

## 6. FUTURE FINANCIAL INFORMATION

### 6.1 Consolidated Profit Forecast

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

<b>Financial year ending 31 December</b>	<b>Forecast 2006 RM 000</b>
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
<b>EPS</b>	
Gross EPS <sup>(i)</sup> (sen)	25.7
Net EPS before pre-acquisition profit and negative goodwill <sup>(ii)</sup> (sen)	17.3
Net EPS after pre-acquisition profit and negative goodwill <sup>(iii)</sup> (sen)	28.6
<b>PE Multiple</b>	
Net PE Multiple before pre-acquisition profit and negative goodwill <sup>(iv)</sup> (times)	9.5
Net PE Multiple after pre-acquisition profit and negative goodwill <sup>(v)</sup> (times)	5.8
Interest cover <sup>(vi)</sup> (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.

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**6. FUTURE FINANCIAL INFORMATION (Cont'd)**

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**6.2 Dividend Forecast and Policy**

We have not declared or paid any dividend since our incorporation on 23 June 2005. In addition, all of our subsidiaries have not declared or paid any dividend since their incorporation. Going forward, our ability to pay dividends or make other distributions to our shareholders is subject to us having profits and excess funds which are not required to be retained to fund our operations, other obligations or business plans and may in the future be subject to restrictions contained in future loan agreements which limit the payment of dividends without the prior written consent of our lenders. As we are an investment 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. The actual dividend that our Directors may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by our Directors.

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.

In addition, the level of franking credits or exempt account income available to us to distribute dividends in a tax efficient manner may also limit the amount of dividends.

Notwithstanding the above, our Directors have full discretion to propose the waiver of any future dividend payment as and when deemed necessary, if it is in the best interest of our Company.

**6.3 Sensitivity Analysis**

The principal bases and assumptions upon which the sensitivity analysis on our consolidated forecast PATAMI has been made are as follows:

- (i) The selected variable will vary  $\pm 5\%$ ,  $\pm 10\%$  and  $\pm 15\%$  from the base case; and
- (ii) All other components are assumed to remain constant/ unchanged.

The following scenario attempts to show the impact on our consolidated PATAMI (before pre-acquisition profit and negative goodwill) resulting from variations in:

- (a) the turnover level derived from vessels that are operated but not owned by us ("3<sup>rd</sup> Party Vessels"); and
- (b) the direct costs of 3<sup>rd</sup> Party Vessels.

## 6. FUTURE FINANCIAL INFORMATION (Cont'd)

### (A) Variation in Turnover Level Derived from 3<sup>rd</sup> Party Vessels

Financial year ending 31 December	Forecast	
	RM 000	%
+15 percent	28,835	2.4
+10%	28,608	1.6
+5%	28,381	0.8
Base case consolidated PATAMI before pre-acquisition profit and negative goodwill	28,155	-
-5%	27,928	(0.8)
-10%	27,701	(1.6)
-15%	27,474	(2.4)

### (B) Variation in Direct Costs of 3<sup>rd</sup> Party Vessels

Financial year ending 31 December	Forecast	
	RM 000	%
+15 percent	22,355	(20.6)
+10%	24,288	(13.7)
+5%	26,221	(6.9)
Base case consolidated PATAMI before pre-acquisition profit and negative goodwill	28,155	-
-5%	30,088	6.9
-10%	32,021	13.7
-15%	33,954	20.6

#### Comments

The sensitivity analysis is prepared based on the forecast assumptions as set out in Section 6.1 and Section 6.5 of this Prospectus and assumes all other variables remain unchanged save for the 5%, 10% and 15% upward and downward variation in the turnover level and direct costs of 3<sup>rd</sup> Party Vessels.

#### 6.4 Directors' Analysis and Commentary on Our Consolidated Profit Forecast

Our Directors have reviewed and analysed the bases and assumptions used in arriving at our consolidated profit forecast for the financial year ending 31 December 2006. Our Directors are of the opinion that the consolidated profit forecast is fair and reasonable in light of the future plans, strategies and prospects of our Group as set out in Section 11 of this Prospectus, the future prospects of our industry as set out in Section 10 of this Prospectus and after taking into consideration the expected level of gearing, liquidity, capital expenditure and working capital requirements of our Group.

We wish to highlight that our forecast revenue for the financial year ending 31 December 2006, to a large extent (approximately 75.2%), is based on secured contracts/orders. Premised on the foregoing, our Directors believe that we will be able to achieve the proforma consolidated profit forecast for the financial year ending 31 December 2006. The consolidated profit forecast has been prepared on bases and accounting principles consistent with those previously adopted in the preparation of our audited financial statements for the financial year ended 31 December 2005.

**6. FUTURE FINANCIAL INFORMATION (Cont'd)**

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Nevertheless, these bases and assumptions cover future periods for which there are inherent risks, and therefore, should be treated with caution. These bases and assumptions are subject to significant uncertainties and contingencies, which are often outside our control. Therefore, certain assumptions used in the preparations of the consolidated profit forecast may differ significantly from the actual situation after the date of this profit forecast.

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**6. FUTURE FINANCIAL INFORMATION (Cont'd)**

**6.5 Reporting Accountants' Letter on AMRB's Consolidated Profit Forecast for the Financial Year Ending 31 December 2006**



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**Reporting Accountants' Report on Profit Forecast  
(prepared for inclusion in the Prospectus to be dated 29 June 2006)**

2 June 2006

The Board of Directors  
Alam Maritim Resources Berhad  
38F, Level 2,  
Jalan Radin Anum,  
Bandar Baru Sri Petaling,  
57000 Kuala Lumpur

Dear Sirs

**ALAM MARITIM RESOURCES BERHAD ("AMRB") – CONSOLIDATED PROFIT  
FORECAST FOR THE YEAR ENDING 31 DECEMBER 2006**

We have reviewed the forecast of consolidated profit after taxation and minority interests of AMRB and its subsidiaries ("the Group") for the year ending 31 December 2006 set out in Section 6.1 of this Prospectus to be dated 29 June 2006, in accordance with the professional standard in Malaysia applicable to the review of forecasts, AI 810. The forecast has been prepared for inclusion in this Prospectus in connection with the restructuring and subsequent listing of AMRB on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities") comprising of the following transactions:

(a) Acquisition of Alam Maritim (M) Sdn. Bhd. ("AMSB")

The acquisition by AMRB of the entire issued and paid-up share capital of AMSB comprising 20,000,000 ordinary shares of RM1.00 each from the previous shareholders for a total purchase consideration of RM66,558,440 satisfied by the issuance of 133,116,880 new shares in AMRB at an issue price of RM0.50 per share, credited as fully paid-up.

(b) Transfer of Alam Maritim (L) Inc ("AMLI")

The transfer of the entire issued and paid-up share capital of AMLI comprising 7,110,100 ordinary shares of USD1.00 each from AMSB to AMRB for a total transfer consideration of USD7,110,100 (RM27,018,380).

6. FUTURE FINANCIAL INFORMATION (*Cont'd*)



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(c) Initial Public Offering (“IPO”)

AMRB is undertaking a public offering of 29,219,200 Public Issue Shares at the IPO price of RM1.65 per Public Issue Share. CIMB Mezzanine I Sdn Bhd and CIMB Mezzanine Fund I, Ltd. P. (“Offerors”) are undertaking an offer for sale of 8,652,600 Offer Shares at the IPO price of RM1.65 per Offer Share. The Public Issue Shares and Offer Shares will be allocated in the following manner:

(1) Public Issue

- (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 Malaysian and/or foreign investors by the Placement Agent whereby attempt 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 eligible Directors, employees of AMRB Group and persons who have contributed to the success of the AMRB Group.

