. Recommend appropriate risk management policies, procedures and processes in key risk areas such as strategic risk, investment risk, financial risk and operational risk.
b. Reviewing the adequacy of risk management strategies, policies and risk tolerance level of GMVB, and the extent of which these are operating effectively.
c. Formulating strategies to manage the overall risks associated with GMVB's activities.
d. Promoting an integrated approach to evaluate and inter-related risks.
e. Ensuring the infrastructure, resources and systems are in place to identify, measure, monitor and control risks.
f. Reviewing management's periodic information on risk exposures and risk management activities.
g. Ensuring adequate contingency plans are in place in the event of worst-case scenarios occurring.

3. Committee Meetings and Attendance

During the financial year ended 31 December 2009, the Risk Management Committee (RMC) held 3 meetings.
A record of the attendance of the Committee Members is as follows:

MEMBERS	NO. OF MEETINGS ATTENDED
Y Bhg. Dato' Huang Sin Cheng (Chairman)	3/3
Y. Bhg Datin Husniarti binti Tamin	3/3
Y.Bhg. Dato' Tajuddin bin Atan (resigned on 1 May 2009)	-

Audit And Examination Committee

1. Objective

The objective of the Audit and Examination Committee (AEC) is to review the financial condition of Global Maritime Ventures Berhad (GMVB) and its subsidiaries, the internal controls, the performance and findings of internal auditors and to recommend appropriate remedial action regularly.

2. Functions and Responsibilities

The functions and responsibilities of the Committee are as follows:

a. Recommend to the Board on the appointment of External Auditors, the fee and other matters pertaining to the resignation or termination or change of External Auditors.

b. Review with external auditors:
- their audit plan;
- their evaluation of the system of internal control;
- their audit report;
- their management letter and management's response, and
- the assistance given by the management and staff to the external auditors.

c. Carry out the following with regards to the internal audit function, among others:
- Review the adequacy of scope, functions and resources of the internal audit function and that it has the necessary authority to carry out its work;
- Review and approve internal audit plan; and
- Review audit reports and consider adequacy of Management's actions taken on audit findings or recommendations.

d. Receive and consider reports relating to the perpetration and prevention of fraud.

e. Review the Company's compliance with the related Government regulations.

f. Review the quarterly result and the year-end financial statement prior to the approval by the Board. The review of the year-end financial statement by the external auditor, shall focus particularly on:
- Any major changes in the accounting policy or its implementation;
- Adequacy of provisions against contingencies, bad and doubtful debts;
- Significant and unusual events; and
- Compliance with accounting standards and other legal requirements.

g. Ensure the prompt publication of annual accounts.

h. Discuss any problem and reservations that may arise from the interim and final audits, as well as any matter, which the external auditors may wish to discuss (in the absence of management where necessary).

i. Review any related party transactions and conflict of interest situation that may arise in the Company or within the group including any transaction, procedure or conduct that raises questions of management integrity.

j. Preparation of an AEC report at the end of each financial year, which will be published in the Company's Annual Report.

k. For the preparation of Company's annual report, submit to the Board an AEC Report, which shall contain the following information:
- The composition of the AEC, including name, designation and directorship of the members and whether the director is independent or otherwise;
- The term of reference of AEC;
- The number of AEC meetings held in the financial year and detail of attendance of each member; and
- A summary of the activities of the AEC in the discharge of its function and duties for the financial year.

l. Update the Board on the issues and concerns discussed during the meetings including those raised by external auditors and where appropriate, make the necessary recommendation to the Board.

3. Committee Meetings and Attendance

During the financial year ended 31 December 2009, the Audit Committee held 4 meetings. A record of the attendance of the Committee Members is as follows:

MEMBERS	NO. OF MEETINGS ATTENDED
Y.Bhg. Dato' Abdul Rahim bin Abu Bakar (Chairman) (Resigned on 1st October 2009)	4/4
Y. Bhg Datin Husniarti binti Tamin	4/4
Puan Eshah Meor Suleiman	3/4

GLOBAL MARITIME VENTURES BERHAD (264557-A)
(Incorporated in Malaysia)

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS
31 December 09'

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2009.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of a venture capital investment holding company.

The principal activities of the subsidiaries are described in Note 4 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

RESULT

	Group RM'000	Company RM'000
Profit for the year	51,045	21,874
Attributable to:		
Equity holders of the Company	43,042	21,874
Minority interests	8,003	-
	51,045	21,874

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

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

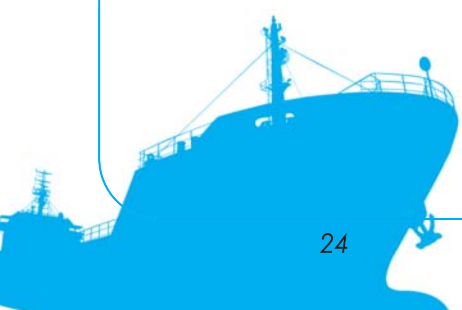
DIVIDENDS

The amount of dividends paid by the Company since 31 December 2008 were as follows:

In respect of the financial year ended 31 December 2008:	RM'000
Final tax exempt dividend of 8 sen per share on 300,000,000 ordinary shares, paid on 16 January 2009	24,000

An interim tax exempt dividend of 8 sen per share on 300,000,000 ordinary shares, amounting RM24,000,000 has been declared on 31 December 2009 in respect of the financial year ended 31 December 2009. This dividend has been paid subsequently on 21 January 2010.

At the forthcoming Annual General Meeting, no final tax exempt dividend will be proposed for shareholders' approval in respect of the financial year ended 31 December 2009.



DIRECTORS

The names of the directors of the Company since the date of the last report and at the date of this report are.

YBhg. Datuk Dr.Abdul Samad bin Hj. Alias	
YBhg. Dato' Huang Sin Cheng	
YBhg. Datin Husniarti binti Tamin	
Puan Eshah binti Meor Suleiman	
Mohd Zafer Mohd Hashim	(appointed on 20 August 2009)
YBhg. Dato' Tajuddin bin Atan	(resigned on 1 May 2009)
YBhg. Dato' Abdul Rahim bin Abu Bakar	(resigned on 1 December 2009)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, none of the directors in office at the end of the financial year had any interest in shares in the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregated amount of emoluments received or due and receivable by the directors as shown in Note 18 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

OTHER STATUTORY INFORMATION

(a) Before the income statements and balance sheets of the Group and of the Company were made out, he directors took reasonable steps:

    (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that no provision for doubtful debts was necessary; and
    (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

    (i) it necessary to write off any bad debts or to make any provision for doubtful debts in respect of the financial statements of the Group and the Company; and
    (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

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

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

(e) As at the date of this report, there does not exist:

  (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

  (i) no contingent or other liability has become enforceable or is likely to become enforceable with in the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
  (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENT

Significant events during the year are as disclosed in Notes 4, 5 and 11 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 23 February 2010.

Signed
Datuk Dr.Abdul Samad bin Hj. Alias

Signed
Mohd Zafer Mohd Hashim

STATEMENT BY DIRECTOR

Pursuant to Section 169(15) of the Companies Act, 1965

We, Datuk Dr.Abdul Samad bin Hj. Alias and Mohd Zafer Mohd Hashim, being two of the directors of Global Maritime Ventures Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 30 to 67 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2009 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 23 February 2010.

Signed
Datuk Dr.Abdul Samad bin Hj. Alias

Signed
Mohd Zafer Mohd Hashim

Statutory declaration
Pursuant to Section 169(16) of the Companies Act, 1965

I, Norulhadi bin Md Shariff, being the officer primarily responsible for the financial management of Global Maritime Ventures Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 30 to 67 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Norulhadi bin Md Shariff at Kuala Lumpur in Wilayah Persekutuan on 23 February 2010

Signed
Norulhadi bin Md Shariff

Before me,

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOBAL MARITIME VENTURES BERHAD (INCORPORATED IN MALAYSIA)

Report on the financial statements

We have audited the financial statements of Global Maritime Ventures Berhad, which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 30 to 67.

