1. INTRODUCTION

This Prospectus is dated 29 June 2006.

A copy of this Prospectus has been registered with the SC. A copy of this Prospectus, together with the application form, has also been lodged with the ROC who takes no responsibility for its contents.

We have received the SC's approval on 10 March 2006 in respect of the IPO. However, the approval of the SC shall not be taken to indicate that the SC recommends the IPO.

We have received the Bursa Securities' approval-in-principle on 29 July 2005 and 13 March 2006 for (i) the Admission and quotation for our entire enlarged issued and fully paid-up share capital, including the IPO Shares which are the subject of this Prospectus, on the Main Board of Bursa Securities; and (ii) the listing of such number of additional new Shares representing up to 15% of our issued and paid up share capital, to be issued pursuant to the exercise of the options under our ESOS. Official quotation will commence upon receipt of confirmation from Bursa Depository that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as a prescribed security. Therefore, we will deposit the IPO Shares directly with Bursa Depository. Any dealings in our Shares will be carried out in accordance with the aforesaid Act and the Rules of Bursa Depository. We will not issue share certificates to successful applicants.

Pursuant to the Bursa Securities LR, at least 25% of the total number of shares for which listing is sought must be in the hands of public shareholders and a minimum number of 1,000 public shareholders holding not less than 100 Shares each upon completion of the IPO. We expect to meet the public shareholding requirement at the point of Listing. If we do not meet the public shareholding requirement, we may not be allowed to proceed with the Listing. In such an event, we will return in full, without interest, monies paid in respect of all applications.

You should rely only on the information contained in this Prospectus. We or our advisers have not authorised anyone to provide you with information that is different and not contained in this Prospectus. The delivery of this Prospectus or any issue made in connection with this Prospectus shall not, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date of this Prospectus.

This Prospectus does not constitute and may not be used for the purpose of an offer to sell or invitation of an offer to buy any IPO Share in any jurisdiction and in any circumstance in which such an offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such an offer or invitation.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE IPO AND AN INVESTMENT IN US. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD IMMEDIATELY CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER BEFORE APPLYING FOR OUR SHARES.

2. CORPORATE DIRECTORY

DIRECTORS

Name	Address	Occupation	Nationality
Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid *(Chairman and Independent Non-Executive Director)*	No 45 Jalan G2 Taman Melawati 53100 Kuala Lumpur	Company Director	Malaysian
Azmi bin Ahmad *(Managing Director)*	No 55 Jalan Raja Abdullah Satu Seksyen 9/19A 40100 Shah Alam Selangor	Company Director	Malaysian
Shaharuddin bin Warno @ Rahmad *(Non-Independent Executive Director)*	No 22 Jalan 1/149J Bandar Baru Seri Petaling 57000 Kuala Lumpur	Company Director	Malaysian
Mohd Abd Rahman bin Mohd Hashim *(Non-Independent Executive Director)*	No 94 Jalan Puteri Senggang Taman Seri Petaling 57000 Kuala Lumpur	Company Director	Malaysian
Ab Razak bin Hashim *(Non-Independent Executive Director)*	No 3 Jalan 8/7 Seksyen 8 43650 Bandar Baru Bangi Selangor	Company Director	Malaysian
Dato' Mohamad Idris bin Mansor *(Independent Non-Executive Director)*	No 33 Jalan Firus 7/7 40000 Shah Alam Selangor	Company Director	Malaysian
YB Haji Ab Wahab bin Haji Ibrahim *(Independent Non-Executive Director)*	No 7 Jalan 3/69G Kawasan Melayu 46000 Petaling Jaya Selangor	Company Director	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
YB Haji Ab Wahab bin Haji Ibrahim	Chairman	Independent Non-Executive Director
Dato' Mohamad Idris bin Mansor	Member	Independent Non-Executive Director
Shaharuddin bin Warno @ Rahmad	Member	Non-Independent Executive Director
Azmi bin Ahmad (Alternate to Shaharuddin bin Warno @ Rahmad)	Member	Managing Director

2. CORPORATE DIRECTORY *(Cont'd)*

RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Dato' Mohamad Idris bin Mansor	Chairman	Independent Non-Executive Director
YB Haji Ab Wahab bin Haji Ibrahim	Member	Independent Non-Executive Director
Shaharuddin bin Warno @ Rahmad	Member	Non-Independent Executive Director
Azmi bin Ahmad (Alternate to Shaharuddin bin Warno @ Rahmad)	Member	Managing Director

NOMINATION AND REMUNERATION COMMITTEE

Name	Designation	Directorship
Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid	Chairman	Independent Non-Executive Director
Dato' Mohamad Idris bin Mansor	Member	Independent Non-Executive Director
Azmi bin Ahmad	Member	Managing Director
Shaharuddin bin Warno @ Rahmad	Member	Non-Independent Executive Director

COMPANY SECRETARY : Haniza binti Sabaran
(MAICSA No. 7032233)
38F Level 2
Jalan Radin Anum
Bandar Baru Sri Petaling
57000 Kuala Lumpur
Tel. No.: 03-9058 2244

REGISTERED OFFICE AND HEAD OFFICE : 38F Level 2
Jalan Radin Anum
Bandar Baru Sri Petaling
57000 Kuala Lumpur
Tel. No.: 03-9058 2244
Website: www.alam-maritim.com.my
E-mail address: info@alam-maritim.com.my

SHARE REGISTRAR : PFA Registration Services Sdn Bhd *(19234-W)*
Level 13 Uptown 1
No 1 Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya
Selangor
Tel. No.: 03-7725 4888

2. CORPORATE DIRECTORY *(Cont'd)*

AUDITORS AND REPORTING ACCOUNTANTS	: Ernst & Young *(AF0039)* Level 23A Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur Tel. No.: 03-7495 8000
PRINCIPAL BANKERS	: Malayan Banking Berhad *(3813-K)* Concourse Level Petronas Twin Tower Kuala Lumpur City Centre 50088 Kuala Lumpur Tel. No.: 03-2026 7952
	Bank Pembangunan Malaysia Berhad *(47572-H)* Bandar Wawasan No 1016 Jalan Sultan Ismail 50724 Kuala Lumpur Tel. No.: 03-2692 9088
	Bank Muamalat Malaysia Berhad *(6175-W)* Cawangan Utama Tingkat 1 Blok Podium Menara Bumiputra No 21 Jalan Melaka 50100 Kuala Lumpur Tel. No.: 03-2032 5997
	Maybank International (L) Ltd *(900003A)* Level 16(B) Main Office Tower Financial Park Labuan Jalan Merdeka 87000 Wilayah Persekutuan Labuan Tel. No.: 087-414 406
	Bumiputra-Commerce Bank Berhad *(13491-P)* 10th Floor Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur Tel. No.: 03-2084 8388
LEGAL ADVISER FOR THE IPO	: Zul Rafique & Partners Suite 17.01 17th Floor Menara Pan Global No 8 Lorong P. Ramlee 50250 Kuala Lumpur Tel. No.: 03-2078 8228
ADVISER, UNDERWRITER AND PLACEMENT AGENT	: Commerce International Merchant Bankers Berhad *(18417-M)* 5th Floor Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur Tel. No.: 03-2084 8888

2. CORPORATE DIRECTORY *(Cont'd)*

INDEPENDENT MARKET RESEARCHER	:	Infocredit D&B (Malaysia) Sdn Bhd *(527570-M)* Level 9-3A Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur Tel. No.: 03-2718 1000
VALUERS	:	Raine & Horne International Zaki + Partners Sdn Bhd *(99440-T)* No 14 Penang Street 10200 Pulau Pinang G.P.O. Box 142 10710 Penang Tel. No.: 04-262 6888
ISSUING HOUSE	:	Malaysian Issuing House Sdn Bhd *(258345-X)* 27th Floor Menara Multi-Purpose Capital Square No 8 Jalan Munshi Abdullah P.O. Box 13269 50804 Kuala Lumpur Tel. No.: 03-2693 2075
LISTING SOUGHT	:	Main Board of Bursa Securities

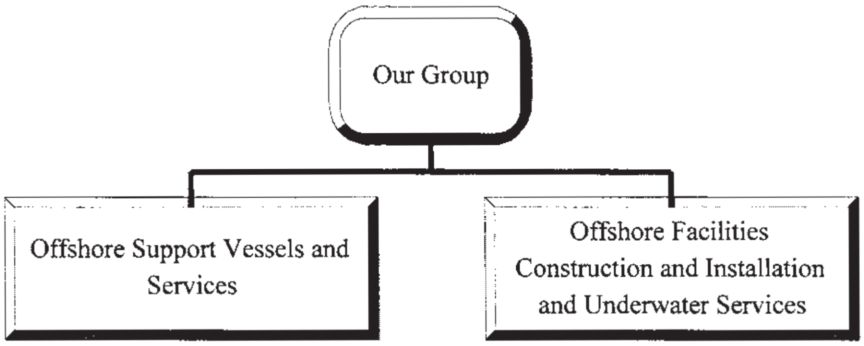
3. SUMMARY

This section is only a summary of the salient information about us and the IPO and is extracted and summarised from the full text of this Prospectus. You should read and understand this section together with the entire Prospectus before you decide as to whether or not to invest in us.

3.1 Overview

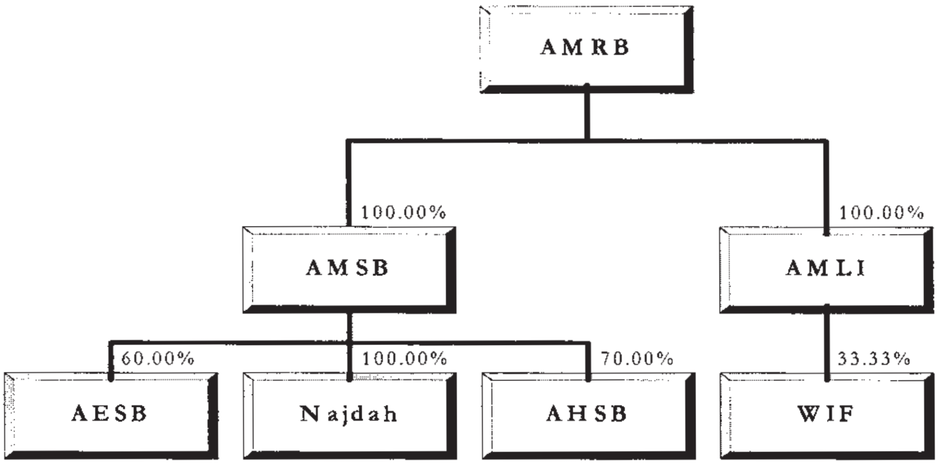
Our Company was incorporated in Malaysia on 23 June 2005 as a public company.