(2) Offer for Sale

8,652,600 Offer Shares, representing 5.33% of the enlarged issued and paid-up share capital of AMRB, by way of private placement, will be placed with Malaysian and/or foreign investors by the Placement Agent whereby attempt will be made to place 30% of the shares to Bumiputera investor(s).

(d) Employee Share Option Scheme (“ESOS”)

Implementation of the ESOS wherein the Options to be granted under the ESOS shall not exceed 15% of the issued and paid-up share capital of AMRB at any one time. Based on the enlarged issued and paid-up share capital of AMRB, upon completion of the IPO, of RM81,168,041, comprising of 162,336,082 Shares, the number of new Shares to be issued pursuant to the ESOS is 24,350,412 Shares.

(e) Listing

Listing and quotation of AMRB's entire issued and paid-up share capital of RM81,168,041 comprising 162,336,082 ordinary shares of RM0.50 each (“AMRB Shares”) on the Main Board of Bursa Securities.

(Collectively referred to as the “Listing Scheme”)

6. FUTURE FINANCIAL INFORMATION (Cont'd)



Alam Maritim Resources Berhad  
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Our review has been undertaken to enable us to form an opinion as to whether the forecast, in all material respects, is properly prepared on the basis of the assumptions made by the directors as set out in the accompanying statement (which we have stamped for the purpose of identification) and is presented on a basis consistent with the accounting policies adopted and disclosed by the Group in its audited financial statements for the year ended 31 December 2005. The directors of AMRB are solely responsible for the preparation and presentation of the forecast and the assumptions on which the forecast is based.

A forecast, in this context, means prospective financial information prepared on the basis of assumptions as to future events which management expects to take place and the actions which management expects to take as of the date the information is prepared (best-estimate assumptions). While information may be available to support the assumptions on which the forecast is based, such information is generally future oriented and therefore uncertain. Thus, actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variations could be material.


In particular, the forecast of the consolidated profit after taxation and minority interests are substantially dependent on the achievability of the assumptions set out in the accompanying statement.


Subject to the matters stated in the preceding paragraphs:

- (a) nothing has come to our attention which causes us to believe that the assumptions made by the directors, as set out in the accompanying statement, do not provide a reasonable basis for the preparation of the forecast of consolidated profit after taxation and minority interests; and
- (b) in our opinion, the forecast of consolidated profit after taxation and minority interests, so far as the calculations are concerned, is properly prepared on the basis of the assumptions made by the directors and is presented on a basis consistent with the accounting policies adopted and disclosed by the Group in its audited financial statements for the year ended 31 December 2005.

The accompanying forecast and this letter have been prepared for inclusion in this Prospectus in connection with the aforementioned Listing Scheme. This letter is not to be reproduced, referred to in any other document, or used for any other purpose without our prior written consent.

Yours faithfully

  
Ernst & Young  
AF:0039  
Chartered Accountants  
Kuala Lumpur, Malaysia

  
Wong Kang Hwee  
No. 1116/01/08(J)  
Partner

**6. FUTURE FINANCIAL INFORMATION (Cont'd)****ALAM MARITIM RESOURCES BERHAD****CONSOLIDATED PROFIT FORECAST AND ASSUMPTIONS**

The Directors of AMRB forecast that the consolidated profit after taxation and minority interests of AMRB for the financial year ending 31 December 2006 will be as follows:

	<b>Forecast 2006 RM'000</b>
Consolidated profit after taxation and minority interests	58,907
Less : Pre-acquisition profit after taxation	(12,435)
Profit after taxation attributable to the Group	<u>46,472</u>

The forecast has been prepared by the Directors based on a set of assumptions, which include significant assumptions about future events and outlook that may not necessarily occur. In particular, the forecast is dependent on the achievability of the specific assumptions. Future results will be materially affected should the actual events differ from these specific assumptions as well as changes in the economic and other circumstances, and for these reasons, the actual results may vary considerably from the forecast.

The principal assumptions upon which the consolidated profit forecast has been prepared are as follows:

**Specific Assumptions**1. Revenue

- a) The forecasted revenue comprise the following:

<b>Services</b>	<b>2006 RM'000</b>
Charter hire	
- Owned vessels	99,078
- Third party owned vessels	60,000
Underwater services	
- Rental of diving equipment	6,150
- Construction related services	12,768
- Other diving related services	1,454
	<u>179,450</u>

- b) The charter hire rate per day will not vary significantly from the forecast.
- c) Vessel downtime rate is expected to be 2% a year while the utilisation rate of AMRB's owned vessels will be between 35% to 100%.



**6. FUTURE FINANCIAL INFORMATION (Cont'd)****Specific Assumptions (Contd.)**1. Revenue (Contd.)

- d) The planned purchase of a new vessel will be completed in July 2006 and the vessel will commence to generate revenue immediately upon acquisition.
- e) The revenue from charter hire of third party vessels is expected to decrease by approximately 16% from financial year 2005 and generate an average margin of 11%.
- f) The utilisation rate for the vessels and the saturation set diving is based on the assumption that secured contracts will commence and will be completed according to schedule. The contract sums and direct costs will not differ materially from the forecasted levels.
- g) The construction related contract will be secured by AHSB, a subsidiary of AMRB and the contract sums and direct costs will not differ materially from the forecasted levels.

2. Expenditure

- a) Direct cost will be as forecasted without any material variation.
- b) Major components of direct cost is expected to be as follows:

	<b>2006</b> <b>RM'000</b>
Chartering cost for third party vessels	52,974
Crew salaries and expenses	17,687
Repair and maintenance and dry docking expenses	10,177
Depreciation of vessels and diving equipments	14,500

- (i) Chartering cost for third party vessels is expected to be at an average of RM4.47 million per month.
- (ii) Crew salaries and expenses are estimated based on current salary and other expenses incurred for each of the vessels owned by the Group. For new vessels to be acquired during the financial year, the crew salaries and expenses are estimated to be equal to that of the vessels owned by the Group which are of comparable size and engine capacity.
- (iii) Repair and maintenance and dry docking of vessels will take place as scheduled and the cost incurred will be as forecasted.
- (iv) Depreciation of vessels and diving equipments is expected to be at approximately RM1.21 million per month.

**6. FUTURE FINANCIAL INFORMATION (Cont'd)****Specific Assumptions (Contd.)**

3) The consolidated profit after taxation and minority interest includes recognition of income from negative goodwill arising from consolidation of RM30.7 million. As required by FRS 3 – Business Combinations, negative goodwill arising from consolidation is not allowed to be capitalised and is required to be charged to the income statement in the period it arises. The credit arising from the current negative goodwill will not recur in the future.