Directors' responsibility for the financial statements

The directors of the Group and the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Group and the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2009 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
(b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations.
(c) The auditors' reports on the accounts of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Other matters

This report is made solely to the members of the Group and the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Signed

Ernst & Young
AF: 0039
Chartered Accountants

Signed

Ong Chee Wai
No. 2857/07/10(J)
Chartered Accountant

Kuala Lumpur, Malaysia

23 February, 2010

Balance Sheets as at 31 December 2009

	Note	Group 2009 RM'000	Group 2008 RM'000 (Restated)	Company 2009 RM'000	Company 2008 RM'000
Non-current assets					
Vessels and equipment	3	575,646	715,528	200	280
Investments in subsidiaries	4	-	-	20,300	20,300
Investments in jointly controlled entities	5	174,622	130,185	75	75
Other investments	6	70	70	70	70
Pool working fund	7	3,594	3,647	-	-
		753,932	849,430	20,645	20,725
Current assets					
Investments in jointly controlled entities	5	3,370	3,370	-	-
Receivables, deposits and prepayments	8	148,158	138,647	218,883	189,238
Inventories, at cost	9	2,703	2,830	-	-
Cash and cash equivalents	10	670,527	697,035	641,855	674,297
		824,758	841,882	860,738	863,535
Non current assets held for sale	11	79,402	-	-	-
		904,160	841,882	860,738	863,535
Total assets		1,658,092	1,691,312	881,383	884,260
Equity and liabilities					
Equity attributable to equity holders of the Company					
Share capital	12	300,000	300,000	300,000	300,000
Currency translation reserve	25	(21,696)	(17,938)	-	-
Retained earnings	24	841,276	822,234	554,948	557,074
		1,119,580	1,104,296	854,948	857,074
Minority interest		96,257	96,357	-	-
Total equity		1,215,837	1,200,653	854,948	857,074
Non-current liabilities					
Borrowings	13	318,293	371,665	-	-
Current liabilities					
Borrowings	13	47,915	38,209	-	-
Payables and accruals	14	76,047	80,785	26,435	27,186
		123,962	118,994	26,435	27,186
Total liabilities		442,255	490,659	26,435	27,186
Total equity and liabilities		1,658,092	1,691,312	881,383	884,260

The accompanying notes form an integral part of the financial statements.

Income Statements
For the year ended 31 December 2009

	Note	Group 2009 RM'000	Group 2008 RM'000 (Restated)	Company 2009 RM'000	Company 2008 RM'000
Revenue	15	185,099	292,017	12,637	101,771
Other income		2,483	5,544	11	23
Administrative expenses		(60,635)	(62,062)	(1,800)	(1,820)
Operating expenses		(55,891)	(47,281)	-	-
Staff costs	17	(39,400)	(37,769)	(2,414)	(1,960)
Operating profit		31,656	150,449	8,434	98,014
Interest income		22,111	29,237	18,951	23,637
Finance costs		(9,339)	(19,791)	(3)	(5)
Share of profit of jointly controlled entities		13,251	4,223	-	-
Profit before tax	16	57,679	164,118	27,382	121,646
Income tax expense	19	(6,634)	(8,761)	(5,508)	(7,828)
Profit for the year		51,045	155,357	21,874	113,818
Attributable to:					
Equity holders of the Company		43,042	114,365	21,874	113,818
Minority interests		8,003	40,992	-	-
		51,045	155,357	21,874	113,818

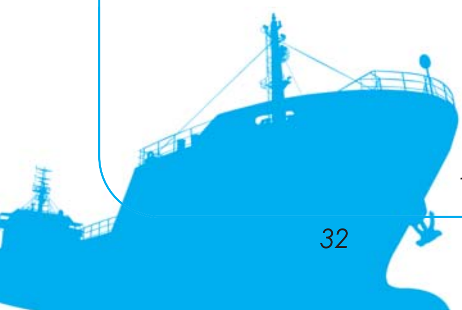
The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Changes In Equity
For the year ended 31 December 2009

	Note	Share Capital RM'000	Currency Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Minority Interests RM'000	Total RM'000
Group							
At 1 January 2008		300,000	(33,240)	731,869	998,629	89,182	1,087,11
Exchange differences		-	15,302	-	15,302	6,558	21,860
Profit for the year (restated)		-	-	114,365	114,365	40,992	155,357
Dividends	20	-	-	(24,000)	(24,000)	(40,375)	(64,375)
At 31 December 2008 (restated)		300,000	(17,938)	822,234	1,104,296	96,357	1,200,653
Exchange differences		-	(3,758)	-	(3,758)	(1,615)	(5,373)
Profit for the year		-	-	43,042	43,042	8,003	51,045
Dividends	20	-	-	(24,000)	(24,000)	(6,488)	(30,488)
At 31 December 20089		300,000	(21,696)	841,276	1,119,580	96,257	1,215,837

Statement of Changes In Equity
For the year ended 31 December 2009

	Note	Non-Distributable Share Capital RM'000	Distributable Retained Earnings RM'000	Total Equity RM'000
Company				
At 1 January 2008		300,000	467,256	767,256
Profit for the year		-	113,818	113,818
Dividends		-	(24,000)	(24,000)
At 31 December 2008	20	300,000	557,074	857,074
At 1 January 2009		-	557,074	857,074
Profit for the year		-	21,874	21,874
Dividends	20	-	(24,000)	(24,000)
At 31 December 2009		300,000	554,948	854,948



The accompanying notes form an integral part of the financial statements.

Cash Flow Statements
For the year ended 31 December 2009

	Group		Company	
	2009 RM'000	2008 RM'000 (Restated)	2009 RM'000	2008 RM'000
Cash flows from operating activities				
Profit before taxation	57,679	164,118	27,382	121,646
Adjustments for:				
Share of profit of jointly controlled entities	(13,251)	(4,223)	-	-
Depreciation of vessels and equipment	48,147	47,932	112	111
Amortisation of dry-docking expenses	11,036	11,853	-	-
Interest expense	9,338	19,791	3	5
Interest income	(22,111)	(29,237)	(18,951)	(23,637)
Dividend income	-	-	(12,637)	(101,771)
Unrealised foreign exchange loss/(gain)	1,422	(3,955)	-	-
Operating profit/(loss) before changes in working capital	92,260	206,279	(4,091)	(3,646)
Changes in working capital:				
Decrease/(increase) in inventories	126	(491)	-	-
(Increase)/decrease in receivables, deposits and prepayment	(7,626)	23,033	(28,597)	14,423
Decrease in payables and accruals	(8,591)	(17,661)	(367)	(261)
Decrease in pool working fund	53	161	-	-
Cash generated from/(used in) operation	76,222	211,321	(33,055)	10,516
Interest received	23,159	30,308	17,903	24,618
Dividend received	-	-	12,637	101,771
Tax paid	(7,137)	(5,763)	(5,893)	(5,260)
Interest expense	(9,338)	(19,791)	(3)	(5)
Net cash generated from/(used in) operating activities	82,906	216,075	(8,411)	131,640

The accompanying notes form an integral part of the financial statements.