Our Group is mainly involved in two (2) principal activities, as illustrated below:



Please refer to Section 11 of this Prospectus for detailed information on our operation.

Our Group structure comprises an investment holding company, five (5) subsidiaries and one (1) associated company as set out below:



The table below sets out the list of our subsidiary companies and associated company and their principal activities:

Subsidiary companies	Principal activities
AMSB	Ship-owning, managing, chartering, hiring, catering and other shipping related activities
AMLI	Investment holding, ship owning and charter hire of vessel
AESB	Ship owning, ship operating and chartering
AHSB	Offshore facilities construction and installation and underwater services
Najdah	Transportation, ship forwarding and agent, ship chandeling and other related activities

Associated company	Principal activities
WIF	Ship management and operation, ship owning, ship maintenance and marine consultancy

Please refer to Section 12 of this Prospectus for detailed information on our subsidiary companies and associated company.

3.2 Details on the IPO

IPO: Collectively, the Public Issue and Offer for Sale.

Public Offer: The Public Issue will be allocated in the following manner:

(i) 8,116,500 Public Issue Shares, representing 5.00% of the enlarged share capital of AMRB, to be allocated via ballot, will be made available for application by Malaysian citizens, companies, co-operatives, societies and institutions whereby 30% of the Public Issue Shares will be set aside for Bumiputera investors;

(ii) 11,363,000 Public Issue Shares, representing 7.00% of the enlarged share capital of AMRB, by way of private placement, will be placed with Malaysian and/or foreign investors; and

(iii) Up to 9,739,700 Public Issue Shares, representing up to 6.00% of the enlarged share capital of AMRB, will be made available for application by our eligible directors and employees, and persons who have contributed to the our success.

Offer for Sale: 8,652,600 Offer Shares to be offered to Malaysian citizens, companies, societies, co-operatives and institutions.

Price per IPO Share: RM1.65

Please refer to Section 4 of this Prospectus for detailed information of the IPO.

3.3 Utilisation of Proceeds

The utilisation of the expected gross proceeds of approximately RM48.212 million arising from the Public Issue of 29,219,200 Public Issue Shares is set forth below:

	RM 000
Part payment for the acquisition of new vessels	28,228
Repayment of bank borrowings	14,500
Working capital	2,484
Estimated listing expenses	3,000
Total gross proceeds	48,212

Please refer to Section 4.10 of this Prospectus for detailed information of the utilisation of proceeds from our Public Issue.

3.4 Risk Factors

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, the risks of investment as summarised below. The following is not an exhaustive list of challenges that we currently face or that may develop in the future.

3.4.1 Risks relating to our Business

(i) Level of Activities of the Oil and Gas Industry;

(ii) Volatility in Oil Prices;

(iii) Imbalance of Demand and Supply;

(iv) Increased Competition;

(v) Licenses, Registration and Certification Requirements;

(vi) Economic Costs of Regulatory Compliance;

(vii) Environmental, Health and Safety Laws and Regulations;

(viii) Inherent Risk Associated with Offshore Support Vessels; and

(ix) Economic and Market Factors That are Outside our Control.

3.4.2 Risks relating to our Group and Operations

(i) Our Continued Employment and Performance of Directors and Key Management;

(ii) Levels of Borrowings and Interest Cover;

(iii) Short Term Project-Based Contracts and Early Termination of Contracts;

(iv) Seasonality of Services;

(v) Unexpected Breakdown of Vessel;

(vi) Arrest and Requisition of Vessels;

(vii) Funding Calls by P&I Club;

(viii) Changes in Foreign Exchange Controls; and

(ix) Changes in Shareholders of our Principal Subsidiary.

3.4.3 Risks Relating to Our Shares

(i) No Prior Trading Market for our Shares;

(ii) The Volatility of the Market Price of our Shares;

(iii) The Sale or Possible Sale of a Substantial Number of our Shares;

(iv) Delay or Failure in our Listing; and

(v) Payment of Dividends.

3.4.4 Other Risks

(i) Political, Economic and Social Developments in Malaysia;

(ii) Significant Variation in the Profit Forecast; and

(iii) Forward-looking Statements.

Please refer to Section 5 of this Prospectus for detailed discussion on the risks in investing in our Company.

3.5 Financial Information

3.5.1 Proforma Consolidated Income Statements

We have prepared our proforma consolidated income statements below for illustrative purposes only, based on our Company's and our subsidiaries respective audited financial statements for each of the three (3) financial years ended 31 December 2003, 2004 and 2005, on the assumption that our current Group structure had been in existence throughout the financial years under review and after incorporating such adjustments considered necessary as stated in Note (iv) below.

We advise you to read our proforma consolidated income statements together with the accompanying notes and assumptions included in the Reporting Accountant's Letter on the Unaudited Proforma Consolidated Financial Information as disclosed in Section 7.5 of this Prospectus.

3. SUMMARY *(Cont'd)*

	Financial year ended 31 December		
	2003	2004	2005
	RM 000	RM 000	RM 000
Revenue	94,724	120,366	137,738
Direct costs$^{(i)}$	(70,456)	(82,175)	(94,313)
Gross profit	24,268	38,191	43,425
Other operating income	195	1,001	1,552
Staff costs	(2,264)	(3,554)	(4,860)
Depreciation	(311)	(224)	(525)
Other operating expenses	(1,300)	(1,453)	(3,059)
Profit from operations	20,588	33,961	36,533
Finance costs	(960)	(5,361)	(7,233)
Share of results in associated company	-	-	142
PBT	19,628	28,600	29,442
Taxation	(5,741)	(8,426)	(9,098)
PAT	13,887	20,174	20,344
MI	(46)	(312)	(520)
PATAMI	13,841	19,862	19,824
No. of Shares assumed in issue immediately prior to the IPO (000)$^{(ii)}$	133,117	133,117	133,117
Profit Margin			
Gross Profit Margin (%)	25.6	31.7	31.5
Net Profit Margin (%)	14.6	16.5	14.4
Basic/ Diluted EPS $^{(iii)}$			
Gross EPS (sen) $^{(iii)}$	14.7	21.5	22.1
Net EPS (sen) $^{(iii)}$	10.4	14.9	14.9
Other selected financial data/ratios			
Capital expenditure (RM 000)	87,143	32,681	134,622
EBITDA (RM 000)	26,841	42,504	45,702
Interest cover (times)	28.0	7.9	6.3

Notes:

* *There were no exceptional and extraordinary items during the years under review.*

** *Inter-company transactions between companies within our Group for each of the year under review have been eliminated on consolidation.*

(i) *Depreciation charges for vessels and equipment that are directly associated with the revenue generated are included in our direct costs and amounted to RM6.0 million, RM8.6 million and RM9.0 million for the financial year ended 31 December 2003, 2004 and 2005 respectively.*

(ii) *The number of Shares assumed in issue is the number of issued and paid up Shares immediately prior to the IPO.*

(iii) *Our Basic Gross EPS and Basic Net EPS for each of the financial year under review has been computed based on our PBT and PATAMI for the financial year respectively divided by the number of Shares assumed in issue. Gross EPS and Net EPS on a diluted basis are the same as Basic Gross EPS and Basic Net EPS respectively, as there were no potential Shares throughout the financial years under review.*

3. SUMMARY (*Cont'd*)

(iv) The above figures include the following adjustments to the financial statements for the respective financial years:

(1) change in accounting policy in respect of deferred tax following the adoption of FRS112:Income Taxes during the financial year ended 31 December 2004, adjusted for retrospectively in the financial year ended 31 December 2003;

(2) reversal of a prior year adjustment made in the financial year ended 31 December 2003 in relation to income tax; and

(3) adjustments for under/over provision of deferred tax made in the financial year ended 31 December 2004 and 2005 respectively.

3.5.2 Proforma Consolidated Balance Sheets

We have prepared our proforma consolidated balance sheets below for illustrative purposes only, based on AMRB's audited balance sheet as at 31 December 2005 and AMRB's subsidiaries' respective audited balance sheets as at 31 December 2005 to show the effects of our Listing Scheme on the assumptions that certain events had been affected on that date.

We advise you to read the proforma consolidated balance sheets together with the accompanying notes and assumptions included in the Reporting Accountant's Letter on the Unaudited Proforma Consolidated Financial Information as disclosed in Section 7.5 of this Prospectus.

	Company	**AMRB Group**		
	Audited as at 31 December 2005	**Proforma I**	**Proforma II**	**Proforma III**
	RM 000	**RM 000**	**RM 000**	**RM 000**
Non-current assets				
Property, plant and equipment	-	268,351	268,351	268,351
Investment in associated company	-	350	350	350
	-	268,701	268,701	268,701
Current Assets				
Trade receivables	-	48,331	48,331	48,331
Other receivables	711	14,112	13,401	13,401
Tax recoverable	-	670	670	670
Cash and bank balances	-	9,095	55,018	95,196
	711	72,208	117,420	157,598
Current Liabilities				
Trade payables	-	25,174	25,174	25,174
Other payables	732	8,398	8,398	8,398
Borrowings	-	24,155	24,155	24,155
Due to related company	-	4,755	4,755	4,755
	732	62,482	62,482	62,482
(NL)/Net Current Assets	(21)	9,726	54,938	95,116
	(21)	278,427	323,639	363,817

3. SUMMARY *(Cont'd)*

	Company	AMRB Group		
	Audited as at 31 December 2005	Proforma I	Proforma II	Proforma III
	RM 000	RM 000	RM 000	RM 000
Represented by:				
Share capital	*	66,558	81,168	93,343
Share premium	-	-	30,602	58,605
(Accumulated loss)/Retained earnings	(21)	18,296	18,296	18,296
	(21)	84,854	130,066	170,244
Minority interests	-	1,920	1,920	1,920
Non-current Liabilities				
Borrowings	-	163,627	163,627	163,627
Deferred taxation	-	28,026	28,026	28,026
	(21)	278,427	323,639	363,817
NTA	(21)	84,854	130,066	170,244
(NL)/NTA per Share (RM)	(10,500)	0.64	0.80	0.91

Note:

* *RM 1.00 representing two (2) Shares.*

Proforma I

Proforma I reflects AMRB's audited balance sheet as at 31 December 2005 after the incorporation of the following events:

(a) Acquisition of AMSB; and

(b) Transfer of AMLI.