4) Employee share option cost is estimated to be RM1.69 million computed based on the following parameters:

**Exercise price**

- Tranche 1 and 2	RM1.65
- Tranche 3 and 4	RM1.82
- Tranche 5	RM2.00

**Market price**

RM1.65

**Option period**

- Tranche 1	5 years
- Tranche 2	4 years
- Tranche 3	3 years
- Tranche 4	2 years
- Tranche 5	1 year

**Risk free rate**

3.54%

**Volatility**

25.79%

**Dividend yield**

3.75%

- 5) Drawdown and repayment of banking facilities will be as planned.
- 6) There will be no major breakdown of the vessels or other abnormal circumstances, which will adversely affect the operations, income and expenditure of the Group at the forecasted levels.
- 7) Sufficient third party owned vessels can be chartered to meet the forecast contract requirements.
- 8) The Group will not be subjected to any withholding tax.
- 9) The total staff cost excluding ship crew salaries for financial year 2006 will amount to RM5.91 million.

## 6. FUTURE FINANCIAL INFORMATION (*Cont'd*)

### General Assumptions

1. There will be no significant changes in the prevailing economic and political conditions in Malaysia and elsewhere that may directly or indirectly affect the activities or performance of the Group.
2. The exchange rate for US Dollar to Malaysian Ringgit during and at the end of the year will not vary significantly from the assumed rate of RM3.70 per US Dollar. There will be no change in capital controls in Malaysia which will affect adversely the ability of the Group to manage its global business.
3. Inflation, interest rates, local and foreign income tax rates will not change materially from those presently prevailing.
4. There will be no change to legislation, regulations and conditions relating to the maritime industry which will adversely affect the Group's operations.
5. There will be no significant changes in the current demand and in the prevailing market conditions in Malaysia and overseas which will adversely affect the Group's performance.
6. There will be no major industrial disputes, economic and political changes or any abnormal circumstances, which will adversely affect the operations of the Group.
7. There will be no material changes in the existing structure and principal activities of the Group other than those taken into consideration in the forecast.
8. There will be no material changes in the existing key personnel and management, trading and accounting policies currently adopted by the Group that will adversely affect the operations of the Group.
9. All capital expenditure programmes will be implemented, incurred and paid as planned with no material changes in the expected cost or price. There will be no major additions or disposals of fixed assets or acquisitions and disposals of quoted investments, investments in marketable securities and investments in subsidiaries other than those planned.
10. There will be no significant changes in the credit terms granted and received by the Group.
11. There will be no exceptional occurrences of bad debts.
12. The existing terms and conditions for contracts and agreements entered into by the Group will remain in force.
13. There will be no legal proceedings against the Group, which will adversely affect the activities or performance of the Group or give rise to any contingent liabilities which will materially affect the position or business of the Group.

**6. FUTURE FINANCIAL INFORMATION (Cont'd)**

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**General Assumptions (Contd.)**

14. The existing financing facilities of the Group will remain available at the prevailing interest rates. There will be no material changes to the timing of repayment of these facilities. The Group will be able to obtain additional financing facilities whenever required at interest rates, which approximate those currently available to the Group.
  
15. Income tax from operations is assumed at the current applicable rate of 28%. It is assumed that there will be no material changes in such law or practice or the rates and bases of taxation. There will be no significant changes to the prevailing rates and the bases of taxation applicable to the Group.

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**7. HISTORICAL FINANCIAL INFORMATION**

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Set forth below are our proforma consolidated financial income statements for each of the three (3) financial years ended 31 December 2003, 2004 and 2005, our proforma consolidated balance sheets as at 31 December 2005 and our proforma consolidated cash flow statement for the financial year ended 31 December 2005 (collectively, "Proforma Consolidated Financial Information") which we have prepared below for illustrative purposes only. Our Proforma Consolidated Financial Information have been derived from our Company's and our subsidiaries' respective audited financial information, and after incorporating such adjustments considered necessary and based on the assumption that our current Group structure had been in existence throughout the financial years under review.

There has been no audit qualification on our or any of our subsidiaries audited financial statements for all the financial years under review. Our Proforma Consolidated Financial Information have been prepared in accordance with the applicable MASB approved accounting standards in Malaysia and have been reviewed by our Reporting Accountant, Messrs. Ernst & Young. The bases and accounting policies used for the purpose of preparing our Proforma Consolidated Financial Information are consistent with those adopted in the preparation of the audited financial statements of the respective companies within our Group for the financial year ended 31 December 2005.

You should read the financial information presented below together with the Reporting Accountant's Letter on the Unaudited Proforma Consolidated Financial Information and the related appendices and notes thereto as disclosed in Section 7.5 of this Prospectus and our Management's Discussion and Analysis of Financial Condition and Results of Operations as disclosed in Section 8 of this Prospectus.

Save as disclosed in this Prospectus, our Group's financial performance, position and operations are not affected by any of the following as at the Latest Practicable Date:

- (i) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's financial performance, position and operations;
- (ii) known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position;
- (iii) material commitments for capital expenditure;
- (iv) unusual or infrequent events or transactions or any significant economic changes that have materially affected our Group's financial performance, position and operations; and
- (v) substantial increase in revenue attributable to prices, volume of goods/services being sold, the introduction of new products/services or any other factors.

**7.1 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) of Section 7.1 below. Our proforma consolidated income statements below have been prepared in accordance with the applicable MASB approved accounting standards in Malaysia. The bases and accounting policies used for the purpose of preparing our proforma consolidated income statements below are consistent with those adopted in the preparation of the audited financial statements of the respective companies within our Group for the financial year ended 31 December 2005.

## 7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

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.

	Financial year ended 31 December		
	2003	2004	2005
	RM 000	RM 000	RM 000
Revenue	94,724	120,366	137,738
Direct costs <sup>(i)</sup>	(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
<b>PBT</b>	19,628	28,600	29,442
Taxation	(5,741)	(8,426)	(9,098)
<b>PAT</b>	13,887	20,174	20,344
MI	(46)	(312)	(520)
<b>PATAMI</b>	13,841	19,862	19,824
No. of Shares assumed in issue immediately prior to the IPO (000) <sup>(ii)</sup>	133,117	133,117	133,117
<u>Profit Margin</u>			
Gross Profit Margin (%)	25.6	31.7	31.5
Net Profit Margin (%)	14.6	16.5	14.4
<u>Basic/ Diluted EPS<sup>(iii)</sup></u>			
Gross EPS (sen) <sup>(iii)</sup>	14.7	21.5	22.1
Net EPS (sen) <sup>(iii)</sup>	10.4	14.9	14.9
<u>Other selected financial data/ratios</u>			
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.

## 7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

- (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.*
- (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.*

*Please refer to Reporting Accountant's Letter on the Proforma Financial Information as disclosed in Section 7.5 of this Prospectus for further details on the abovementioned adjustments.*

### 7.2 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. Our proforma consolidated balance sheets below have been prepared in accordance with the applicable MASB approved accounting standards in Malaysia. The bases and accounting policies used for the purpose of preparing our proforma consolidated balance sheets are consistent with those adopted in the preparation of the audited financial statements of the respective companies within our Group as at 31 December 2005.