Cash Flow Statements
For the year ended 31 December 2009 (cont'd)

	Group		Company	
	2009 RM'000	2008 RM'000 (Restated)	2009 RM'000	2008 RM'000
Cash flows from investing activities				
Purchase of vessels and equipment	(8,798)	(24,095)	(30)	(31)
Acquisition of jointly controlled entities	(20,280)	(33,996)	-	-
Advances to jointly controlled entities	(10,906)	(29,470)	-	-
Repayment of shareholders' loan from subsidiaries	-	-	-	(35,404)
Acquisition of other investments	-	-	-	(25,757)
Net cash used in investing activities	(39,984)	(87,561)	(30)	(61,192)
Cash flows from financing activities				
Dividend paid	(30,488)	(64,375)	(24,000)	(24,000)
Repayment of term loans	(43,666)	(46,472)	-	-
Net cash used in financing activities	(74,154)	(110,847)	(24,000)	(24,000)
Net (decrease)/increase in cash and cash equivalents	(31,232)	17,667	(32,441)	46,448
Effects of foreign exchange rate changes	4,724	6,156	-	-
Cash and cash equivalents at beginning of year	697,035	673,212	674,297	627,849
Cash and cash equivalents at end of year	670,527	697,035	641,856	674,297

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements - 31 December 2009

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The principal place of business of the Company is located at Aras 15, Menara Bank Pembangunan, Bandar Wawasan, No. 1016, Jalan Sultan Ismail, 50250 Kuala Lumpur.

The principal activity of the Company is that of a venture capital investment holding company. The principal activities of the subsidiaries are described in Note 4.

There have been no significant changes in the nature of the principal activities during the financial year.

The holding company and ultimate holding body of the Company is Bank Pembangunan Malaysia Berhad, a company incorporated and domiciled in Malaysia and The Minister of Finance (Incorporation) ("MOF"), a body corporate which was incorporated under the Minister of Finance (Incorporation) Act, 1957.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 February 2010.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia ("FRSs").

The financial statements of the Group and of the Company have also been prepared on a historical cost basis except for a subsidiary that has been prepared on a break-up basis for the financial year ended 31 December 2009.

The functional currency of certain subsidiaries is United States Dollar ("USD"). The financial statements are presented in Ringgit Malaysia ("RM') in compliance with FRSs and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

The functional currency of the Company is RM, and its financial statements are also presented in RM.

2.2 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included as profit or loss.

The accompanying notes form an integral part of the financial statements.

2.2 Summary of significant accounting policies (cont'd)

(a) Subsidiaries and basis of consolidation (cont'd)

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in subsidiaries' equity since then.

(b) Jointly controlled entities

The Group has an interest in a joint venture which is a jointly controlled entity. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

Investments in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in jointly controlled entity is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the jointly controlled entity. The Group's share of the net profit or loss of the jointly controlled entity is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the jointly controlled entity, the Group recognises its share of such changes.

The accompanying notes form an integral part of the financial statements.

2.2 Summary of significant accounting policies (cont'd)

(b) Jointly controlled entities (cont'd)

In applying the equity method, unrealised gains and losses on transactions between the Group and the jointly controlled entity are eliminated to the extent of the Group's interest in the jointly controlled entity. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the jointly controlled entity. The jointly controlled entity is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the jointly controlled entity.

Goodwill relating to the jointly controlled entity is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the jointly controlled entity's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the jointly controlled entity's profit or loss in the period in which the investment is acquired.

Where the Group's share of losses in the jointly controlled entity equals or exceeds its interest in the jointly controlled entity, including any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the jointly controlled entity.

The most recent available audited financial statements and management accounts of the jointly controlled entities are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting polices are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in jointly controlled entities are stated at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(c) Vessels and equipment and depreciation

All vessels, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The accompanying notes form an integral part of the financial statements.

2.2 Summary of significant accounting policies (cont'd)

(c) Vessels and equipment and depreciation (cont'd)

Subsequent to recognition, vessels, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of vessels, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Motor vehicles	5 years
Furniture and fittings	6 - 7 years
Office equipment	6 - 7 years
Office renovation	3 years
Computers	5 years
Vessels	25 years
Dry docking	2.5 - 5 years

Vessels under construction is not depreciated as the asset is not available for use.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the vessels, plant and equipment.

Vessels, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit and loss and the unutilised portion of the revaluation surplus is taken directly to retained profits.

(d) Impairment of non-financial assets

The carrying amount of assets, other than inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating-unit ("CGU") to which the asset belongs to.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

The accompanying notes form an integral part of the financial statements.

2.2 Summary of significant accounting policies (cont'd)

(d) Impairment of non-financial assets (cont'd)

An asset recoverable amount is the higher of an asset or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are all allocated first to reduce the carrying amount if any goodwill allocated to those units or group of units and then, to reduce the carrying amount of the other assets in the unit or group of units on a pro-rata basis.

(e) Inventories

Inventories which comprise lubricants are held for own consumption and are stated at lower of cost and net realisable value. Cost is arrived at on the weighted average basis and comprises the purchase price and other direct charges.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(f) Financial instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank, deposit at call and short term highly liquid investments which have an insignificant risk of changes in value.

(ii) Other non-current investment

Non-current investments other than investments in subsidiaries and associates are stated at cost less impairment losses. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in profit or loss.

(iii) Trade and other receivables

Trade and other receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iv) Trade and other payables

Trade and other payables are stated at the fair value of the consideration to be paid in the future for goods and services received.

The accompanying notes form an integral part of the financial statements.

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(f) Financial instruments (cont'd)

(v) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(vi) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(g) Borrowing costs

Borrowing costscomprise debts issuance costs and interest costs. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(h) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is providedfor using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

2. **Significant accounting policies (cont'd)**

2.2 Summary of significant accounting policies (cont'd)

(h) Income tax (cont'd)

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(i) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(j) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

(k) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company is RinggitMalaysia ("RM") and that of certain subsidiaries is United States Dollar ("USD"). The financial statements are presented in RM, in compliance with FRSs.

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(k) Foreign currencies (cont'd)

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency ("foreign currencies") are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in income statement for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the currency translation reserve within equity until the disposal of the foreign operation, at which time they are recognised in income statement. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, regardless of the currency of the monetary item, are recognised as profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in income statement for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency ("RM") of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the currency translation reserve within equity.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the balance sheet date. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 January 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rates prevailing at the date of acquisition.

2. **Significant accounting policies (cont'd)**

2.2 Summary of significant accounting policies (cont'd)

(l) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Share of pool profit/(loss)

Share of pool profit/(loss) arising from the ship-owning subsidiaries' participation in pool arrangements is accounted for on an accrual basis.

(ii) Charter hireincome

Charter hire fees are accounted for on an accrual basis.

(iii) Interest income

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

(iv) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(m) Repairs and maintenance, and dry-docking

Repairs and maintenance costs are recognised in income statement as incurred. Dry-docking expenditure is capitalised and depreciated over a period of 30 to 60 months or the period until the next drydocking date, whichever is the shorter.

(n) Non-current Assets Held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with applicable FRSs. wThen, on initial classification as held for sale, non-current assets are measured in accordance with FRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

2. Significant accounting policies (cont'd.)

2.3 Standards and Interpretations Issued but Not Yet Effective

At the date of authorisation of these financial statements, the following new FRSs, Amendments to FRSs and Interpretations were issued but not yet effective and have not been applied by the Company:

FRSs, Amendments to FRSs and Interpretations

Effective for financial periods beginning on or after 1 July 2009:

FRS 8	Operating Segments

Effective for financial periods beginning on or after 1 January 2010 :

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (as revised in 2009)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 1 and FRS 127	First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendment to FRS 7	Financial Instruments: Disclosures
Amendment to FRS 8	Operating Segments
Amendment to FRS 107	Cash Flow Statements
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 110	Events After the Balance Sheet Date
Amendment to FRS 116	Property, Plant and Equipment
Amendment to FRS 117	Leases
Amendment to FRS 118	Revenue
Amendment to FRS 119	Employee Benefits
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendment to FRS 123	Borrowing Costs
Amendment to FRS 128	Investments in Associates
Amendment to FRS 129	Financial Reporting in Hyperinflationary Economies
Amendment to FRS 131	Interests in Joint Ventures
Amendments to FRS 132	Financial Instruments: Presentation
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 136	Impairment of Assets
Amendment to FRS 138	Intangible Assets
Amendments to FRS 139, FRS 7 and IC Interpretation 9	Financial Instruments: Recognition and Measurement, Disclosures and Reassessment of Embedded Derivatives
Improvement to FRSs 2009	Improvement to FRSs (2009)

2. Significant accounting policies (cont'd)

2.3 Standards and Interpretations Issued but Not Yet Effective (cont'd.)

FRSs, Amendments to FRSs and Interpretations (cont'd.)