Proforma II

Proforma II reflects AMRB's consolidated balance sheet after the occurrence of Proforma I and after the incorporation of our IPO comprising of:

(a) the Public Issue; and

(b) the Offer for Sale.

at the IPO price of RM1.65 per Public Issue/ Offer Share.

Proforma III

Proforma III reflects AMRB's consolidated balance sheet after the occurrence of Proforma I, II and after the full exercise of the Options under our ESOS at an illustrative price of RM1.65 per Share under the ESOS.

3.5.3 Proforma Consolidated Cash Flow Statement

We have prepared our proforma consolidated cash flow statement for the financial year ended 31 December 2005 for illustrative purposes only, based on our Company's and our subsidiaries' respective audited financial statements for the financial year ended 31 December 2005, after incorporating such adjustments considered necessary for the elimination of all significant inter-company transactions and balances and based on the assumption that our current Group structure had been in existence throughout the financial year under review.

We advise you to read the proforma consolidated balance sheets together with the accompanying notes and assumptions included in the Reporting Accountant's Letter on the Unaudited Proforma Consolidated Financial Information as disclosed in Section 7.5 of this Prospectus.

Financial year ended 31 December	**2005 RM 000**
CASH FLOWS FROM OPERATING ACTIVITIES	
PBT	29,442
Adjustments for:	
Depreciation of property, plant and equipment	9,547
Interest expense	7,233
Property, plant and equipment written off	46
Loss on disposal of property, plant and equipment	1
Operating profit before working capital changes	46,269
Changes in working capital:	
Increase in receivables	(26,376)
Increase in payables	19,757
Increase in due to related company	4,767
Cash generated from operations	44,417
Tax paid	(7,197)
Interest paid	(7,525)
Net cash generated from operating activities	29,695
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property, plant and equipment	(134,622)
Proceeds from disposal of property, plant and equipment	15
Net cash used investing activities	(134,607)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from Public Issue	48,211
Proceeds from full exercise of ESOS	40,178
Payment of listing expenses	(2,288)
Proceeds from hire purchase creditors	708
Repayment of hire purchase creditors	(114)
Proceeds from term loans	109,145
Repayment of term loans	(16,166)
Net cash generated from financing activities	179,674
NET INCREASE IN CASH AND CASH EQUIVALENTS	74,762
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	13,147
CASH AND CASH EQUIVALENTS AT END OF YEAR	87,909

Financial year ended 31 December	2005 RM 000
CASH AND CASH EQUIVALENTS COMPRISE:	
Cash and bank balances	95,196
Bank overdraft	(2,235)
Deposits in sinking funds	(4,208)
Margin deposits	(844)
	87,909

3.5.4 Consolidated Profit Forecast

Our Directors forecast that our consolidated profit forecast for the financial year ending 31 December 2006 will be as follows:

Financial year ending 31 December	Forecast 2006 RM 000
Consolidated Revenue	179,450
Consolidated PBT	41,648
Add: Negative goodwill	30,752
Consolidated PBT after negative goodwill	72,400
Taxation	(11,661)
Consolidated PAT	60,739
MI	(1,832)
Consolidated PATAMI before pre-acquisition profit	58,907
Less: Pre-acquisition profit	(12,435)
Consolidated PATAMI attributable to AMRB Group	46,472
Number of Shares in issue immediately after Listing ('000)	162,336
EPS	
Gross EPS[(i)] (sen)	25.7
Net EPS before pre-acquisition profit and negative goodwill[(ii)] (sen)	17.3
Net EPS after pre-acquisition profit and negative goodwill[(iii)] (sen)	28.6
PE Multiple	
Net PE Multiple before pre-acquisition profit and negative goodwill[(iv)] (times)	9.5
Net PE Multiple after pre-acquisition profit and negative goodwill[(v)] (times)	5.8
Interest cover[(vi)] (times)	4.7

Notes:

(i) *Computed based on the consolidated PBT (before negative goodwill) divided by the number of Shares in issue immediately after Listing.*

(ii) *Computed based on the consolidated PATAMI before pre-acquisition profit and negative goodwill divided by the number of Shares in issue immediately after Listing.*

(iii) *Computed based on the consolidated PATAMI attributable to AMRB Group divided by the number of Shares in issue immediately after Listing.*

(iv) *Computed based on the IPO Price of RM1.65 divided by Net EPS before pre-acquisition profit and negative goodwill.*

(v) *Computed based on the IPO Price of RM1.65 divided by the Net EPS after pre-acquisition profit and negative goodwill.*

(vi) *Computed based on our Group's forecasted EBITDA of RM72.88 million divided by the forecasted finance cost of RM15.48 million.*

Please refer to Section 6.5 of this Prospectus for detailed information on the principal assumptions upon which the consolidated profit forecast has been prepared.

3.6 Dividend Policy

We have not declared or paid any dividends since our incorporation on 23 June 2005. Going forward, our ability to pay dividends or make other distributions to our shareholders is subject to various factors such as us having profits and excess funds, which are not required to be retained to fund our operations. As we are a holding company, our ability to pay dividends is also subject to receipt of funds from our subsidiaries and associated company.

Our Directors have considered the general principles that they currently intend to apply when recommending dividends for approval by our shareholders or when declaring any interim dividends. In considering the level of dividend payments, if any, upon recommendation by our Directors, we intend to take into account various factors including:

(i) the level of our cash, marketable financial assets and level of indebtedness;

(ii) required and expected interest expense, cash flows, our profits and return on equity and retained earnings;

(iii) our expected results of operations; and

(iv) our projected levels of capital expenditure and other investment plans.

Please refer to Section 6.2 of this Prospectus for detailed information on our dividend policy.

4. DETAILS OF OUR INITIAL PUBLIC OFFERING

Our IPO is subject to the terms and conditions of this Prospectus and upon acceptance, the IPO Shares are expected to be allocated/ transferred in the manner described below. All percentages of share capital stated in this section are based on our enlarged share capital upon Listing but before conversion of the Options.

4.1 Opening and Closing of Application

Application for the IPO will open at 10 a.m. on 29 June 2006 and will remain open until 5 p.m. on 10 July 2006 or such other date or dates as our Directors and Underwriter in their absolute discretion may decide.

Our Directors and Underwriter may mutually decide, at their absolute discretion, to extend the closing date and time for applications of the IPO to any later date or dates. In the event that the IPO is extended, the dates for the balloting, allotment of the Public Issue Shares and our Listing will be extended accordingly. We will announce any extension of the IPO in a widely circulated Bahasa Malaysia and English daily newspaper within Malaysia.

4.2 Our IPO

Our IPO comprises:

(i) a Public Issue of 29,219,200 Public Issue Shares to be offered to (i) Malaysian citizens, companies, societies, co-operatives and institutions (of which at least 30% is to be set aside strictly for Bumiputera individuals, companies, societies, co-operatives and institutions); (ii) Malaysian and/or foreign investors, by way of private placement (whereby attempts will be made to place 30% to Bumiputera investor(s)); and (iii) our eligible directors and employees, and persons who have contributed to the success of our Group; and

(ii) an Offer for Sale of 8,652,600 Offer Shares to be offered by the Offerors to Malaysian and/or foreign investors, by way of private placement (whereby attempts will be made to place 30% to Bumiputera investor(s)).

The minimum subscription amount to be raised from the Public Issue is estimated at RM47.420 million, calculated based on 28.739 million Public Issue Shares from the Public Issue at RM1.65 per Public Issue Share having been subscribed for and assuming all of the Offer Shares from the Offer for Sale being fully subscribed. The minimum subscription amount has been determined based on the minimum estimated level of funds to be raised from the IPO and the number of shares required to meet the minimum public shareholding spread.

Where permission has not been applied for or granted by or been revoked by any relevant authorities, monies paid in respect of application for the IPO Shares will be returned in full without interest. If any such monies are not returned in full within fourteen (14) days after we become liable to do so, then the officers of our Company shall be jointly and severally liable to return such monies in full with interest at the rate of 10% per annum or such other rate as may be prescribed by the SC upon expiration of that period.

4.2.1 The Public Issue

The Public Issue is offered at the IPO Price of RM1.65 per Public Issue Share, payable in full upon application, and will be allocated in the following manner:

(i) 8,116,500 Public Issue Shares, representing 5.00% of the enlarged issued and paid-up share capital of AMRB, to be allocated via ballot, will be made available for application by Malaysian citizens, companies, co-operatives, societies and institutions, whereby 30% of the Public Issue Shares will be set aside for Bumiputera investors;

(ii) 11,363,000 Public Issue Shares, representing 7.00% of the enlarged issued and paid-up share capital of AMRB, by way of private placement, will be placed with selected Malaysian and/or foreign investors by the Placement Agent, whereby attempts will be made to place 30% of the shares to Bumiputera investor(s); and

(iii) Up to 9,739,700 Public Issue Shares, representing up to 6.00% of the enlarged issued and paid-up share capital of AMRB, will be made available for application by our eligible directors and employees, and persons who have contributed to the success of our Group.

4.2.2 The Offer for Sale

The Offer for Sale is offered at the IPO Price of RM1.65 per Offer Share, payable in full upon application. 8,652,600 Offer Shares, representing 5.33% of our enlarged issued and paid-up share capital are made available, by way of private placement, to selected Malaysian and/or foreign investors by the Placement Agent whereby attempts will be made to place 30% of the shares to Bumiputera investor(s).