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 RM 000	Proforma I RM 000	Proforma II RM 000	Proforma III RM 000
<b>Non-current assets</b>				
Property, plant and equipment	-	268,351	268,351	268,351
Investment in associated company	-	350	350	350
	-	268,701	268,701	268,701
<b>Current Assets</b>				
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

## 7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

	<b>Company</b>	<b>AMRB Group</b>		
	<b>Audited as at 31 December 2005</b>	<b>Proforma I</b>	<b>Proforma II</b>	<b>Proforma III</b>
	<b>RM 000</b>	<b>RM 000</b>	<b>RM 000</b>	<b>RM 000</b>
<b>Current Liabilities</b>				
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
	<u>732</u>	<u>62,482</u>	<u>62,482</u>	<u>62,482</u>
<b>(NL)/Net Current Assets</b>	(21)	9,726	54,938	95,116
	<u>(21)</u>	<u>278,427</u>	<u>323,639</u>	<u>363,817</u>
<b>Represented by:</b>				
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
	<u>(21)</u>	<u>84,854</u>	<u>130,066</u>	<u>170,244</u>
Minority interests	-	1,920	1,920	1,920
<b>Non-current Liabilities</b>				
Borrowings	-	163,627	163,627	163,627
Deferred taxation	-	28,026	28,026	28,026
	<u>(21)</u>	<u>278,427</u>	<u>323,639</u>	<u>363,817</u>
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 the entire issued and paid-up share capital of AMSB comprising 20,000,000 ordinary shares of RM1.00 each from the shareholders, namely SAR Venture, FVSB, CIMB Mezz I and CIMB Mezz Fund I, for a total purchase consideration of RM66,558,440 satisfied by the issuance of 133,116,880 ordinary shares of RM0.50 each in AMRB at an issue price of RM0.50 per share, credited as fully paid-up ("Acquisition of AMSB").
- (b) Transfer of the entire issued and paid up share capital of AMLI comprising of 7,110,100 ordinary shares of USD1.00 each from AMSB to AMRB for a transfer consideration of USD7,110,100 (equivalent to RM27,018,380 based on an exchange rate of USD1.00:RM3.80), satisfied wholly by cash ("Transfer of AMLI").



## 7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

### 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) a Public Issue of up to 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
- (b) 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)).

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

The proceeds from the Proposed Public Issue are expected to be utilised as follows:

	RM 000
Part payment for the acquisition of vessels	28,228
Repayment of bank borrowings	14,500
Working capital	2,484
Estimated listing expenses <sup>(i)</sup>	3,000
	48,212

#### Notes:

- (i) *The estimated listing expenses of approximately RM3.0 million in relation to our Public Issue will be written-off against our share premium account.*
- (ii) *The Offer for Sale would not have any effect on our proforma consolidated balance sheets as:*
  - (a) *the Offer Share represents Shares that are already in existence prior to the IPO; and*
  - (b) *the proceeds to be derived from the Offer for Sale will be received in entirety to the Offerors whilst all listing expenses in relation to the Offer for Sale would be borne by the Offerors.*

### 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 of 24,350,412 new Shares or approximately 15% of our enlarged issued and paid up share capital of 162,336,082 Shares, at an illustrative price of RM1.65 per Share under the ESOS.

## 7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

### Effects on Share Capital and Share Premium

The effects of the transactions and proposals set forth under Proforma I, II and III on our share capital, share premium and reserves are as follows:

	Share capital RM	Share Premium RM
<b>As at 31 December 2005</b>	1	-
Acquisition of AMSB and Transfer of AMLI	66,558,440	-
<b>Proforma I</b>	66,558,441	-
IPO	14,609,600	30,602,080 <sup>(i)</sup>
<b>Proforma II</b>	81,168,041	30,602,080
Full exercise of Options under ESOS	12,175,206	28,002,974
<b>Proforma III</b>	93,343,247	58,605,054

**Note:**

- (i) After the write-off of the listing expenses of approximately RM3.0 million in relation to the proposed Public Issue to the share premium account.

### 7.3 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. Our proforma consolidated cash flow statement for the financial year ended 31 December 2005 has been prepared in accordance with the applicable MASB approved accounting standards in Malaysia. The bases and accounting policies used for the purpose of preparing our proforma consolidated cash flow statement below are consistent with those adopted in the preparation of the audited financial statements of the respective companies within our Group for the financial year ended 31 December 2005.

**7. HISTORICAL FINANCIAL INFORMATION (Cont'd)**

We advise you to read the proforma consolidated cash flow 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.

<b>Financial year ended 31 December</b>	<b>2005 RM 000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
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	<u>46,269</u>
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	<u>44,417</u>
Tax paid	(7,197)
Interest paid	(7,525)
Net cash generated from operating activities	<u>29,695</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of property, plant and equipment	(134,622)
Proceeds from disposal of property, plant and equipment	15
Net cash used investing activities	<u>(134,607)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
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	<u>179,674</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>74,762</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>13,147</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>87,909</u></b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>	
Cash and bank balances	95,196
Bank overdraft	(2,235)
Deposits in sinking funds	(4,208)
Margin deposits	(844)
	<u>87,909</u>

## 7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

### 7.4 Working Capital, Borrowings, Contingent Liabilities, Material Capital Commitment and Material Litigation

#### 7.4.1 Working Capital

Our Group's proforma cash flow for the financial year ended 31 December 2005 are set-forth below:

Financial year ended 31 December 2005	RM 000
Net cash generated from operating activities	29,695
Net cash used in investing activities <sup>(i)</sup>	(134,607)
Net cash generated from financing activities <sup>(ii)</sup>	179,674
Net increase in cash and cash equivalents	74,762
Cash and cash equivalents at the beginning of year	13,147
Cash and cash equivalents at the end of year	87,909

**Notes:**

- (i) *The net cash used in investing activities is mainly attributable to our Group's acquisition of six (6) new vessels, equipment on vessels and diving equipment of approximately RM132.69 million during the financial year ended 31 December 2005.*
- (ii) *Apart from the proceeds from the Public Issue and ESOS that were received in full (on the assumption that the Public Issue and ESOS were completed on 31 December 2005), the net cash generated from financing activities is mainly attributable to the drawdown of term loans of approximately RM109.15 million to finance our Group's acquisition of six (6) new vessels, equipment on vessels and diving equipment during the financial year ended 31 December 2005.*

As at the Latest Practicable Date, we have banking facilities amounting approximately RM288.35 million of which RM32.54 million has not been utilised.

Our Board believes that, after taking into consideration our cash flow position shown above (which includes the expected proceeds from our Public Issue) and banking facilities currently available to us, our Group has sufficient working capital for a period of twelve (12) months from the date of this Prospectus for our existing needs and foreseeable requirements.

#### 7.4.2 Borrowings

As at the Latest Practicable Date, our total outstanding borrowings amounted to approximately RM245.74 million of which, approximately RM105.83 million is denominated in foreign currency, namely USD.

The table below sets forth the details of our borrowings as at the Latest Practicable Date:

	Denominated in foreign currency		Denominated in local currency	Total
	Amount USD 000	RM equivalent <sup>(i)</sup> RM 000	RM 000	
Short-term borrowings	276	1,023	28,482	29,505
Long-term borrowings	28,326	104,806	111,429	216,235
<b>Total borrowings</b>	<b>28,602</b>	<b>105,829</b>	<b>139,911</b>	<b>245,740</b>
Gearing ratio <sup>(ii)</sup>				2.59

## 7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

### Notes:

- (i) Computed based on the exchange rate of RM3.70:USD1.00.
- (ii) Computed based on our Group's total borrowings as at the Latest Practicable Date of RM245.74 million divided by our Group's shareholders' funds as at the Latest Practicable Date of RM94.78 million.

We have not defaulted on payments of either interest and/ or principal sums in respect of any borrowings throughout the past financial year ended 31 December 2005 and the subsequent period thereof immediately preceding the date of this Prospectus.