Effective for financial periods beginning on or after 1 January 2010: (cont'd.)

IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Effective for financial periods beginning on or after 1 July 2010:

FRS 1	FRS 1 First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations
FRS 127	Consolidated and Separate Financial Reassessment
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138	Intangible Assets
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

The above new FRSs, Amendments to FRSs and Interpretations are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application except for the following:

FRS 101 (Revised): Presentation of Financial Statements

The revised FRS101 requires owner and non-owner changes in equity to be presented separately. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line item. In addition, the revised standard introduces the statement of comprehensive income: its presents all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense, either in one single statement, or in two linked statements.

This is a disclosure standard with no impact on the financial position or financial performance of the Group.

The Group and the Company are exempted from disclosing the possible impact to the financial statements upon the initial application of FRS 7 and FRS 139.

3. Vessels and equipment

Group

	Vessels RM'000	Drydocking expenses RM'000	Furniture, fittings and office equipment RM'000	Office renovation RM'000	Motor vehicle RM'000	Computers RM'000	Vessels under construction RM'000	Total RM'000
At 31 December 2009								
Cost								
At 1 January 2009	1,183,598	42,231	187	292	158	272	-	1,226,729
Additions	1,423	7,344	1	-	-	30	-	8,798
Transfer to assets held for sale	(145,130	(6,156)	-	-	-	-	-	(151,286)
Fully amortised	-	(11,267)	-	-	-	-	-	(11,267)
Effect of movements in exchange rates	(17,430)	(447)	-	-	-	-	-	(17,877)
At 31 December 2009	1,022,452	31,705	188	292	158	302	-	1,055,097
Accumulated depreciation								
At 1 January 2009	485,842	24,729	111	206	89	224	-	511,201
Depreciation for the year	48,035	11,036	19	56	18	19	-	59,183
Transfer to assets held for sale	(69,069)	(2,815)						(71,884)
Fully amortised	-	(11,267)	-	-	-	-	-	(11,267)
Effect of movements in exchange rates	(7,482)	(300)	-	-	-	-	-	(7,782)
At 31 December 2009	457,326	21,383	130	262	107	243	-	479,451
Net Carrying amounts	565,126	10,322	58	30	51	59	-	575,646

3. Vessels and equipment (cont'd.)

Group (cont'd.)

	Vessels RM'000	Drydocking expenses RM'000	Furniture, fittings and office equipment RM'000	Office renovation RM'000	Motor vehicle RM'000	Computers RM'000	Vessels under construction RM'000	Total RM'000
At 31 December 2008								
Cost								
At 1 January 2008	1,120,311	28,359	171	292	451	257	-	1,149,841
Additions	11,348	12,716	16	-	-	15	32,170	56,265
Disposal	-	-	-	-	(293)	-	-	(293)
Effect of movements							-	-
in exchange rates	51,930	1,156	-	-	-	-	-	53,086
At 31 December 2008	1,183,589	42,231	187	292	158	272	32,170	1,258,899
Prior year adjustments								
(Note 27)	-	-	-	-	-	-	(32,170)	(32,170)
At 31 December 2008								
(restated)	1,183,589	42,231	187	292	158	272	-	1,226,729
Accumulated depreciation								
At 1 January 2008	420,458	12,356	94	150	360	208	-	433,626
Depreciation for the year	47,821	11,853	17	56	22	16	-	59,785
Disposal	-	-	-	-	(293)	-	-	(293)
Effect of movements								
in exchange rates	17,563	520	-	-	-	-	-	18,083
At 31 December 2008	485,842	24,729	111	206	89	224	-	511,201
Net Carrying amounts	697,747	17,502	76	86	69	48	-	715,528

3. Vessels and equipment (cont'd.)

Company

	Furniture, fittings and office equipment RM'000	Office renovation RM'000	Motor vehicle RM'000	Computers RM'000	Total RM'000
At 31 December 2009					
Cost					
At 1 January 2009	187	292	158	272	909
Additions	1	-	-	29	30
At 31 December 2009	188	292	158	301	939
Accumulated depreciation					
At 1 January 2009	111	206	89	223	629
Depreciation for the year	19	55	17	19	110
At 31 December 2009	130	261	106	242	739
Net Carrying amounts	58	31	52	59	200

3. Vessels and equipment (cont'd.)

Company (cont'd.)

	Furniture, fittings and office equipment RM'000	Office renovation RM'000	Motor vehicle RM'000	Computers RM'000	Total RM'000
At 31 December 2008					
Cost					
At 1 January 2008	165	306	158	258	887
Adjusment	6	(14)	293	(1)	284
At 1 January 2008 (restated)	171	292	451	257	1,171
Additions	16	-	-	15	31
Disposal	-	-	(293)	-	(293)
At 31 December 2008	187	292	158	272	909
Accumulated depreciation					
At 1 January 2008	88	164	67	208	527
Adjusment	6	(14)	293	(1)	284
At 1 January 2008 (restated)	94	150	360	207	811
Depreciation for the year	17	56	22	16	111
Disposals	-	-	(293)	-	(293)
At 31 December 2008	111	206	89	223	629
Net Carrying amounts	76	86	69	49	280

3. Vessels and equipment (cont'd.)

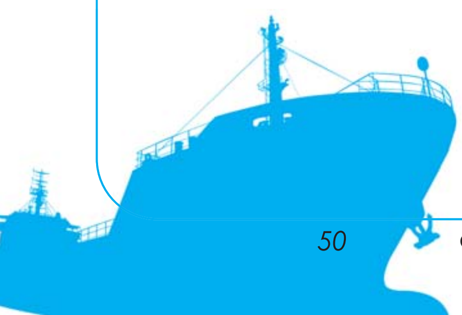
At 31 December 2009, vessels with carrying amount of RM565,126,000 (2008: RM697,747,000) were pledged to a licensed financial institution for banking facilities granted to the subsidiaries (Note 13).

4. Investment in subsidiaries

	Company 2009 RM'000	Company 2008 RM'000
Unquoted shares, at cost	20,300	20,300

Details of the subsidiaries are as follows:

Name of Subsidiary	Country of Incorporation	Principal Activities	Effective Interest (%) 2009	Effective Interest (%) 2008
Held by the Company				
Glory Incentive Sdn Bhd	Malaysia	Investment holding	100	100
GMV-Alam Sdn Bhd	Malaysia	Investment holding	100	100
GMV-Gagasan Sdn Bhd	Malaysia	Investment holding	100	100
Tegas Senja Sdn Bhd *	Malaysia	Investment holding	100	100
GMV-Bahtera Sdn Bhd	Malaysia	Investment holding	100	100
GMV-Orion Sdn Bhd	Malaysia	Investment holding	100	100
GMV-Regional Sdn Bhd	Malaysia	Investment holding	100	100
GMV-Orkim Sdn Bhd	Malaysia	Investment holding	100	100
GMV-Offshore Sdn Bhd	Malaysia	Investment holding	100	100
GMV-Global Sdn Bhd	Malaysia	Investment holding	100	100
GMV-Jasa Sdn Bhd	Malaysia	Investment holding	100	100
GMV-Omni Sdn Bhd	Malaysia	Investment holding	100	100
Mutiara Navigation Sdn Bhd	Malaysia	Ship-owning	70	70
Intan Navigation Sdn Bhd	Malaysia	Ship-owning	70	70
Nilam Navigation Sdn Bhd	Malaysia	Ship-owning	70	70
Kasa Navigation Sdn Bhd	Malaysia	Ship-owning	70	70
Mayang Navigation Sdn Bhd	Malaysia	Ship-owning	70	70
Sari Navigation Sdn Bhd	Malaysia	Ship-owning	70	70
Tiara Navigation Sdn Bhd	Malaysia	Dormant	70	70
Exiwealth Resources Sdn Bhd	Malaysia	Investment holding	100	-