The details of the Offer for Sale are as follows:

Offerors	**Offer for Sale**	
	No. of Shares	**% of enlarged share capital**
CIMB Mezz I	5,841,600	3.60
CIMB Mezz Fund I	2,811,000	1.73
Total	8,652,600	5.33

In summary, the Public Issue Shares and Offer Shares will be allocated and allotted in the following manner:

Categories	**Public Issue**		**Offer for Sale**		**Total**	
	No. of Shares	**% of enlarged share capital**	**No. of Shares**	**% of enlarged share capital**	**No. of Shares**	**% of enlarged share capital**
Malaysian Public (via balloting)	8,116,500	5.00	-	-	8,116,500	5.00
Our eligible directors and employees, and persons who have contributed to the success of our Group	9,739,700	6.00	-	-	9,739,700	6.00
Malaysian and/or foreign investors (by way of private placement)	11,363,000	7.00	8,652,600	5.33	20,015,600	12.33
Total	29,219,200	18.00	8,652,600	5.33	37,871,800	23.33

Any of the Public Issue Shares under Section 4.2.1(iii) above, not taken up by our eligible directors and employees, and persons who have contributed to the success of our Group will be re-offered to our eligible employees and persons who have contributed to the success of our Group. Subsequently, any of the Public Issue Shares re-offered which are not taken up will be made available for application by the investors under Section 4.2.1(i).

The Underwriter will underwrite all of the Public Issue Shares under Sections 4.2.1(i) and 4.2.1(iii). The Public Issue Shares under Section 4.2.1(ii) and Offer Shares under Section 4.2.2 will not be underwritten since investors have been identified to subscribe for these Shares. The Placement Agent has received irrevocable undertakings from the selected Malaysian and/or foreign investors to take up the Public Issue Shares under Section 4.2.1(ii) and Offer Shares under Section 4.2.2.

Details of the brokerage, placement fees, commission and others fees relate to the IPO are set out in Section 4.6 of this Prospectus.

4.3 Details of Allocation to Eligible Directors, Employees and Persons Who Have Contributed to the Success of Our Group

Our eligible directors and employees, and persons who have contributed to the success of our Group are allocated in aggregate 9,739,700 Public Issue Shares pursuant to the Preferential Share Allocation Scheme under the IPO as stated under Section 4.2.1 (iii) above.

Set forth below is the summary of allocation of the Public Issue Shares pursuant to the Preferential Share Allocation Scheme to our eligible directors and employees, and persons who have contributed to the success of our Group respectively.

Eligibility	Number of eligible persons	Aggregate number of Public Issue Shares allocated
Eligible directors of our Group^(i)^	Seven (7) Directors of our Company and four (4) directors of our subsidiaries	4,794,800
Eligible employees of our Group^(i)^	47	2,346,000
Eligible persons who have contributed to the success of our Group^(ii)^	169	2,598,900
Total	227	9,739,700

Notes:

(i) *The criteria for the allocation to our eligible directors and employees are based on, inter-alia, their job categories defined by the role, responsibility and accountability of the positions, their length of service in our Group and their respective contribution towards the success of our Listing exercise.*

(ii) *The criteria for the allocation to the persons who have contributed to the success of our Group are based on, inter-alia, the level of assistance rendered by these persons to the success of our Group and the value of their contribution towards our Group's revenue and profitability growth.*

Set forth below are the allocations to our respective directors/ key Management pursuant to the Preferential Share Allocation Scheme:

Directors	Designation(s)	No. of Shares allocated
Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid	Chairman and Independent Non-Executive Director	150,000
Azmi bin Ahmad	Managing Director	1,016,200
Shaharuddin bin Warno @ Rahmad	Non-Independent Executive Director	1,016,200
Mohd Abd Rahman bin Mohd Hashim	Non-Independent Executive Director	1,016,200
Ab Razak bin Hashim	Non-Independent Executive Director	1,016,200
Dato' Mohamad Idris bin Mansor	Independent Non-Executive Director	125,000
YB Haji Ab Wahab bin Haji Ibrahim	Independent Non-Executive Director	125,000
Azman bin Shabudin	Director of AHSB	125,000
Mohd Fozi bin Ismail	Director of AHSB	125,000
Sofian bin Mohd Ariff	Director of AESB	40,000
Haji Azijan bin Sipon	Director of AESB	40,000

Key management	Designation(s)	No. of Shares allocated
Ahmad Hassanudin bin Ahmad Kamaluddin	Advisor to AMRB's Board of Directors	405,000
Md Nasir bin Noh	Financial Controller	143,000
Haniza binti Sabaran	Company Secretary	144,000
Ramli bin Bujang	Safety Manager	71,000
Mohamad Izham bin Che Ariff	Assistant General Manager, Technical and Operation	123,000

4.4 Share Capital

As at the date of this Prospectus, the details of our share capital are as follows:

	No. of Shares	RM
Authorised		
500,000,000 Shares	500,000,000	250,000,000
Issued and fully paid-up		
Prior to the Acquisition of AMSB	2	1
Issued pursuant to the Acquisition of AMSB	133,116,880	66,558,440
To be issued and fully paid up pursuant to Public Issue	29,219,200	14,609,600
Enlarged share capital upon Listing	162,336,082	81,168,041
To be offered pursuant to the Offer for Sale*	8,652,600	4,326,300

Note:

* *The Offer for Sale would not have an effect on our number of issued and paid-up share capital as the Offer Shares consist of Shares that are already in existence prior to the IPO.*

Based on the IPO Price of RM1.65 per Share, the market capitalisation of our Company on the Main Board of Bursa Securities upon Listing is approximately RM267.85 million.

4.5 Classes of Shares and Rankings

As at the date of this Prospectus, we only have one (1) class of shares, being ordinary shares of RM0.50 each. The Public Issue Shares and Offer Shares will rank equally in all respects with our other existing issued and paid-up ordinary shares including voting rights and will be entitled to all rights and dividends and distribution that may be declared subsequent to the date of allotment of the Public Issue Shares and Offer Shares.

Upon allotment and issue, and subject to any special rights attaching to any shares that may be issued by us in the future, our shareholders shall in proportion to the amount paid-up on the shares held by them, be entitled to share in the profits paid out by us in the form of dividends and other distributions and any surplus in the event of our liquidation, in accordance with our Articles of Association.

At our every general meeting, each of our shareholder shall be entitled to vote in person, by proxy or by attorney, and on a show of hands, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote and on a poll, every of our shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for each Share held. A proxy may but need not be a member of our Company.

4.6 Brokerage, Placement Fee, and Underwriting Fee

Brokerage is payable by us in respect of the Public Issue Shares described in Section 4.2.1(i) of this Prospectus, at the rate of 1% of the IPO price for all successful applications which bear the stamp of either CIMB, a member of the Bursa Securities, a member of the Association of Banks in Malaysia, a member of Malaysian Investment Banking Association or the Issuing House. We will also pay brokerage in respect of the Public Issue Shares described in Section 4.2.1(iii) of this Prospectus, at the rate of 1% of the IPO price to CIMB.

The Placement Agent has agreed to place the Public Issue Shares described in Section 4.2.1(ii) and Offer Share described in Section 4.2.2 of this Prospectus, which are reserved for selected Malaysian and/ or foreign investors. Accordingly, we will pay a placement fee to the Placement Agent at the rate of 1.25% and 1.50%, wherein the former rate will apply to placee identified by us whilst the latter rate will apply to placee identified by the Placement Agent. The total placement fee will be calculated by the IPO Price multiplied by the number of Shares described in Section 4.2.1(ii) of this Prospectus at the respective rate. The Offerors will pay a placement fee to the Placement Agent at the rate of 1.5% of the IPO Price multiplied by the number of Shares described in Section 4.2.2 of this Prospectus.

The Underwriter has agreed to underwrite the Public Issue Shares described in Section 4.2.1(i) and (iii) of this Prospectus at the following rates:-

(a) (i) in the event the directors, individually provide an unconditional and irrevocable letter of undertaking to subscribe for the shares allocated to them under the Preferential Share Allocation Scheme ("Underwritten Tranche 1") within seven (7) Market Days from the date of the Underwriting Agreement, the underwriting commission shall be 0.75% of the underwritten value of the Underwritten Tranche 1 calculated on the basis of 0.75% multiplied by the IPO Price and the entire Underwritten Tranche 1; or

(ii) in the event the letter of undertaking referred to in paragraph (i) above is not provided by our directors in accordance with the said paragraph, the underwriting commission shall be 1.5% of the underwritten value of the Underwritten Tranche 1 calculated on the basis 1.5% multiplied by the IPO Price and the entire Underwritten Tranche 1; and

(b) an underwriting commission of 1.5% of the underwritten value of 13,061,400 Shares to be subscribed by the employees and persons who have contributed to the success of the Company under the Preferential Share Allocation Scheme and the Shares to be made available for application by Malaysian Public under the Public Issues("Underwritten Tranche 2"), which underwriting commission is to be calculated on the basis of 1.5% multiplied by the IPO Price and the entire Underwritten Tranche 2.

4.7 Details of the Underwriting

We have entered into an Underwriting Agreement dated 5 June 2006 with the Underwriter for the underwriting of 17,856,200 Shares under the Public Issue.

Details of the underwriting agreement and the underwriting commission are set out in Section 4.6 and Section 15.1 of this Prospectus respectively.

4.8 Objectives of Our IPO

The objectives of our IPO are as follows:

(i) to enable our existing and continuing shareholders to realise all or part of their investments;

(ii) to achieve listing status for our Company;

(iii) to enable us to have access to the capital market for cost effective capital raising in order to give us the financial flexibility to pursue growth opportunities;

(iv) to enhance our profile nationally and internationally;

(v) to enhance the liquidity of our Shares;

(vi) to enhance the transparency and discipline of our corporate management; and

(vii) to provide an opportunity for the investing community, including the Malaysian public, our eligible directors and employees, and persons who have contributed to the success of our Group, to participate in our equity and future performance.