### 7.4.3 Contingent Liabilities

As at the Latest Practicable Date, our contingent liabilities (for which the liabilities have not been provided for in our financial statements), comprising bank/ performance guarantees for contracts entered into with customers amounting to approximately RM4.3 million.

As at the Latest Practicable Date, AMSB, our wholly-owned subsidiary has also provided a corporate guarantee for the banking facilities amounting to RM5.0 million granted by Malayan Banking Berhad to AHSB, a 70%-owned subsidiary of AMSB.

Save as disclosed above, our Board is not aware of any material contingent liabilities that upon materialisation, may have a material effect on our financial results/position.

### 7.4.4 Material Capital Commitment

Save as disclosed below, as at the Latest Practicable Date, our Board is not aware of any material capital commitment incurred by us that has not been provided for, which upon becoming enforceable, may have a material effect on our financial results/position.

	RM 000
<b>Approved and contracted for <sup>(i)</sup></b>	
Expenditure on the acquisition of vessel and equipment	34,770
<b>Approved but not contracted for <sup>(ii)</sup></b>	
Expenditure on the acquisition of vessels and equipment	195,360
<b>Total</b>	<u>230,130</u>

### Notes:

- (i) The expenditure in respect of material capital commitment which are approved and contracted for is in relation to the acquisition of Setia Rentas. A deposit of RM1.739 million has been paid in relation to the acquisition and the balance of the acquisition cost will be financed via utilisation of proceeds from our Public Issue and bank borrowings.
- (ii) The expenditure in respect of material capital commitment which are approved but not contracted for is in relation to our planned acquisition of four (4) vessels (that are yet to be identified) towards the end of the financial year ending 31 December 2006 or in the financial year ending 31 December 2007. The acquisition will be financed via utilisation of proceeds from our Public Issue and internally generated funds/bank borrowings.

Please refer to Section 4.10 of this Prospectus for further details on the utilisation of proceeds from our Public Issue.

### 7.4.5 Material Litigation

As at the date of this Prospectus, we are not engaged in any material litigation, whether as plaintiff or defendant, and our Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect our financial or business position.

**7. HISTORICAL FINANCIAL INFORMATION (Cont'd)**

**7.5 Reporting Accountants' Letter on the Unaudited Proforma Consolidated Financial Information**



■ **Chartered Accountants**  
Level 23A, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur, Malaysia

■ Phone : (03) 7495-8000  
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[www.ey.com/my](http://www.ey.com/my)

Mail Address:  
P.O. Box 11040  
50734 Kuala Lumpur, Malaysia

**REPORTING ACCOUNTANTS' LETTER ON THE UNAUDITED PROFORMA CONSOLIDATED FINANCIAL INFORMATION**

(Prepared for inclusion in the Prospectus to be dated 29 June 2006)

2 June 2006

The Board of Directors  
Alam Maritim Resources Berhad  
38F, Level 2,  
Jalan Radin Anum,  
Bandar Baru Sri Petaling,  
57000 Kuala Lumpur

Dear sirs

**ALAM MARITIM RESOURCES BERHAD ("AMRB")  
UNAUDITED PROFORMA CONSOLIDATED FINANCIAL INFORMATION**

We report on the Unaudited Proforma Consolidated Income Statements for the past three financial years ended 31 December 2003 to 31 December 2005, Unaudited Proforma Consolidated Balance Sheets as of 31 December 2005, Unaudited Proforma Consolidated Cash Flow Statement for the financial year ended 31 December 2005 and the Unaudited Proforma Consolidated Statement of Assets and Liabilities as at 31 December 2005 ("Unaudited Proforma Consolidated Financial Information") of AMRB and its subsidiaries and associated companies ("AMRB Group"), together with the notes thereto as set out in the accompanying appendices. The Unaudited Proforma Consolidated Financial Information have been prepared for illustrative purposes only, for inclusion in this Prospectus to be dated 29 June 2006 in connection with the restructuring and subsequent listing of AMRB on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities") comprising of the following transactions:

(a) Acquisition of Alam Maritim (M) Sdn. Bhd. ("AMSB")

The acquisition by AMRB of the entire issued and paid-up share capital of AMSB comprising 20,000,000 ordinary shares of RM1.00 each from the previous shareholders for a total purchase consideration of RM66,558,440 satisfied by the issuance of 133,116,880 new shares in AMRB at an issue price of RM0.50 per share, credited as fully paid-up.

(b) Transfer of Alam Maritim (L) Inc ("AMLI")

The transfer of the entire issued and paid-up share capital of AMLI comprising 7,110,100 ordinary shares of USD1.00 each from AMSB to AMRB for a total transfer consideration of USD7,110,100 (RM27,018,380).

7. HISTORICAL FINANCIAL INFORMATION (*Cont'd*)



Alam Maritim Resources Berhad  
Page 2 of 4

(c) Initial Public Offering (“IPO”)

AMRB is undertaking a public offering of 29,219,200 Public Issue Shares at the IPO price of RM1.65 per Public Issue Share. CIMB Mezzanine I Sdn Bhd and CIMB Mezzanine Fund I, Ltd. P. (“Offerors”) are undertaking an offer for sale of 8,652,600 Offer Shares at the IPO price of RM1.65 per Offer Share. The Public Issue Shares and Offer Shares will be allocated in the following manner:

(1) Public Issue

- (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 Malaysian and/or foreign investors by the Placement Agent whereby attempt 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 eligible Directors and employees of AMRB Group, and persons who have contributed to the success of the AMRB Group.

(2) Offer for Sale

8,652,600 Offer Shares, representing 5.33% of the enlarged issued and paid-up share capital of AMRB, by way of private placement, will be placed with Malaysian and/or foreign investors by the Placement Agent whereby attempt will be made to place 30% of the shares to Bumiputera investor(s).

(d) Employee Share Option Scheme (“ESOS”)

Implementation of the ESOS wherein the Options to be granted under the ESOS shall not exceed 15% of the issued and paid-up share capital of AMRB at any one time. Based on the enlarged issued and paid-up share capital of AMRB, upon completion of the IPO, of RM81,168,041, comprising of 162,336,082 Shares, the number of new Shares to be issued pursuant to the ESOS is 24,350,412 Shares.

7. HISTORICAL FINANCIAL INFORMATION (*Cont'd*)



Alam Maritim Resources Berhad  
Page 3 of 4

(e) Listing

Listing and quotation of AMRB's entire issued and paid-up share capital of RM81,168,041 comprising 162,336,082 ordinary shares of RM0.50 each ("AMRB Shares") on the Main Board of Bursa Securities.

(Collectively referred to as the "Listing Scheme")

It is the responsibility solely of the directors of AMRB to prepare the Unaudited Proforma Consolidated Financial Information in accordance with the requirements of the Securities Commission Prospectus Guidelines in respect of Public Offerings ("the Guidelines").

It is our responsibility to form an opinion on the Unaudited Proforma Consolidated Financial Information, as required by the Guidelines, and to report our opinion to you.

Our work consisted primarily of comparing the unadjusted financial information with the source documents, considering the adjustments and discussing the Unaudited Proforma Consolidated Financial Information with the directors of AMRB. Our work involved no independent examination of the Unaudited Proforma Consolidated Financial Information.

As the Unaudited Proforma Consolidated Financial Information has been prepared for illustrative purposes only, such information may not, because of its nature, give a true picture of the actual financial position and results of the AMRB Group. Further, such information does not purport to predict the future financial position and results of the AMRB Group.