4. Investment in subsidiaries (cont'd.)

Name of Subsidiary	Country of Incorporation	Principal Activities	Effective Interest (%) 2009	2008
Held by Glory Incentive Sdn Bhd				
Permata Navigation Sdn Bhd	Malaysia	Ship-owning	70	70
Gemala Navigation Sdn Bhd	Malaysia	Ship-owning	70	70
Ratna Navigation Sdn Bhd	Malaysia	Ship-owning	70	70
Kencana Navigation Sdn Bhd	Malaysia	Ship-owning	70	70
Ayu Navigation Sdn Bhd	Malaysia	Dormant	70	70

All subsidiaries are audited by Ernst & Young, Malaysia.

* Financial statements of Tenja Senja Sdn Bhd as at 31 December 2009 have been prepared on a break-up basis.

On 25th October 2009, the Company acquired Exiwealth Resources Sdn Bhd as a wholly owned subsidiary for a cash consideration of RM2 pursuant to a joint venture between Global Maritime Ventures Berhad and Syarikat Borcos Shipping Sdn Bhd.

5. Investments in jointly controlled entities

	Group		Company	
	2009 RM'000	2008 RM'000 (Restated)	2009 RM'000	2008 RM'000
Unquoted shares, at cost	77,953	52,185	75	75
Share of post acquisition reserves	21,817	11,374	-	-
	99,770	63,559	75	75
Advances to jointly controlled entities:				
- within 1 year	3,370	3,370	-	-
- more than 1 year	74,852	66,626	-	-
	78,222	69,996	-	-
	177,992	133,555	75	75
Analysed as:				
Short term investment	3,370	3,370	-	-
Long term investment	174,622	130,185	75	75
	177,992	133,555	75	75

5. Investments in jointly controlled entities (cont'd.)

The advances are interest free, unsecured and have no fixed term of repayment except for advances to Alam Synergy I (L) Inc, Alam Synergy II (L) Inc and Alam Synergy III (L) Inc amounting to RM24,677,502 (2008: RM28,040,350) which bear an interest of 7% (2008: 7%) per annum and repayable on a quarterly basis over a period of 10 years.

Details of the jointly controlled entities whose financial year end are conterminous with the Group are as follows:

Name of Jointly Controlled Entities	Country of Incorporation	Principal Activities	Effective Interest (%) 2009	2008
Wawasan Bulk Services Sdn Bhd	Malaysia	Ship management	30	30
Alam Eksplorasi Sdn Bhd	Malaysia	Ship-owning, ship operator, ship agency, chartering and other related to shipping industry	40	40
Alam Synergy I (L) Inc	Malaysia	Ship-owning, ship operator and charter hire of vessel	40	40
Alam Synergy II (L) Inc	Malaysia	Ship-owning, ship operator and charter hire of vessel	40	40
Alam Synergy III (L) Inc	Malaysia	Ship-owning, ship operator and charter hire of vessel	40	40
Formasi Cekal Sdn Bhd	Malaysia	Ship-owning, Ship operator, and to undertake all kinds of contract to carry merchant goods	40	40
Baycorp Ship Management Sdn Bhd	Malaysia	Ship management	40	40
Gagasan Sembilan Sdn Bhd	Malaysia	Ship-owning	40	40
Gagasan Ked Sdn Bhd	Malaysia	Ship-owning	60	60
Gagasan Paha Sdn Bhd	Malaysia	Ship-owning	60	60

5. Investments in jointly controlled entities (cont'd.)

Name of Jointly Controlled Entities	Country of Incorporation	Principal Activities	Effective Interest (%) 2009	2008
Orkim Leader Sdn Bhd	Malaysia	Ship-owning and freighting	40	40
Orkim Power Sdn Bhd	Malaysia	Ship-owning and freighting	40	40
Orkim Merit Sdn Bhd	Malaysia	Ship-owning and freighting	40	40
Orkim Express Sdn Bhd	Malaysia	Ship-owning and freighting	40	40
Budisukma Mesra Sdn Bhd	Malaysia	Ship-owning and freighting	49	49
Budisukma Mesra Dua Sdn Bhd	Malaysia	Ship-owning and freighting	49	49
JM Global 1 (L) Plc	Malaysia	Ship-owning and freighting	49	49
JM Global 2 (L) Plc	Malaysia	Ship-owning and freighting	49	49
Omni Offshore (L) Inc	Malaysia	Ship-owning and freighting	40	40
Orkim Challenger Sdn Bhd	Malaysia	Ship-owning and freighting	60	-
Orkim Discovery Sdn Bhd	Malaysia	Ship-owning and freighting	60	-
Orkim Reliance Sdn Bhd	Malaysia	Ship-owning and freighting	60	-
Budisukma Ikhlas Sdn Bhd	Malaysia	Ship-owning and freighting	49	-

The voting rights for all the jointly controlled entities mentioned above are equal for both the joint venture parties.

During the financial year, certain subsidiaries entered into new ventures with third parties as follows:

(a) GMV-Orkim Sdn Bhd entered into a joint venture agreement with Orkim Sdn Bhd to acquire 60% interest in Orkim Discovery Sdn Bhd, Orkim Challenger Sdn Bhd and Orkim Reliance Sdn Bhd for a total cash consideration of RM14,400,000.

(b) GMV-Global Sdn Bhd entered into a joint venture agreement with Global Carriers Bhd to acquire 49% interest in Budisukma Ikhlas Sdn Bhd for a cash consideration of RM5,880,000.

During the financial year, GMV-Global Sdn Bhd subscribed 49% of new ordinary shares at par value in Budisukma Mesra Sdn Bhd and Budisukma Mesra Dua Sdn Bhd for a total cash consideration of RM5,488,000.

5. Investments in jointly controlled entities (cont'd.)

The Group's aggregate share of current assets, non-current assets, current liabilities, income and expenses of the jointly controlled entities is as follows:

	Company	
	2009 RM'000	2008 RM'000 (Restated)
Non-current assets	359,448	184,166
Current assets	58,195	57,350
Total assets	417,643	241,516
Non-current liabilities	183,736	118,490
Current liabilities	136,317	59,467
Total liabilities	320,053	177,957
Results		
Revenue	39,468	27,162
Profit for the year	13,251	3,904

6. Other investments

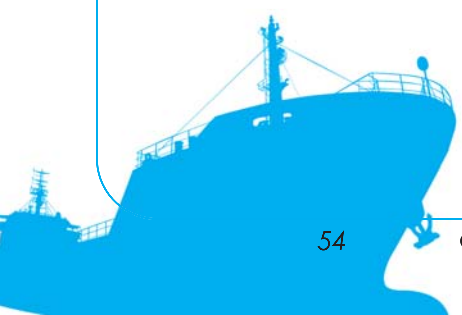
The investments represent memberships at Glenmarie Golf & Country Club which are stated at cost.

7. Pool working fund

These represent advances from subsidiary companies to the pool operators for operating funds of the vessels in the pool. These advances are interest free, unsecured and are refundable only upon termination of the pool agreement signed between the subsidiary companies and the pool operators.