4.9 Basis of Arriving at the IPO Price

Upon application, the applicants under the IPO will pay in full the IPO Price of RM1.65 per IPO Share. Our Directors, Offerors and Adviser have determined and agreed on the IPO Price after taking into consideration the following factors:

(i) our Group's financial performance and operating history as described in Sections 7, 8 and 11 of this Prospectus;

(ii) the overview of our industry and its prospects as outlined in Section 10 of this Prospectus;

(iii) our Group's competitive strengths and strategies as outlined in Section 11 of this Prospectus;

(iv) our forecasted net EPS of 17.3 sen computed based on our forecasted consolidated PATAMI[(1)] of RM28.155 million for the financial year ending 31 December 2006 divided by the 162,336,082 Shares in issue immediately after Listing and our forecasted net PE Multiple of 9.5 times for the financial year ending 31 December 2006; and

(v) our proforma consolidated NTA per Share of RM0.80 as at 31 December 2005 computed based on our proforma NTA of RM130.066[(2)] million divided by the 162,336,082 Shares in issue immediately upon Listing.

Notes:

(1) Based on our consolidated PATAMI, before adjusting for negative goodwill and pre-acquisition profit. Please refer to Section 6.1 of this Prospectus for details on the computation of our consolidated PATAMI, before adjusting for negative goodwill and pre-acquisition profit.

(2) The proforma NTA of our Group of RM130.066 million has incorporated the gross proceeds from the Public Issue and the write-off of estimated listing expenses of approximately RM48.212 million and RM3.000 million respectively.

Prior to the IPO, there has been no trading market for our Shares within or outside Malaysia. You should also note that the market price of our Shares upon the Listing is subject to the vagaries of market forces and other uncertainties. You are reminded to consider carefully the risk factors as set out in Section 5 of this Prospectus.

4.10 Utilisation of Proceeds

The expected gross proceeds of approximately RM48.212 million arising from the Public Issue of 29,219,200 Public Issue Shares at the IPO Price, is expected to be received during the third (3rd) quarter of the financial year ending 31 December 2006 and will be utilised, during the period of twelve (12) months from the date of this Prospectus, as set forth below:

	RM 000
Part payment for the acquisition of new vessels[(i)]	28,228
Repayment of bank borrowings[(ii)]	14,500
Working capital[(iii)]	2,484
Estimated listing expenses	3,000
Total gross proceeds	48,212

Notes:

(i) *The details of the utilisation of approximately RM28.228 million for the part payment for our acquisition of vessels in the financial year ending 31 December 2006 are as follows:*

Vessel	***Cost*** ***RM 000***	***Public Issue proceeds utilised as part payment of the vessels*** ***RM 000***
Setia Rentas[(1)]	*34,770[(1)]*	*5,215*
Setia Padu[(1)]	*34,770[(1)]*	*3,477*
Four (4) vessels to be acquired[(2)]	*195,360[(2)]*	*19,536*
Total		***28,228***

Notes:

(1) *The balance of the acquisition cost of Setia Rentas and Setia Padu have been/ will be financed via bank borrowings/ internally generated funds.*

(2) *We are in the process of identifying four (4) suitable vessels to further increase our fleet size. The four (4) vessels are only expected to be acquired towards the end of the financial year ending 31 December 2006 or in the financial year ending 31 December 2007.*

The expected cost of the four (4) vessels amounting to approximately RM195.36 million is indicative only based on our Management's estimate. The balance of the acquisition costs for the four (4) vessels are expected to be financed via bank borrowings/ internally generated funds.

(ii) *The repayment of our bank borrowings are expected to take place during the third (3rd) quarter of the financial year ending 31 December 2006 and will comprise the following:*

- *Approximately RM4.5 million to Malayan Banking Berhad to repay the revolving credit facilities. Assuming an interest rate of 7.75% per annum, the repayment of the borrowings will result in interest savings of approximately RM29,063 per month for our Group;*

- *Approximately RM10.0 million to Bumiputra-Commerce Bank Berhad to repay the revolving credit facilities. Assuming an interest rate of 7.50% per annum, the repayment of the borrowings will result in interest savings of approximately RM62,500 per month for our Group;*

(iii) The utilisation of proceeds for working capital purposes shall be primarily used to finance our Group's daily operational activities.

4.11 Estimated Expenses of the IPO

The expenses of our IPO are estimated to be RM3.0 million and will comprise the following:

	RM million
Estimated professional fees	1.0
Fees to authorities pursuant to the IPO	0.2
Brokerage, Placement and Underwriting fees	1.1
Other fees and expenses such as printing, advertising and travelling expenses incurred in connection with the Public Issue	0.6
Miscellaneous expenses and contingencies	0.1
Total listing expenses	3.0

All of the expenses of the Public Issue will be borne by us. The Offerors shall bear all expenses such as brokerage, registration fee and share transfer fee relating to the Offer for Sale.

4.12 Trading and Settlement in Secondary Market

Upon listing and quotation on Bursa Securities, our IPO Shares that are being offered in the IPO will be traded through Bursa Securities and settled by book-entry settlement through CDS, which will be effected in accordance with the rules of Bursa Depository for the operation of CDS accounts, as amended from time to time and the provisions of the SICDA. Accordingly, we will not deliver share certificates to subscribers for, or purchasers of, the IPO Shares. Bursa Depository operates the CDS.

Beneficial owners of Shares are required under the CDS rules to maintain CDS accounts, either directly in their name or through authorised nominees. Persons whose names appear in the records of depositors maintained by Bursa Depository will be treated as our shareholders in respect of the number of Shares credited to their respective securities accounts.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS account being debited with the number of Shares sold and the buyer's CDS account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis, although there is a nominal transfer fee of RM10.00 payable for each transfer not transacted on the market.

All Shares held in CDS accounts may not be withdrawn from CDS except in the following instances:

(i) to facilitate a share buy-back;

(ii) to facilitate conversion of debt securities;

(iii) to facilitate company restructuring process;

(iv) where a body corporate is removed from the Official List of Bursa Securities;

(v) to facilitate a rectification of any error; and

(vi) in any other circumstances determined by Bursa Depository from time to time, after consultation with the SC.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares shall trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the third (3^{rd}) Market Day following the transaction date, and payment for the securities is generally settled on the third (3^{rd}) Market Day following the transaction date or such other time frame as stipulated by Bursa Securities from time to time.

It is expected that the Shares offered in the IPO will not commence trading on the Bursa Securities until approximately ten (10) days after the balloting date. Subscribers of the Shares will not be able to sell or otherwise deal in the Shares (except by way of book entry transfers to other CDS accounts in circumstances which do not involve a change in beneficial ownership) prior to the commencement of trading on Bursa Securities.

4.13 Moratorium on Our Shares

Pursuant to the condition of the SC's approval for our Listing, three (3) of our shareholders, namely SAR Venture, FVSB and CIMB Mezz I, will not be allowed to sell, transfer or assign their shareholdings amounting to 45% of our nominal issued and paid-up share capital, for one (1) year from the date of our admission to the Main Board of Bursa Securities ("Initial Moratorium Period"). Subsequent to the Initial Moratorium Period, two (2) of our shareholders, namely SAR Venture and FVSB, are only allowed to sell, transfer or assign up to a maximum of one-third (1/3) per annum (on a straight line basis) of their respective shareholding which are under moratorium in the first (1^{st}), second (2^{nd}) and third (3^{rd}) year thereafter respectively.

Details of our shareholders and their respective shareholding which are subject to the moratorium are as follows:

	Shares held upon IPO		Shares under moratorium	
	No. of Shares	% of enlarged share capital	No. of Shares	% of enlarged share capital
SAR Venture	89,853,896	55.35	53,861,543	33.18
FVSB	26,623,376	16.40	15,958,975	9.83
CIMB Mezz I	5,392,294	3.32	3,230,719	1.99
Total	**121,869,566**	**75.07**	**73,051,237**	**45.00**

Pursuant to the condition of the SC's approval for our Listing, where the affected shareholder is an unlisted company, every shareholder of the unlisted company (if an individual) or ultimate individual shareholder (if the shareholder of the unlisted company is another unlisted company) must give an undertaking that he/she will not sell, transfer or assign his/her shareholding in the related unlisted company for the moratorium period as stipulated above.

5. RISK FACTORS

Before investing in our Shares, you should pay particular attention to the fact that we, and to a large extent our activities, are subject to the legal and regulatory requirements and business environment in Malaysia as well as certain international standards governing our business. Our business is subject to a number of factors, many of which are outside our control. Prior to making an investment decision, you should carefully consider, along with the other matters in this Prospectus, the risks and investment considerations set out below. The risks and investment considerations set out below are not an exhaustive nor exclusive list of the challenges that we currently face or may develop in the future that may have a significant impact on the current and future performance of our Group. Additional risks, whether known or unknown, may in the future have a material adverse effect on us or our Shares.

5.1 Risks Relating to the Industry that We Operate In

5.1.1 Level of Activities of the Oil and Gas Industry

Our offshore support services are very much dependent on the level of activities of the oil and gas industry such as exploration, development and production of oil and natural gas. These activities are in turn affected by factors such as fluctuations in oil and natural gas prices and changes in capital investment in the oil and gas industry. Low prices on oil and gas tend to reduce the spending budgets in activities such as drilling, exploration and development as it is less economical for oil and gas producers to do so. Consequently, the demand for our offshore support services may also decline in tandem.

In addition, the level of the E&P activities is also correlated with the availability of crude oil and natural gas reserves in the country where we operate. Investments in this sector could be significantly reduced should the oil and natural gas reserves deplete and are no longer economical to extract. Consequently, the demand for related offshore support vessels and services is expected to reduce.

As at January 2005, Malaysia's crude oil reserves and gas reserves are approximately 5.29 billion barrels and 85.20 tscf respectively. Under the current pace of development and production rate, the crude oil and natural gas reserves are expected to last for approximately 19 years and 33 years respectively. Furthermore, based on the report from Petronas for the financial year ended March 2005, investments in the E&P sector alone attracted RM12 billion in 2004/2005. Approximately half was made by Petronas Carigali Sdn Bhd, the E&P subsidiary of Petronas, whilst the other 50% was invested by foreign oil companies. In June 2004, Petronas announced plans to increase oil and gas production by 3% per annum over the next five (5) years. During the same period, around 40 offshore platforms are planned to be installed and Petronas estimated that approximately RM25.1 billion would be spent over the next five (5) years.