In our opinion,

- (a) the Unaudited Proforma Consolidated Financial Information have been properly compiled on the basis stated and such basis is consistent with the accounting policies normally adopted by AMRB and its subsidiaries in their respective audited financial statements for the financial year ended 31 December 2005;
- (b) the financial statements used in the preparation of the Unaudited Proforma Consolidated Financial Information have been properly prepared in accordance with applicable MASB Approved Accounting Standards in Malaysia; and
- (c) each material adjustment made to the information used in the preparation of the Unaudited Proforma Consolidated Financial Information is appropriate for the purposes of preparing such financial information.




7. HISTORICAL FINANCIAL INFORMATION (Cont'd)




Alam Maritim Resources Berhad  
Page 4 of 4

This letter has been prepared solely for the purposes stated above, in connection with the aforementioned Listing Scheme. This letter is not to be reproduced, referred to in any other document, or relied upon or used for any other purpose without our prior written consent.

Yours faithfully,

  
Ernst & Young  
AF:0039  
Chartered Accountants  
Kuala Lumpur, Malaysia

  
Wong Kang Hwee  
No. 1116/01/08(J)  
Partner

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**7. HISTORICAL FINANCIAL INFORMATION (Cont'd)**

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**UNAUDITED PROFORMA CONSOLIDATED FINANCIAL INFORMATION****1. INTRODUCTION**

The Unaudited Proforma Consolidated Financial Information, for which the directors of Alam Maritim Resources Berhad ("AMRB" or "the Company") are solely responsible, has been prepared for illustrative purposes only, for the purpose of inclusion in the Prospectus of AMRB to be dated 29 June 2006 in connection with the listing scheme as referred to in Section 2 below and may not, because of its nature, give a true picture of the actual financial position and results of AMRB and its subsidiaries (collectively referred to as "the AMRB Group"). Further, such financial information does not purport to predict the future financial position and results of the Group. The Unaudited Proforma Consolidated Financial Information of the AMRB Group covers the financial statements of AMRB, Najdah Gemilang Sdn Bhd ("Najdah") and the consolidated financial statements of AMSB and its subsidiaries ("AMSB Group"), namely, Alam Eksplorasi (M) Sdn Bhd ("AESB"), Alam Hidro (M) Sdn Bhd ("AHSB") and AMLI for the respective financial years under review.

**2. LISTING EXERCISE**

The restructuring and subsequent listing of the entire issued and paid-up share capital of AMRB on the Main Board of Bursa Malaysia Securities Berhad ("the Securities Exchange") will comprise the following:

**(a) Acquisition of AMSB**

The acquisition by AMRB of the entire issued and paid-up share capital of AMSB comprising 20,000,000 ordinary shares of RM1.00 each from the previous shareholders for a total purchase consideration of RM66,558,440 satisfied by the issuance of 133,116,880 new shares in AMRB at an issue price of RM0.50 per share, credited as fully paid-up.

**(b) Transfer of AMLI**

The transfer of the entire issued and paid-up share capital of AMLI comprising 7,110,100 ordinary shares of USD1.00 each from AMSB to AMRB for a total transfer consideration of USD7,110,100 (RM27,018,380).

**(c) Initial Public Offering ("IPO")**

AMRB is undertaking a public offering of 29,219,200 Public Issue Shares at the IPO price of RM1.65 per Public Issue Shares. CIMB Mezzanine I Sdn Bhd and CIMB Mezzanine Fund I, Ltd. P. ("Offerors") are undertaking an offer for sale of 8,652,600 Offer Shares at the IPO price of RM1.65 per Offer Share. The Public Issue Shares and Offer Shares will be allocated in the following manner:

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**7. HISTORICAL FINANCIAL INFORMATION (Cont'd)**

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**2. LISTING EXERCISE (CONTD.)**

(1) Public Issue

- (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 Malaysian and/or foreign investors by the Placement Agent whereby attempt 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 eligible Directors and employees of AMRB Group, and persons who have contributed to the success of the AMRB Group.

(2) Offer for Sale

8,652,600 Offer Shares, representing 5.33% of the enlarged issued and paid-up share capital of AMRB, by way of private placement, will be placed with Malaysian and/or foreign investors by the Placement Agent whereby attempt will be made to place 30% of the shares to Bumiputera investor(s).

(d) Employee Share Option Scheme ("ESOS")

Implementation of the ESOS wherein the Options to be granted under the ESOS shall not exceed 15% of the issued and paid-up share capital of AMRB at any one time. Based on the enlarged issued and paid-up share capital of AMRB, upon completion of the IPO, of RM81,168,041, comprising of 162,336,082 Shares, the number of new Shares to be issued pursuant to the ESOS is 24,350,412 Shares.

(e) Listing

Listing and quotation of AMRB's entire issued and paid-up share capital of RM81,168,041 comprising 162,336,082 ordinary shares of RM0.50 each ("AMRB Shares") on the Main Board of Bursa Securities.

(Collectively referred to as the "Listing Scheme")

## 7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

APPENDIX I  
PAGE 1 OF 7UNAUDITED PROFORMA CONSOLIDATED INCOME STATEMENTS  
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2003 TO 31 DECEMBER  
2005

	← Year ended →		
	31.12.2003 RM'000	31.12.2004 RM'000	31.12.2005 RM'000
Revenue	94,724	120,366	137,738
Direct costs	(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 cost	(960)	(5,361)	(7,233)
Share of results of associate	-	-	142
Profit before taxation	19,628	28,600	29,442
Taxation	(5,741)	(8,426)	(9,098)
Profit after taxation	13,887	20,174	20,344
Minority interests	(46)	(312)	(520)
Net profit for the year	13,841	19,862	19,824
Gross profit margin (%)	25.6	31.7	31.5
Profit after tax margin (%)	14.6	16.5	14.4
Earnings before interest, depreciation and taxation	26,841	42,504	45,702
Number of AMRB ordinary shares assumed in issue ('000) *	133,117	133,117	133,117
Net earnings per share (sen)			
- Basic	10.4	14.9	14.9
- Diluted	**	**	**

\* Based on the issued and paid-up share capital of 133,116,882 AMRB Shares immediately prior to the IPO.

\*\* Diluted earnings per share is not provided as there were no potential ordinary shares throughout the financial years under review.

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**7. HISTORICAL FINANCIAL INFORMATION (Cont'd)**

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APPENDIX I  
PAGE 2 OF 7**NOTES TO THE UNAUDITED PROFORMA CONSOLIDATED INCOME STATEMENTS OF AMRB****Basis of Preparation**

The unaudited proforma consolidated income statements of the AMRB Group, for which the directors of AMRB are solely responsible, has been prepared for illustrative purposes only based on the audited financial statements of the respective companies in the AMRB Group for the financial years ended 31 December 2003, 31 December 2004 and 31 December 2005 which have been prepared in accordance with the applicable MASB approved accounting standards in Malaysia after making such adjustments that are considered necessary for elimination of all significant inter-company transactions and on the assumption that the Group had been in existence throughout the said financial years under review, adjusted for adjustments as stated below. The bases and accounting policies used for the purpose of the unaudited proforma consolidated income statements of the AMRB Group are consistent with those adopted in the preparation of the audited financial statements of the respective companies within the AMRB Group for the financial year ended 31 December 2005.