8. Receivables, deposits and prepayments

		Group		Company	
	Note	2009 RM'000	2008 RM'000 (Restated)	2009 RM'000	2008 RM'000
Trade receivables					
Third parties		37,713	12,436	-	-
Amounts due from related parties	a	52,206	57,522	-	-
		89,919	69,958	-	-



8. Receivables, deposits and prepayments (cont'd.)

	Note	Group 2009 RM'000	Group 2008 RM'000 (Restated)	Company 2009 RM'000	Company 2008 RM'000
Other receivables					
Third parties	b	15,865	18,767	5,793	4,566
Deposits		58	58	58	58
Prepayments		106	964	34	37
Amount due from subsidiaries	c	-	-	212,998	184,577
Amount due from related parties	a	42,210	48,900	-	-
		58,239	68,689	218,883	189,238
		148,158	138,647	218,883	189,238

The Group and Company have no significant concentration of credit risk that may arise from exposure to a single debtor or to a group of debtors, other than to related parties.

(a) Amounts due from related parties

Amounts due from related parties are unsecured, interest free and have no fixed term of repayment.

(b) Other receivables from third parties

Included in other receivables from third parties is RM1,379,033 (2008: RM1,199,325) being loan to staff, bearing an interest of 4% (2008:4%) per annum and repayable by monthly salary deductions.

(c) Amount due from subsidiaries

Included in amount due from subsidiaries, is RM211,426,023 (2008: RM181,614,341) being advances to subsidiaries held by the Company which are interest-free, unsecured and has no fixed terms of repayment.

9. Inventories

	2009 RM'000	2008 RM'000
Lubricants, at cost	2,703	2,830

10. Cash and cash equivalents

	Group		Company	
	2009 RM'000	2008 RM'000 (Restated)	2009 RM'000	2008 RM'000
Deposits with:				
Licensed banks	669,916	695,407	641,794	672,945
Cash and bank balances	611	1,628	61	1,352
	670,527	697,035	641,855	674,297

The range of interest rates and the maturities of deposits as at 31 December 2009 were 2.00% to 2.65% (2008: 3.00% to 3.68%) and 9 to 365 days (2008: 31 to 365 days), respectively.

Other information on financial risks of cash and cash equivalents are disclosed in Note 21.

11. Non-current assets held for sale

	Group	
	2009 RM'000	2008 RM'000
As at 1 January	-	-
Reclassified from vessels and equipments (Note 3)	79,402	-
As at 31 December	79,402	-

During the financial year, Selendang Kasa and Selendang Mayang were classified as non-current assets held for sale. Memorandum of Agreements have been signed for the sale of the vessels. Deposits had been received for the sale of Selendang Kasa and Selendang Mayang, however the risks and rewards have not been transferred to the purchasers.

At 31 December 2009, the non-current assets held for sale were pledged to a licensed financial institution for banking facilities granted to the subsidiaries (Note 13).

12. Share capital

	Number of Ordinary Shares of RM1 Each 2009 '000	Number of Ordinary Shares of RM1 Each 2008 '000	Amount 2009 RM'000	Amount 2008 RM'000
Authorised:				
At 1 January/31 December	1,000,000	1,000,000	1,000,000	1,000,000
Issued and fully paid:				
At 1 January/31 December	300,000	300,000	300,000	300,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

13. Loans and borrowings

	Group 2009 RM'000	Group 2008 RM'000 (Restated)
Secured term loan:		
Within 1 year	47,915	38,209
	47,915	38,209
Secured term loan:		
More than 1 year and less than 2 years	47,915	38,209
More than 2 years and less than 5 years	95,830	76,417
More than 5 years	174,548	257,039
	318,293	371,665
Total	366,208	409,874

13. Loans and borrowings (cont'd.)

Security

The term loans for the dry-bulkers are secured by a first priority Malaysian Ship mortgage and general assignment of earnings and insurance in respect of the vessels concerned and guarantee from the holding company and holding company of a corporate shareholder amounting to RM10,263,000 in 2007. The term loans have been fully repaid in prior year.

The term loans for tankers are secured by a first preferred cross-collaterised mortgage of the vessels concerned, an assignment of earnings derived from the pool and insurance of the vessels amounting to RM366,208,000 (2008: RM409,874,000).

The weighted average effective interest rate of the term loan during the year ranged from 1.13% to 3.02% (2008: 3.02% to 5.56%) per annum.

14. Payables and accruals

		Group		Company	
	Note	2009 RM'000	2008 RM'000 (Restated)	2009 RM'000	2008 RM'000
Trade					
Amount due to a related party	a	3,656	1,890	-	-
Non-trade					
Amount due to holding company	b	24,000	24,000	24,000	24,000
Other payables		6,403	6,054	469	335
Accrued expenses		16,139	22,551	1,533	2,034
Tax payable		383	823	433	817
Amount due to a related party	a	25,466	25,467	-	-
		72,391	78,895	26,435	27,186
		76,047	80,785	26,435	27,186

(a) Amount due to a related party

Trade payables of amount due to a related party and non-trade payables of amount due to related parties are unsecured, interest free and have no fixed term of repayment.

(b) Amount due to holding company

Amount due to holding company is in respect of dividend payable (Note 20).

15. Revenue

	Group		Company	
	2009 RM'000	2008 RM'000 (Restated)	2009 RM'000	2008 RM'000
Dividends	-	-	12,637	101,771
Charter hire income	40,303	196,268	-	-
Sundry income	821	792	-	-
Share of pool profit	143,975	94,957	-	-
	185,099	292,017	12,637	101,771

16. Profit before tax

	Group		Company	
	2009 RM'000	2008 RM'000 (Restated)	2009 RM'000	2008 RM'000
Operating profit is arrived at after charging/(crediting):				
Employee benefits expense (Note 17)	39,400	37,769	2,414	1,960
Non-executive directors' remuneration (Note 18)	168	136	150	136
Auditors remuneration				
Statutory audits	169	169	35	35
Other services	8	8	5	5
Depreciation of vessels and equipment	48,147	47,932	112	111
Amortisation of dry-docking expenses	11,036	11,853	-	-
Interest expenses	9,338	19,791	3	5
Rental of office equipment	11	11	11	11
Rental of office	190	189	190	189
Loss/(gain) on exchange				
- realised	951	733	-	-
- unrealised	1,422	(3,955)	-	-
Interest income	(22,111)	(29,237)	(18,951)	(23,637)
Dividend income	-	-	(12,637)	(101,771)

17. Employee benefits expenses

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Wages, salaries and bonus	30,195	28,870	1,793	1,415
Employees provident fund	289	171	289	171
Social security contributions	11	7	11	7
Other benefits	8,905	8,721	321	367
	39,400	37,769	2,414	1,960

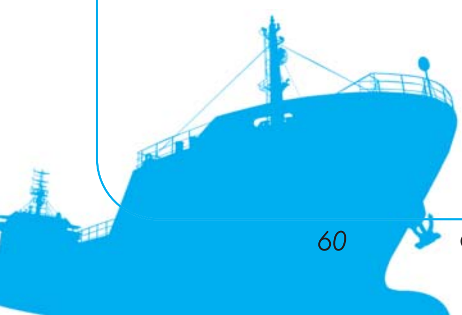
18. Directors' remuneration

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Non-executive directors remuneration				
Fees	107	96	107	96
Other emoluments	61	40	43	40
	168	136	150	136

19. Taxation

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Current year income tax	6,098	6,516	4,969	5,583
Underprovision of income tax expense in prior year	536	2,245	539	2,245
	6,634	8,761	5,508	7,828

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2008: 26%) of the estimated assessable profit for the year.