We are optimistic that there will be more than adequate crude oil and gas reserves available as well as sufficient capital expenditure in the oil and gas industry, at present and in the future, which would encourage high levels of activities in the E&P sector. We also expect that there will be a corresponding increase in the demand for offshore support vessels and services in light of these developments. However, there can be no assurance that the aforementioned plans will take place as scheduled or at all or any continuous reduction in the level of activity in the oil and gas industry will not affect our activities.

5.1.2 Volatility in Oil Prices

The price of oil had been very volatile, surging from below USD30 per barrel in 2003 to a high of above USD65 per barrel in 2006. The fluctuation in crude oil prices are very much related to the fundamentals of demand and supply conditions of the global crude oil market. In turn, the level of volatility will affect the level of capital spending by companies operating in the oil and gas industry.

Any major and sustained decline in the price of oil and gas could result in a lower investment in the E&P sector. Despite the volatility of oil prices, the level of investment and activity in the oil and gas industry is not expected to fluctuate in tandem with the oil price as the oil price is expected to remain fairly attractive in the long term.

Although prices of oil are volatile, it has increased to above USD45 per barrel since 2004 and industry specialist does not foresee the price to drop below USD45 per barrel in the near future. High oil and natural gas prices tend to increase the profitability of oil and gas producers.

Accordingly, we believe that when this happens, major oil and gas operators will generally increase their investment budgets for E&P activities which in turn translate to increase in demand for our offshore support services. In the event of a reduction in the level of investment budgets, offshore support services are still required to sustain the on-going activities in the exploration, development and production before the demand for offshore support services diminishes. However, no assurance can be given that our activities will not be materially affected in the event of sustained depression in oil prices.

5.1.3 Imbalance of Demand and Supply

The offshore support vessels and services, as an industry, is governed by the forces of demand and supply and will accordingly be cyclical in nature and has traditionally experienced fluctuations in freight and charter rates and vessel value, which are dependent on factors including the respective demand for and supply of vessels and shipping capacity. These factors may contribute to the volatility of our financial performance, vis-à-vis where a decrease in demand of vessels or an increase in supply of vessels, may result in us charging lower charter hire rates to our customers, which would consequently lower our revenue, and may result in an adverse impact on our financial performance. Furthermore, a decrease in the availability of third party vessels for us to charter or a decrease in the availability of suitable vessels for us to acquire (with limited space for the construction of new vessels) or any factors that may result in us incurring higher charter hire expenses from our suppliers, would consequently increase our costs, and may likewise result in an adverse impact on our financial performance. There is also no assurance that the type of vessels invested by us will continue to be in demand, in view of the dynamics in the E&P sector.

The demand factors would depend on, inter-alia, trade activities on the upstream and downstream of the oil and gas industry, changes in seaborne, seasonal and weather conditions, and political uncertainties. The supply factors would include the total number of vessels in operating condition, that are in compliance with governmental and industry regulations of the maritime industry, as well as the building and delivery of new vessels.

In view of Petronas' intention to increase production, it is anticipated that more platforms will be built and hence, an increase in the demand of offshore support services, in particular, the services of offshore support vessels. In addition, the current shortage of vessels to service the existing oil fields would also contribute to the continuing demand for such vessels. In this respect, we have over the last few years adopted a fleet expansion strategy which is expected to mitigate our reliance on third party vessels.

5.1.4 Increased Competition

The offshore support vessels and services is a competitive industry and our Group will continue to face competition from other local and international offshore support companies. Competitive factors include price and quality of services as well as the quality and availability of vessels. The players in this industry are diversified ranging from large MNCs to large local companies to SMEs. Although there is always competition between local licensed service providers, the threat from new entrants is relatively low due to the high barriers of entry such as the high investment cost of vessels, the availability of the necessary technical expertise, skilled workforce and the various requirements for licenses and registrations with Petronas and MOF.

We also face competition from foreign vessels suppliers which have joint-venture arrangements with local licensed vessel suppliers that provide various maritime services to oilfield operators in Malaysia.

Notwithstanding the high level of competition, we are well positioned to face the competition as we have developed a long established clientele base and have developed a good track record for our services over the years. In addition, our Group has received delivery of six (6) new vessels in 2005, and has contracted to acquire two (2) new vessels in 2006, one (1) of which has been delivered to us in March 2006 whilst the other vessel is expected to be delivered to us in July 2006.

We are also in the process of identifying four (4) additional suitable vessels, which we plan to acquire at the end of 2006 or in 2007, to further increase our fleet size. These vessels are designed and equipped with integrated technological capabilities and larger capacities which will give us a competitive edge in terms of versatility and wide range of usability in meeting our customers' demands.

5.1.5 Licenses, Registration and Certification Requirements

The oil and gas industry in general is a highly regulated industry. From Malaysia's perspective, the authority is vested with Petronas, whereby operators or service providers are required to possess the relevant licences issued by Petronas in order to provide services to Petronas or other operators. Without the requisite licence, we are not allowed to participate in the bidding/ tendering process. In addition, the MOF also regulates the industry through the issuance of relevant licence.

Further, our Group must also adhere and conform to the Malaysian legislations and international standards for safety management, operation as well as pollution controls. In addition, all vessels are required to hold various certifications classed by the international classification societies prior to operations. All of these licenses, registrations and certifications are valid for certain periods of time with the renewal based on our Group's compliance with those requirements imposed by the relevant authorities.

There is no assurance that these licenses, registration and certification will be renewed when they expire. However, we will continue in ensuring that we comply with all requirements imposed by the authorities at all time and is confident about the on-going renewals. Further, we have not experienced any failure in obtaining the renewals of our licences, registration and certificates in the past.

5.1.6 Economic Costs of Regulatory Compliance

The ship owning and managing industry is highly regulated and the vessels have to operate within the rules of the international conventions set out by Assembly of the International Maritime Organisation ("IMO") such as:

(i) the SOLAS Convention;

(ii) the International Convention for the Prevention of Pollution from Ships ("MARPOL");

(iii) the International Convention for the Seafarers; Training, Certification and Watchkeeping ("STCW");

(iv) the ISM Code 2002; and

(v) the ISPS Code.

All of these conventions have been ratified by the majority of maritime nations, including Malaysia, and apply to all vessels registered in these countries or calling in the waters of these countries. Any non-compliance with any of these regulations can have dire consequences which include heavy fines and possible detention of vessel in the port.

Nevertheless, our Directors have many years of working experience and in-depth knowledge in the maritime industry and this is enhanced by a group of experienced and technically sound key personnel, who have extensive experience operating in the Asia Pacific region. This in turn would mitigate the possibility of infringement/ non-compliance with any of these regulations.

Further, IMO may from time to time adopt or introduce new regulations requiring compliance by our Group's vessels which will inevitably increase our cost of operations and subsequently may have an adverse effect on the profitability of our Group. Our Directors feel that these costs are part of our ordinary course of business in the maritime industry.

5.1.7 Environmental, Health and Safety Laws and Regulations

Our business involves the transporting/ handling substances and compounds that may be considered toxic or hazardous within the meaning of environmental laws. As a result, our Group is subject to stringent environmental, health and safety laws and regulations addressing air pollutant emissions, discharge of waste and solid waste management and other aspects of its operations. Typically, these laws provide for substantial fines and potential criminal sanction for violations.

Further, as we envisage, deepwater and ultra-deepwater explorations would be the next impetus for growth in the oil and gas industry. In such environments, the field architecture, technology and concept options are more complex and diverse and hence present a greater risks (in terms of health and safety) and demands greater diligent risk mitigation vis-à-vis greater investment of expertise by both the operators and contractors.

We have established a health, safety and environment management system ("HSEMS") The Safety and Health Committee's task to making and maintaining health, safety and environment management arrangements, ensuring effective co-operation between employer and employees, developing measures to ensure the safety and health at the workplace and prevention of environmental breach, and in monitoring the effectiveness of such measures. Our subsidiaries have obtained Contractor Safety Award and Excellent HSE Performance "Gold Award" which are reflective of our good and sound health, safety and environment management.

Please refer to Section 11.12 of this Prospectus for further details of the awards that we have received.

In addition, we may face liability for alleged personal injury or property damage. Although we have not experienced such claims to date, claims of this nature can be substantial and could in the future materially adversely affect our business, financial condition, profitability or cash flows, if it is not adequately covered by insurance. Nevertheless, we believe that our membership with a reputable P&I Club will mitigate this as P&I Club, which provides mutual coverage and allows member to claim any damages due to identified perils.

We also incur and expect to continue to incur capital and operating costs to comply with environmental, health and safety laws and regulations. In addition, new laws and regulations, stricter enforcement of or changes to, existing laws and regulations, or the imposition of new clean-up requirements could in the future require us to incur additional costs. No assurance can be given that material capital expenditures, costs or operating expenses beyond those currently anticipated will not be required under applicable environmental, health, and safety laws and regulations, or that developments with respect to such laws and regulations will not adversely affect our revenue.

5.1.8 Inherent Risk Associated with Offshore Support Vessels

Typical of the offshore support vessels business, our Group is exposed to the inherent risks of damage to and/ or loss of vessels and cargoes sustained in collisions, interruptions to operations caused by adverse weather conditions and mechanical failures. In the event of accidents, our Group may incur liability for clean-up and salvage costs and other damages sustained in collisions as well as wreck removal charges. In addition, accidents may lead to the exposure of claims from third parties.

In this respect, all our vessels are insured in accordance with standard industry practices that consist of Hull and Machinery Insurance policy and P&I Club and Loss of Hire insurance. Nonetheless, any major claim might adversely affect the claims record of our Group's fleet and result in an increase in our insurance coverage rates and premium paid.

5.1.9 Economic and Market Factors That Are Outside Our Control

External factors beyond our control can cause volatility in, and adversely affect, prices and demand for our services and operating margins. Examples of such external factors include:

- general economic conditions;
- the level of business activity in the industries that require our services and the markets in which such industry participants operate;
- competitors' actions, including significant increases in services provided from competitors;
- currency fluctuations;
- international events and circumstances such as wars, terrorist attacks and political instability, including continued hostilities in the Middle East; and
- changes in legal regimes and governmental regulations, such as taxation, duties and tariffs, in Malaysia and abroad.