- (i) The AMRB Group existed from 1 January 2003 based on the total purchase consideration of RM66,558,440.
- (ii) The proforma consolidated income statements have been adjusted to reflect the classifications of revenue and expenses as adopted in the latest audited financial statements of the subsidiaries of AMRB.
- (iii) All significant inter-company transactions are eliminated on consolidation and the proforma AMRB Group results reflect external transactions only.
- (iv) Minority interest is measured at the minorities' share of the post-acquisition fair value of the identifiable assets and liabilities of the proposed subsidiaries.
- (v) The effective interest of AMRB in the subsidiaries acquired during the years under review have been adjusted to reflect the effective interest for the following transactions which took place during financial year 2005.
  - (a) Acquisition of additional interest in AHSB

AMSB acquired an additional 10% interest in AHSB comprising 14,300 ordinary shares of RM1.00 each from En. Azman bin Shabudin for a total cash consideration of RM214,500.
  - (b) Acquisition of Najdah

AMSB acquired the entire issued and paid-up share capital of Najdah comprising 100,000 ordinary shares of RM1.00 each from SAR Venture, for a total cash consideration of RM1,000,000.

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**7. HISTORICAL FINANCIAL INFORMATION (Cont'd)**

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**APPENDIX I  
PAGE 3 OF 7****NOTES TO THE UNAUDITED PROFORMA CONSOLIDATED INCOME STATEMENTS OF AMRB (CONTD.)****Basis of Preparation (Contd.)**

- (vi) Change in accounting policy on deferred tax for AMSB Group following the adoption of FRS112 : Income Taxes during the financial year 2004, as disclosed in the audited financial statements for the year ended 31 December 2004 and is adjusted for retrospectively.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Prior to the adoption of FRS112 on 1 January 2003, deferred tax was provided for using the liability method in respect of significant timing differences and deferred tax assets were not recognised unless there was reasonable expectation of their realisation.

- (vii) A prior year adjustment was made in the audited financial statements of AMSB Group for financial year 2003 as a result of the granting of pioneer incentive status on 30 May 2003 for year of assesment 1998 to year of assessment 2002. Under this incentive, the income of AMSB is exempted from income tax. However, as the exemption is granted only for revenue generated from AMSB owned vessels, the tax expenses reclassified to tax recoverable via the prior year adjustment is reversed for the purpose of this Report on a prudent basis as the revenue for AMSB were substantially derived from chartering of third party vessels, hence no tax exemption should be applicable.
- (viii) Earnings per share for each of the financial year under review have been calculated based on net profit after tax for the years divided by the weighted average number of ordinary shares in issue.

Weighted average number of ordinary shares in issue refers to the issued and paid-up share capital of 133,116,882 AMRB Shares immediately prior to the IPO.

- (ix) There were no extraordinary or exceptional items included in the proforma consolidated income statements for the relevant years under review.

## 7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

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## NOTES TO THE UNAUDITED PROFORMA CONSOLIDATED INCOME STATEMENTS OF AMRB (CONTD.)

## Basis of Preparation (Contd.)

The adjustments as stated above have been reflected in the respective financial years on the AMRB Group as follows:

	31.12.2003 RM'000	31.12.2004 RM'000	31.12.2005 RM'000
Profit before taxation of AMSB Group as stated in the audited financial statements	19,649	28,332	29,466
Taxation of AMSB Group as stated in the audited financial statements	(2,068)	(6,827)	(10,650)
Adjustment for:			
- change in deferred tax policy, per Note (vi)	(3,670)	-	-
- reversal of a prior year adjustment, per Note (vii)	(3)	3	-
- under provision of deferred tax	-	(1,552)	1,552
Taxation of AMSB Group as restated	(5,741)	(8,376)	(9,098)
Profit after taxation of AMSB Group as restated	13,908	19,956	20,368
Minority interests of AMSB Group as stated in the audited financial statements	(27)	(327)	(520)
Adjustment for:			
- additional 10% interest in AHSB, per Note v (a)	(19)	15	-
Minority interests of AMSB Group as restated	(46)	(312)	(520)
Net profit for the year of AMSB Group as restated	13,862	19,644	19,848
Adjustment for the consolidation of net (loss)/ profit for the year of Najdah, per Note v (b)	(21)	218	(3)
Adjustment for the consolidation of net loss of AMRB	-	-	(21)
Proforma consolidated net profit for the year of AMRB Group as stated in this Report	13,841	19,862	19,824

## 7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

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## NOTES TO THE UNAUDITED PROFORMA CONSOLIDATED INCOME STATEMENTS OF AMRB (CONTD.)

## Proforma adjustments - Financial year ended 31 December 2003

	<----- Audited ----->				Unaudited	
	AMRB	AMSB Group	NGSB	Total	Proforma adjustments	AMRB Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	-	100,366	-	100,366	<sup>1</sup> (5,642)	94,724
Direct costs	-	(76,098)	-	(76,098)	<sup>1</sup> 5,642	(70,456)
Gross profit	-	24,268	-	24,268		24,268
Other operating income	-	195	-	195		195
Staff costs	-	(2,256)	(8)	(2,264)		(2,264)
Depreciation	-	(309)	(2)	(311)		(311)
Other operating expenses	-	(1,289)	(11)	(1,300)		(1,300)
Profit from operations	-	20,609	(21)	20,588		20,588
Finance cost	-	(960)	-	(960)		(960)
Profit before taxation	-	19,649	(21)	19,628		19,628
Taxation	-	(2,068)	-	(2,068)	<sup>2</sup> (3,670)	(5,741)
					<sup>3</sup> (3)	
Profit after taxation	-	17,581	(21)	17,560		13,887
Minority interests	-	(27)	-	(27)	<sup>4</sup> (19)	(46)
Net profit for the year	-	17,554	(21)	17,533		13,841

1. Additional elimination of inter company transactions not taken up in the audited financial statements of AMSB Group.
2. Adjustment for deferred taxation due to the adoption of FRS112 : Income Taxes during financial year 2004.
3. Adjustment for the reversal of prior year adjustment made in relation to the tax exempt income under the pioneer incentive status.
4. Adjustment for minority interest as interest in AHSB is assumed to be 70% in this Report instead of 60% in the audited financial statements of AMSB Group.



## 7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

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## NOTES TO THE UNAUDITED PROFORMA CONSOLIDATED INCOME STATEMENTS OF AMRB (CONTD.)

## Proforma adjustments - Financial year ended 31 December 2004

	<----- Audited ----->				Unaudited	
	AMRB	AMSB Group	NGSB	Total	Proforma adjustments	AMRB Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	-	125,783	1,114	126,897	<sup>1</sup> (6,531)	120,366
Direct costs	-	(88,032)	(674)	(88,706)	<sup>1</sup> 6,531	(82,175)
Gross profit	-	37,751	440	38,191		38,191
Other operating income	-	1,151	-	1,151	<sup>1</sup> (150)	1,001
Staff costs	-	(3,424)	(130)	(3,554)		(3,554)
Depreciation	-	(222)	(2)	(224)		(224)
Other operating expenses	-	(1,413)	(40)	(1,453)		(1,453)
Profit from operations	-	33,843	268	34,111		33,961
Finance cost	-	(5,511)	-	(5,511)	<sup>1</sup> 150	(5,361)
Profit before taxation	-	28,332	268	28,600		28,600
Taxation	-	(6,827)	(50)	(6,877)	<sup>2</sup> (1,552)	(8,426)
					<sup>3</sup> 3	
Profit after taxation	-	21,505	218	21,723		20,174
Minority interests	-	(327)	-	(327)	<sup>4</sup> 15	(312)
Net profit for the year	-	21,178	218	21,396		19,862

1. Additional elimination of inter company transactions not taken up in the audited financial statements of AMSB Group.
2. Adjustment for under provision of deferred tax in the audited financial statements of AMSB Group for the year.
3. Adjustment for the reversal of prior year adjustment made in relation to the tax exempt income under the pioneer incentive status.
4. Adjustment for minority interest as interest in AHSB is assumed to be 70% in this Report instead of 60% in the audited financial statements of AMSB Group.