19. Taxation (cont'd.)

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and Company is as follows:

	Group		Company	
	2009 RM'000	2008 RM'000 (Restated)	2009 RM'000	2008 RM'000
Profit before tax	57,679	164,118	27,382	121,646
Taxation at Malaysian statutory tax rate of 25% (2008:26%)	14,420	42,671	6,845	31,628
Effect of share of results of jointly controlled entities	(3,312)	(853)	-	-
Expenses not deductible for tax purposes	15,102	13,449	941	415
Income not subject to tax	(20,112)	(48,751)	(2,817)	(26,460)
Underprovision of tax expense in prior year	536	2,245	539	2,245
	6,634	8,761	5,508	7,828

Included in income not subject to tax is tax exempt shipping income, derived from the operations of the Company's sea-going Malaysian registered vessels under Section 54A of the Malaysian Income Tax Act 1967.

20. Dividends

	Dividend Recognised in Year		Dividend Per Share	
	2009 RM'000	2008 RM'000	2009 RM	2008 RM
In respect of financial year:				
31 December 2009: Interim dividend of 8.0% per share, tax exempt	24,000	-	0.08	-
31 December 2008: Interim dividend of 8.0% per share, tax exempt	-	24,000	-	0.08

21. Financial instruments

(a) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its interest rate risk, foreign currency risk, liquidity risk and credit risk.

(b) Foreign currency risk

The Group and Company are exposed to foreign currency risk as a result of its normal operating activities, where the currency denomination differs from the local currency, Ringgit Malaysia ("RM"). The Group and the Company's policy is to minimise the exposure of foreign currency risk by monitoring and approving requisitions which involve foreign currencies.

The net unhedged financial assets and financial liabilities of the Group companies that are not denominated in its functional currency are as follows:

	Net financial assets/ (liabilities) held in non-functional currencies	
	Ringgit malaysia RM'000	Total RM'000
Functional currency of Group Companies		
At 31 December 2009		
United States Dollar	(84,888)	(84,888)
At 31 December 2008		
United States Dollar	(84,888)	(84,888)

(c) Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements.

21. Financial instruments (cont'd.)

(d) Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

At the balance sheet date there were no significant concentrations of credit risk other than as disclosed in Note 8 to the financial statements. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

(e) Interest rate risk

The Group's interest rate risk arises primarily from interest-bearing borrowings. The Group and Company's interest-bearing financial assets are mainly short term in nature.

(f) Fair values

The carrying amounts of cash and cash equivalents, receivables, deposits and prepayments, other payables and accruals, short term borrowings, and term loans from financial institutions and other shareholders approximate their fair values due to the relatively short term nature of these financial instruments.

It was not practicable to estimate the fair value of the Group's investment in unquoted shares due to the lack of comparable quoted market prices and the inability to estimate fair value without incurring excessive costs.

The carrying amount of interest-bearing borrowings approximate their fair value as they are floating rate loans.

No disclosure is made for balances with affiliated companies as it is impracticable to determine their fair values with sufficient reliability given these balances have no fixed terms of repayment.

22. Contingent liability

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM	2008 RM
Corporate guarantees issued to financial institutions for credit facilities granted to: - jointly controlled companies	146,110	54,201	146,110	54,201

22. Contingent liability (cont'd.)

The above contingent liability on corporate guarantees is based on the outstanding balances of the credit facilities granted to jointly controlled entities.

	Group and Company	
	2009 RM'000	2008 RM'000
Capital expenditure		
Approved and contracted for		
Investments	136,690	201,000
Approved and but not contracted for		
Investments	35,545	183,605

24. Retained earnings

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the 108 balance as at 31 December 2009 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 31 December 2009, the Company has sufficient credit in the aggregate of 108 balance and Exempt Income Account balance to pay franked dividends amounting to RM272,837,892 (2008: RM285,567,942) out of its retained earnings. If the balance of the retained earnings of RM282,109,663 (2008: RM271,506,412) were to be distributed as dividends, the Company may distribute such dividends under the single tier system.

As at 31 December 2009, the Company has tax exempt profits available for distribution of approximately RM249,632,028 (2008: RM262,362,078), subject to agreement with the Inland Revenue Board.

25. Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from the monetary items which form part of the Group's net investment in those operations, where the monetary item is denominated in the functional currency of the reporting entities.

26. Related party disclosures

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year :

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM	2008 RM
Agency fees paid to an affiliated company*	1,677	1,094	-	-
Rental paid/payable to holding company	190	189	190	189
Group sharing cost payable to holding company	342	262	342	262

* Affiliated companies are companies which share common directors with the Company.

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

(b) Compensation of key management personnel

Key management personnel of the Company comprise solely the Company's directors. Their compensation are as disclosed in Note 18 to the financial statements.

27. Prior year adjustments

Prior to 1 January 2009, Gagasan Ked Sdn Bhd and Gagasan Paha Sdn Bhd ("Companies") being Companies in which the Global Maritime Ventures Bhd Group holds 60% shareholding were classified as subsidiaries by virtue of the control the Group exercised over these companies.

During the year, the Board of Directors of Global Maritime Ventures Bhd, having considered the terms of the Joint Venture Agreements with the Group's Joint Venture Partner, Gagasan Carriers Sdn Bhd, which set out the conduct of the Companies' affairs, concluded that it is more appropriate to classify the investments as jointly controlled entities as the Group does not have absolute control over their financial management and operation.

As a result, the Group reclassified these Companies as jointly controlled entities and results of these Companies have been de-consolidated and accounted for under the equity method in accordance with the Group's accounting policy set out in Note 2.2(b) and the comparative amounts of the Group as at previous financial year have been therefore restated as follows:

Effects on total equity:

	Group	
	2009 RM'000	2008 RM'000
As at 1 January, as previously stated	1,201,048	1,087,811
Adjustments:		
Profits attributable to minority interests in financial year ended 2008	(395)	-
As at 31 December, as restated	1,200,653	1,087,811

The following comparative amounts of the Group have been restated to reflect the reclassification of the Companies as jointly controlled entities:

	As previously Stated RM'000	Adjustment Increase/ (Decrease) RM'000	As restated RM'000
Balance sheet (Group)			
Non current assets			
Vessels and equipment	747,698	(32,170)	715,528
Investment in jointly controlled entities	107,169	23,016	130,185
Current assets			
Receivables, deposits and prepayments	140,489	(1,842)	138,647
Cash and cash equivalents	714,214	(17,179)	697,035
Minority interest	96,748	(391)	96,357

27. Prior year adjustments

	As previously Stated RM'000	Adjustment RM'000	As restated RM'000
Balance sheet (Group) (cont'd)			
Non-current liabilities			
Borrowings	396,467	(24,802)	371,665
Current liabilities			
Payables and accruals	83,763	(2,978)	80,785
Income statement (Group)			
Other income	5,668	(124)	5,544
Administrative expenses	(62,151)	89	(62,062)
Operating expenses	(47,417)	136	(47,281)
Interest income	29,327	(90)	29,237
Share of profit of jointly controlled entities	4,229	(6)	4,223

GLOBAL MARITIME VENTURES BERHAD
(Company No: 264557-A)
(Incorporated in Malaysia under the Companies Act, 1965)

FORM OF PROXY

I/We ………
(FULL NAME IN BLOCK LETTERS AS PER IDENTITY CARD/CERTIFICATE OF INCORPORATION)

of ………
being a member/members of the abovementioned Company, hereby appoint

………
(FULL NAME IN BLOCK LETTERS AS PER IDENTITY CARD)

of ………and/or

………
(FULL NAME IN BLOCK LETTERS AS PER IDENTITY CARD)

of ………

and failing the abovenamed proxy, the Chairman of the Meeting as my/our proxy, to attend and vote for me/us and on my/our behalf at the 17th Annual General Meeting of the Company to be held at Dewan Utama, Level 6, Menara Bank Pembangunan, Bandar Wawasan, No. 1016, Jalan Sultan Ismail, 50250 Kuala Lumpur on Monday, 24 May 2010 at 10:00 a.m. and at any adjournment thereof in the manner indicated below:-