5.2 Risks Relating to Our Group and Operations

5.2.1 Continued Employment and Performance of our Directors and Key Management

Our performance and growth to date have been achieved primarily with the involvement of certain members of our Board and the services of our key members of management. In particular our founders namely, En Azmi bin Ahmad, En Shaharuddin bin Warno @ Rahmad, En Mohd Abd Rahman bin Mohd Hashim and En Ab Razak bin Hashim, are also our Managing Director, Finance Director, Technical and Operation Director and Project Director respectively who have many years of relevant working experience and in-depth knowledge of the offshore support services industry.

In 2004, En Ahmad Hassanudin bin Ahmad Kamaluddin joined AMSB as the advisor to the Board of Directors. He is currently the Advisor to the Board of AMRB, primarily due to his vast experience of over thirty (30) years in the oil and gas industry, mainly through his career with Petronas and its group of companies. Please refer to Section 13.2.1 of this Prospectus for further details on En Ahmad Hassanudin's responsibilities as the advisor to the Board of Directors of AMRB.

Our continued success depends to a significant extent upon the continued employment and performance of our personnel, in particular of our founders and advisor. The loss of key management personnel could have a material adverse effect on our operations and performance. Moving forward, we have appointed three (3) new Directors to our Board, namely Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid, Dato' Mohamad Idris bin Mansor and YB Haji Ab Wahab bin Haji Ibrahim, who collectively have more than ninety (90) years of experience, generally in the corporate sector and in particular, in the oil and gas sector as well as in the national and international maritime industry. In addition to their wealth of experience and expertise which will contribute to the continued success of our Group, the presence of these new Directors would serve to mitigate the adverse effects to our Group in the event of the departure of any existing Directors and/or key management personnel of our Group. Please refer to Section 13.1.1 of this Prospectus for further details on the experiences of our Board of Directors.

Furthermore, we also have in place our Nomination and Remuneration Committee whose responsibilities include, amongst others, to recommend candidates for appointments to our Board of Directors, board committees, consultative panels, regulatory committees and key management positions. The work carried out by our Remuneration and Nomination Committee, i.e. by continuously identifying and recommending suitable candidates as Director or key management of our Group, will significantly mitigate the adverse effects to our Group in the event of the departure of any existing Directors and/or key management personnel of our Group. Please refer to Section 13.1.7 of this Prospectus for further details on our Nomination and Remuneration Committee.

Our future success will, to a large extent, depend on our ability to retain our key management personnel and also our ability to attract and retain highly skilled technical, managerial and marketing personnel. Competition for such skilled/ specialised personnel is intense. There can be no assurance that we will be successful in retaining or attracting the personnel we require. Accordingly, there is no assurance that any loss of key members of management may not have an adverse effect on our business. Notwithstanding the above, we have a management succession plan in place which would facilitate the continuity of our management with the appropriate experience, expertise and calibre in the event of the departure of any of our key management personnel. Please refer to Section 13.2.5 of this Prospectus for further details on our Management Succession Plans.

5.2.2 Level of Borrowings and Interest Cover

In general, the oil and gas support services industry and in particular, the provision of offshore support vessels and services, i.e., the segment of business which we operate, is capital intensive by nature. This is mainly due to the high costs associated with the acquisition of vessels and equipment. In addition, our business strategy of fleet expansion has resulted in significant acquisition of vessels especially in the current year and during these past three (3) financial years. Our level of borrowings has increased steadily over the years primarily due to our business strategy for fleet expansion. As at the Latest Practicable Date, our Group had total borrowings of approximately RM245.74 million of which RM225.58 million or 91.8% consisted of borrowings which are related to the financing of our vessels. In tandem with our higher level of borrowings, our finance costs have also increased significantly.

For the financial year ended 31 December 2005, our Group generated an interest cover of approximately 6.3 times whilst for the current financial year ending 31 December 2006, we expect to register an interest cover of approximately 4.7 times.

Based on the prospectuses (for listing on the Main Board/Second Board of Bursa Securities) of companies comparable to us, such as Scomi Group Bhd ("Scomi"), Coastal Contracts Berhad ("Coastal"), Petra Perdana Berhad ("Petra") and Tanjung Offshore Berhad ("Tanjung"), their interest cover for the financial year immediately preceding their Listing were 22.0, 8.6, 73.6 and 92.3 times respectively, and are generally higher than our interest cover.

Whilst interest cover is a general indicator of the ability of a company to service its interests, our ability to make payments on our loan principal and to service our interest will depend on our ability to generate sufficient cash in the future, which is subject to many factors beyond our control. Our failure to repay our borrowings or service our interest in the future may have a material adverse effect on us. In addition, a portion of our borrowings are on floating rates and are subject to the inherent risk of interest rate fluctuations. Consequently, in the event of increases in the floating rates, we would incur higher finance costs which would have an adverse effect on our bottom line.

Whilst no absolute assurance can be given that we will be able to repay all our borrowings and service all our interest in the future when they fall due, we are of the opinion that our high level of borrowings and the corresponding high finance costs are justifiable as we believe that our vessels are self-financing, i.e. we expect that the charter hire revenue to be generated by each vessel to be more than adequate to repay the related loan principal and to service the corresponding interest charges. In addition, approximately RM125.91 million or 51.2% of our total borrowings as at the Latest Practicable Date, are fixed-rated, and therefore, partially mitigating our exposure to increase in interest rates. Furthermore, our Group has never defaulted on any principal or interest payment in the past and we have also never restructured any of our borrowings to adjust the repayment schedule due to insufficient funds. We attribute these to our sound cash management practice and the close review of our financials by our management. Moving forward, our Risk Management Committee will also ensure that our Group's risk management strategies are continuously aligned with our business strategies and risk tolerance, whereby risks, which include, *inter-alia*, our level of borrowings, the corresponding finance costs and interest cover, are considered in our Group's long-term plans and investment or capital allocations/decisions.

5.2.3 Short Term Project-Based Contracts and Early Termination of Contracts

Generally, it is the nature of the offshore support services industry that contracts for charter and provision of services are usually not longer than three (3) years. This is due to a number of reasons such as: (i) the charterer would only hire a vessel for a particular project; and (ii) restrictive policy on the length of contract by customers. Once the term of the project is completed, the support services companies would have to source for new projects to derive a new source of revenue.

We view the industry practice as an advantage where we could explore the best possible deal from time to time. Currently, we also have a good mixture of long, medium and short term contracts. This provides a steady stream of income through the long term contracts and the potential earning growth from the high rate short term contracts.

Our Group also faces risk of possible early termination of contracts which could affect our Group's cash flow and operations. However, charter hire contracts would normally contain compensation clauses that would mitigate this risk.

We do not foresee that any of our customers would terminate their contracts as evidenced by the fact that our Group has not encountered any event of early termination of contract since our commencement of business.

5.2.4 Seasonality of Services

The offshore support vessels and services industry, particularly in Malaysia, would also be subject to the risk of increase in down time or off hires due to adverse weather condition (i.e. monsoon seasons). Two (2) of our smaller-sized vessels, which are under spot contracts and our underwater services would be inevitably affected by the monsoon seasons and this would result in a fluctuation of our earnings over the financial year.

Notwithstanding the above, thirteen (13) out of our fifteen (15) vessels are currently under fixed charter contracts. In respect of our vessels which are under fixed charter contracts, we are required to make available the vessels, regardless of the weather condition, which in turn will provide us with a steady stream of income.

5.2.5 Unexpected Breakdown of Vessel

The operation of providing offshore support vessels is dependent on the quality services and reliability of vessels in terms of seaworthiness and safety environment. Any unexpected breakdown of our Group's vessel is difficult to envisage. In the event of downtime occurring, additional costs will be incurred by customers arising from the disruption of their workflow and scheduled activities, if supplies or offshore personnel are not transported from shore to platforms in time. In such circumstances, customer relationship may also be affected.

In mitigating the above factor, we have developed a planned maintenance schedule which stringently adheres to the ISM Code 2002 standards in maintaining or repairing the performance and seaworthiness of all vessels. All our vessels are required to undergo an intermediate survey every two and a half (2.5) years and special survey every five (5) years.

Further, all our vessels are insured in accordance with standard industry practices that consist of: (i) Hull and Machinery Insurance policy and P&I Club which would allow us to claim any damages due to insured perils; and (ii) Loss of Hire insurance which would allow us to claim any down time loss due to unexpected breakdown of vessels.

5.2.6 Arrest and Requisition of Vessels

In the event our Group is unable to fulfil its financial obligations to suppliers of goods or services to our vessels or other parties that have obtained maritime liens, such parties may be entitled to arrest one or more of our vessels. Similarly, our fleets can be detained or arrested due to any spills or non-compliance with maritime standards.

The arrest or detention of one or more of our vessels may result in a loss of earnings for the resulting off-hire period.

In this respect, we have not had any incident in the past which resulted in any of our vessels being detained or arrested. We also do not foresee any occurrence of such incident in the future.

5.2.7 Funding Calls by P&I Club

Our Group is indemnified for legal liabilities incurred while operating our vessels through membership in P&I Club. P&I Clubs are mutual insurance clubs whose members must contribute to cover loss sustained by other club members. The objective of a P&I Club is to provide mutual coverage based on the aggregate tonnage of a member's vessels entered into the club. Claims are paid through the aggregate premiums of all members, although members are subject to calls for additional funds if the aggregate premiums are insufficient to cover claims submitted to the club, which other than those submitted by members, include claims from other P&I Clubs which the club has a inter-club agreement.

There is a risk, albeit slim, that the P&I Club in which we are a member will call for additional funds from us and other members. Such calls might have an impact on our profitability. Due to the nature of the industry, we believe that the risk of calls is justified if it is weighted against self-insurance.

5.2.8 Changes in Foreign Exchange Controls

A portion of our revenue, expenses and foreign currency denominated obligations are denominated in, or directly or indirectly linked to benchmarks denominated in USD, while our reporting currency is denominated in Ringgit. While fluctuations in the RM/USD exchange rate may not have a material impact on our USD denominated cash flow, it may have a material impact on the reporting of our revenue, expenses and foreign currency denominated obligations, as they are required to be stated in Ringgit, as well as on financial and other covenants contained in our indebtedness that are based upon such reported revenues, expenses and obligations.

The imposition of currency controls via the pegging of RM to USD at the fixed exchange rate of USD1.00 to RM3.80 by BNM on 2 September 1998 had stabilised the risks arising from exchange rate fluctuations. On 21 July 2005, BNM announced that the RM will be allowed to operate in a managed float, with its value being determined by economic fundamentals, vis-à-vis, monitoring against a basket of currencies to ensure the exchange rate remains close to its fair value.

Furthermore, there can be no assurance if any imposition of the currency control will recur and that future exchange rate fluctuations arising from the lifting of the currency controls or any adjustments of the exchange rate of RM to USD will not adversely affect the financial results of our Group.

5.2.9 Changes in Shareholders of our Principal Subsidiary

There have been occasions in the past where there have been changes to the shareholders of AMSB, our principal subsidiary. Please refer to Section 12.2 of this Prospectus for details of the changes in the shareholders of AMSB during the past three (3) financial years ended 31 December 2005.

More particularly, Jaya Offshore Pte Ltd ("Jaya Offshore"), a wholly-owned subsidiary of Jaya Holdings Limited, has emerged as a substantial shareholder of AMSB in 2003 and ceased to be one in 2004. Any departure of a substantial shareholder of a company may, to an extent, poses a risk to the company vis-à-vis affecting the performance, management and direction of the company. In view of the departure of Jaya Offshore in 2004 with the execution of the sale and purchase agreement, AMSB's performance, management and direction may have been affected, especially when the principal activities of Jaya Offshore are similar to that of AMSB.

However, since the departure of Jaya Offshore, there has been no adverse impact of the performance of AMSB group. SAR Venture, the ultimate substantial shareholder of AMSB, since its incorporation, has managed to grow/steer the company from strength to strength and a stronger financial footing. This can be evidenced by the historical performance of AMSB in 2004 and 2005. Moreover, AMSB believes that it has not been dependent on Jaya Offshore or any other companies within the Jaya Holdings Limited group of companies for securing contracts/revenue in the past.

Moving forward and immediately upon our Listing, we will have two (2) substantial shareholders namely, SAR Venture and FVSB. As a listed company, any change in our substantial shareholders may be construed as a sell down by our then substantial shareholder and perceived negatively by the public and consequently, may adversely effect our Share price.

Nevertheless, the existing substantial shareholders' shareholdings in our Company are subject to the moratorium conditions imposed by the SC wherein the Shares under moratorium will not be allowed to be sold, transferred or assigned during the moratorium period. The imposition of the moratorium conditions by the SC will mitigate, to a certain extent, the sale of our existing substantial shareholders' Shares in our Company and consequently, mitigate the possibility of a change in our substantial shareholders. Please refer to Section 4.13 of this Prospectus for further details on the moratorium conditions imposed by the SC.

However, there is no assurance that our existing shareholders will not sell their Shares, either upon listing or after the expiry of the moratorium period (as the case may be), which may result in a change in our Company's shareholders.

5.3 Risks Relating to Our Shares

Our Shares comprise a new issue of securities for which there is currently no public market. There can be no assurance as to the liquidity of any market that may develop for the Shares, the ability of holders to sell their Shares or the prices at which holders would be able to sell their Shares. Application has been made and approval-in-principle has been obtained from Bursa Securities for the listing of the entire enlarged share capital of AMRB on the Main Board of Bursa Securities. However, there can be no assurance that the Shares will be accepted for quotation and trading. In the event that the Shares are not admitted to the Official List within six (6) weeks from the date of the Prospectus, we will return the monies paid in respect of any application for Shares to applicants without interest, within fourteen (14) days after the Company becomes liable to do so.

5.3.1 No Prior Trading Market for Our Shares

There is currently no prior trading market for our Shares within or outside Malaysia. There can be no assurance as to the liquidity of any market that may develop for our Shares, the ability of holders to sell their Shares or the prices at which holders would be able to sell their Shares. While the SC has approved the IPO and given approval for our Listing, there can be no assurance that our Shares will be accepted for listing and quotation on the anticipated date. We will make an application to Bursa Securities for the quotation of the Shares on the Main Board of Bursa Securities. In the event that our Shares are not admitted to the Official List, we will return the monies paid in respect of any application for Shares without interest.

Our Shares could also trade at prices that may be lower than the IPO Price depending on many factors, including prevailing economic, political and financial conditions in Malaysia, our operating results and the markets for similar securities. Neither we nor the Underwriter have any obligation to make a market in our Shares. There can be no assurance that we will be able to maintain our Listing.

5.3.2 The Volatility of the Market Price of Our Shares

The market price of our Shares could be affected by numerous factors, including:

(i) general market, political and economic conditions;

(ii) changes in earnings estimates and recommendations by financial analysts;

(iii) changes in market valuations of listed shares in general and other securities exchanges' shares in particular;

(iv) changes in government policy, legislation or regulation; and

(v) general operational and business risks.

In addition, many of the risks described elsewhere in this Prospectus could materially and adversely affect the market price of our Shares.

The Malaysian, regional and global equity markets have experienced price and volume volatility that have affected the share prices of many companies. Share prices of many companies have experienced wide fluctuations that have often been unrelated to the operating performance of those companies. Such fluctuations may adversely affect the market price of our Shares.

5.3.3 The Sale or Possible Sale of a Substantial Number of Our Shares

Immediately after our Listing, we will have 162,336,082 issued and paid-up Shares, of which 37,871,800 Shares, or approximately 23.33%, will be held by investors participating in the IPO and 124,464,282 Shares, or approximately 76.67%, will be held by our existing shareholders. The Shares offered in the IPO will be tradeable on the Main Board of Bursa Securities without restriction following our Listing, save for the moratorium conditions imposed by the SC on our existing shareholders. If our existing shareholders sell or are perceived as intending to sell a substantial amount of Shares, the market price for our Shares could be adversely affected.

5.3.4 Delay or Failure in Our Listing

The occurrence of certain events, including the following, may cause a delay in or termination of our Listing:

(i) the identified investors failing to subscribe to the portion of Shares intended to be placed to them; or

(ii) the Underwriter exercising their rights pursuant to the underwriting agreement to discharge themselves from their obligations thereunder; or

(iii) our Company is unable to meet the minimum public spread requirements of the Bursa Securities at the point of listing; or

(iv) any force majeure event(s) which are beyond our control before the listing of our Company.

After the IPO Shares have been allocated to successful applicants and credited into the applicants' CDS Accounts, which would occur prior to the anticipated date for our Listing, it may not be possible to recover monies paid in respect of these IPO Shares from us in the event the admission and the commencement of trading on the Main Board of Bursa Securities do not occur. Delays in the admission and the commencement of trading in shares on the Main Board of Bursa Securities have also occurred previously.

In respect of IPO Shares following their allotment, a return of monies to all holders of Shares could be achieved by way of a cancellation of capital pursuant to the relevant provisions of the Act and the rules made pursuant thereto. Such cancellation would require the sanction of our shareholders by special resolution in general meeting and confirmation of the High Court of Malaya. There can be no assurance that monies can be recovered within a short period of time or at all in such circumstances.

5.3.5 Payment of Dividends

We conduct all of our operations through our subsidiaries. Accordingly, an important source of our income, and consequently an important factor in our ability to pay dividends on our Shares, are dividends and other distributions received from our subsidiaries. Our ability to pay dividends or make other distributions to our shareholders may be subject to restrictions contained in our existing and/or future loan agreements which may limit dividend payments without the prior written consent of our lenders, as well as, among other things, to us having profits and sufficient funds which are above our requirement to fund our operations, other obligations or business plans.

5.4 Other Risks

5.4.1 Political, Economic and Social Developments in Malaysia

Given the nature of the industry in which our Group operates, our operations are closely linked to the political and social developments in Malaysia and other countries, where we have interests or intend to set up operations in the future. Any adverse developments or uncertainties in the political and social developments in Malaysia and other countries may adversely affect the performance of our Group. These include, but are not limited to, risk of war, riots, expropriation, nationalisation, renegotiation or nullification of existing contracts and arrangements, global economic downturn and unfavourable changes in governmental policy such as changes in interest rates, inflation rate and methods of taxation, currency exchange controls and changes in regulations or other legal, administrative, political, economic or social developments.

There can be no assurance that any changes to these factors will not have an adverse effect on our Group's business and financial performance. The success of the IPO depends also to a certain extent on the prevailing market conditions which are unpredictable and volatile.

5.4.2 Significant Variation in the Profit Forecast

Our consolidated profit forecast for the financial year ending 31 December 2006 is set out in Section 6 of this Prospectus. The consolidated profit forecast is based on the assumptions made by our Directors and is presented on a basis consistent with the accounting policies adopted by us. Furthermore, it reflects the current judgement of our Directors regarding expected conditions and our expected course of action, which is subject to change.

The profit forecast is based on a number of assumptions which are inherently subject to significant uncertainty due to factors including, but not limited to, those identified in Section 5.4.3 of this Prospectus. Many of these factors are not within our control and some of the assumptions with respect to future business decisions and strategies are subject to change. Our actual results will differ from such forecast and such differences may be material and may affect the market price of our Shares and any dividend that may be contemplated.
Under no circumstances should the inclusion of the profit forecast be regarded as a representation, warranty or prediction with respect to its accuracy or the accuracy of the underlying assumptions, or that we had or will achieve or are likely to achieve any particular result.

We do not intend to provide any updated or otherwise revised profit forecast. Prospective investors in our Shares are cautioned to place no reliance on the profit forecast.

The profit forecast should be reviewed in conjunction with the description of the business, the historical financial information and the other materials contained in this Prospectus, including the information included elsewhere in Section 5 of this Prospectus.

5.4.3 Forward-looking Statements

This Prospectus includes forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategy, plans and objectives of the Management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of our Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such factors include, *inter-alia*, general economic and business conditions, competitions, the impact of new laws and regulations affecting us and the industry, changes in interest rates and changes in foreign exchange rates.

In light of these uncertainties, the inclusion of such forward looking statement in this Prospectus should not be regarded as a representation or warranty by us or our advisers that such plans and objectives will be achieved.