NO.	RESOLUTION	FOR	AGAINST
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2009 together with the Reports of the Directors and Auditors thereon.		
2.	To re-elect Y.Bhg. Datin Husniarti binti Tamin, who retires in accordance with Article 61 of the Articles of Association of the Company.		
3. 4.	To re-elect the following Directors retiring pursuant to Article 66 of the Articles of Association of the Company: a) Encik Mohd Zafer bin Mohd Hashim; and b) Captain A. Ghani bin Ishak		
5.	To approve the payment of Directors' fees for the financial year ended 31 December 2008.		
6.	To re-appoint Messrs. Ernst & Young as Auditors and to authorize the Board of Directors to fix their remuneration.		
7.	**AS SPECIAL BUSINESS** To consider and if thought fit, to pass the following Ordinary Resolution: - <u>ORDINARY RESOLUTION</u> <u>- PROPOSED AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965</u> "That, subject to the provision of Section 132D of the Companies Act, 1965, the Company's Articles of Association and the approvals of the relevant government/regulatory authorities, the Directors of the Company be and are hereby empowered to allot and issue shares in the Company at such time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."		
8.	**<u>SPECIAL RESOLUTION</u>** **<u>- PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCATION</u>** <u>"That the Articles of Association of the Company be amended as follows :</u> **<u>a) By deleting Article 65(a) and 65(b) in its entirety as follows:</u>** <u>Article 65 (a)</u> The composition of the Main Board members should comprise the four members of the Board and nominees of major institutional investors up to a maximum of eleven members. The quorum necessary for the Main Board to transact business of the directors shall be six. <u>Article 65 (b)</u> The composition of the Executive Board members should comprise the present members of the Board and two additional members of the Main Board. The quorum necessary for the Executive Board to transact business of the directors shall be four. <u>b) By deleting Article 67, 67(a) & 67(b) in its entirety and substituting with the new Article 67 as follows:</u> <u>Article 67</u> The Company may by ordinary resolution remove any director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead; the person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director."		

(Please indicate with an "X" in the appropriate box above how you wish to cast your vote. If this form is returned without any indication as to how the proxy/ proxies/corporate representative shall vote, the proxy/proxies/corporate representative shall vote or abstain as he/she thinks fit.)

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STAMP

The Secretary
GLOBAL MARITIME VENTURES BERHAD
Level 16, Menara Bank Pembangunan,
Bandar Wawasan,
No. 1016, Jalan Sultan Ismail,
50250 Kuala Lumpur.

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Dated this _____ day of _________ 2010

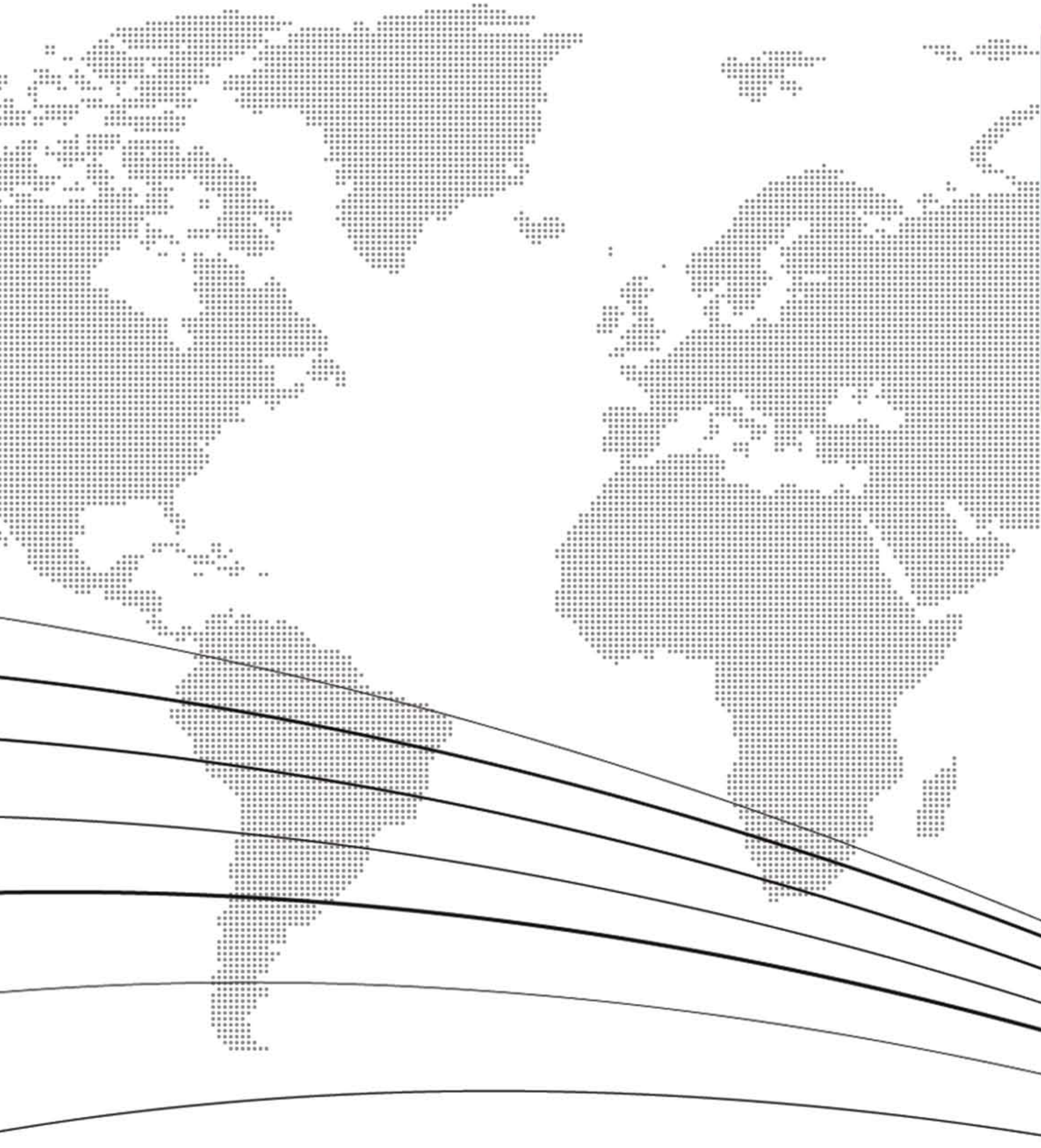
Number of ordinary shares held
The proportions of my/our holding to be represented by my/our proxy are as follows:- **FIRST PROXY** No. Of Shares: …………….. Percentage : ………………% **SECOND PROXY** No. Of Shares: …………….. Percentage : ………………%

.............................……………………
Signature/Common Seal of Member

Notes:-

1. *A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and, on a poll to vote in his stead. A proxy may not be a member of the Company.*
2. *In the case of a Corporate Member, the instrument appointing a proxy shall be under its Common Seal or under the hand of an officer of the Corporation or attorney duly authorised.*
3. *The Proxy Form must be deposited at the Registered Office of the Company at Aras 16, Menara Bank Pembangunan, Bandar Wawasan, No. 1016, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.*
4. *Failure to lodge your Proxy Form within the stipulated time may result in your proxy being precluded from attending and voting at the Meeting or any adjournment thereof.*
5. *The lodging of the Proxy Form does not preclude a member from attending and voting in person at the Meeting should the member subsequently decide to do so.*
6. *Where a member appoints more that one proxy the appointment shall be invalid unless he specified the proportions of his holdings to be represented by each proxy.*

GMV
GLOBAL MARITIME VENTURES



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