## 7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

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## NOTES TO THE UNAUDITED PROFORMA CONSOLIDATED INCOME STATEMENTS OF AMRB (CONTD.)

## Proforma adjustments - Financial year ended 31 December 2005

	<----- Audited ----->			Unaudited	
	AMRB RM'000	AMSB Group RM'000	Total RM'000	Proforma adjustments RM'000	AMRB Group RM'000
Revenue	-	137,609	137,609	<sup>1</sup> 129	137,738
Direct costs	-	(94,229)	(94,229)	<sup>1</sup> (84)	(94,313)
Gross profit	-	43,380	43,380		43,425
Other operating income	-	1,552	1,552		1,552
Staff costs	-	(4,830)	(4,830)	<sup>1</sup> (30)	(4,860)
Depreciation	-	(524)	(524)	<sup>1</sup> (1)	(525)
Other operating expenses	(21)	(3,021)	(3,042)	<sup>1</sup> (17)	(3,059)
Profit from operations	(21)	36,557	36,536		36,533
Finance cost	-	(7,233)	(7,233)		(7,233)
Share of results of associate	-	142	142		142
Profit before taxation	(21)	29,466	29,445		29,442
Taxation	-	(10,650)	(10,650)	<sup>2</sup> 1,552	(9,098)
Profit after taxation	(21)	18,816	18,795		20,344
Minority interests	-	(520)	(520)		(520)
Net profit for the year	(21)	18,296	18,275		19,824

1. Adjustments for the full year consolidation of the revenue and expenses of Najdah.
2. Adjustment for under provision of deferred tax adjusted to prior years.

**7. HISTORICAL FINANCIAL INFORMATION (Cont'd)**APPENDIX II  
PAGE 1 OF 4**UNAUDITED PROFORMA CONSOLIDATED BALANCE SHEETS OF AMRB AS AT 31 DECEMBER 2005**

The unaudited proforma consolidated balance sheets of AMRB have been prepared for illustrative purposes only to show the effects of the Acquisition of AMSB, Transfer of AMLI, Public Issue, Offer for Sale and ESOS as if the transactions had been completed on 31 December 2005.

	Audited as at 31.12.05 RM'000	Adjustment I RM'000	Proforma I RM'000	Adjustment II RM'000	Proforma II RM'000	Adjustment III RM'000	Proforma III RM'000
<b>Non-current assets</b>							
Property, plant and equipment	-	268,351	268,351	-	268,351	-	268,351
Investment in an associate	-	350	350	-	350	-	350
	<u>-</u>		<u>268,701</u>		<u>268,701</u>		<u>268,701</u>
<b>Current Assets</b>							
Trade receivables	-	48,331	48,331	-	48,331	-	48,331
Other receivables	711	13,401	14,112	(711)	13,401	-	13,401
Tax recoverable	-	670	670	-	670	-	670
Cash and bank balances	-	9,095	9,095	45,923	55,018	40,178	95,196
	<u>711</u>		<u>72,208</u>		<u>117,420</u>		<u>157,598</u>
<b>Current Liabilities</b>							
Trade payables	-	25,174	25,174	-	25,174	-	25,174
Other payables	732	7,666	8,398	-	8,398	-	8,398
Borrowings	-	24,155	24,155	-	24,155	-	24,155
Due to related company	-	4,755	4,755	-	4,755	-	4,755
	<u>732</u>		<u>62,482</u>		<u>62,482</u>		<u>62,482</u>
<b>Net Current (Liabilities)/Assets</b>	<u>(21)</u>		<u>9,726</u>		<u>54,938</u>		<u>95,116</u>
	<u>(21)</u>		<u>278,427</u>		<u>323,639</u>		<u>363,817</u>
<b>Represented by:</b>							
Share capital	*	66,558	66,558	14,610	81,168	12,175	93,343
Share premium	-	-	-	30,602	30,602	28,003	58,605
(Accumulated loss)/retained earnings	<u>(21)</u>	18,317	18,296		18,296		18,296
	<u>(21)</u>		<u>84,854</u>		<u>130,066</u>		<u>170,244</u>
Minority interests	-	1,920	1,920	-	1,920	-	1,920
<b>Non-current Liabilities</b>							
Borrowings	-	163,627	163,627	-	163,627	-	163,627
Deferred taxation	-	28,026	28,026	-	28,026	-	28,026
	<u>(21)</u>		<u>278,427</u>		<u>323,639</u>		<u>363,817</u>
* RM1.00 representing 2 shares							
Net tangible (liabilities)/assets	(21)		84,854		130,066		170,244
Net tangible (liabilities)/assets per ordinary share of RM0.50 each (RM)	(10,500)		0.64		0.80		0.91

**7. HISTORICAL FINANCIAL INFORMATION (Cont'd)**APPENDIX II  
PAGE 2 OF 4**NOTES TO THE UNAUDITED PROFORMA CONSOLIDATED BALANCE SHEETS OF AMRB**

The unaudited proforma consolidated balance sheets of AMRB, for which the Directors of AMRB are solely responsible, have been prepared for illustrative purpose based on accounting principles and bases consistent with those previously adopted in the preparation of the audited financial statements of the respective companies in the AMRB Group as at 31 December 2005 which have been prepared in accordance with the applicable MASB approved accounting standards in Malaysia after making such adjustments that are considered necessary for elimination of all significant inter-company transactions and balances and to reflect the effects of the implementation of the Acquisition of AMSB, Transfer of AMLI, Public Issue, Offer for Sale and ESOS had they been completed on that day, as follows:

**Adjustment I**

Adjustment I reflects the acquisition of the entire issued and paid-up share capital of AMSB comprising 20,000,000 ordinary shares of RM1.00 each from the current shareholders for a total purchase consideration of RM66,558,440 to be satisfied by the issuance of 133,116,880 new shares in AMRB at an issue price of RM0.50 per share, credited as fully paid-up.

The Acquisition of AMSB is based on the audited consolidated financial statement of AMSB as at 31 December 2005. The acquisition is accounted for under the acquisition accounting principles. Under the acquisition method, the difference between the fair value of shares issued and the fair value of the identifiable assets and liabilities acquired is treated as goodwill or negative goodwill/reserve on consolidation. The goodwill arising from the acquisition is arrived at as follows:

	RM
Net assets of AMSB at book value	77,065
Fair value adjustments of the vessels (less deferred tax)*	11,651
Less: Goodwill recognised in AMSB consolidated balance sheet	(953)
Less: Purchase consideration	(66,558)
Negative goodwill **	<u>21,205</u>

\* The effect of the fair value adjustments on the AMSB Group assets and liabilities are as follows:

	Book value per proforma AMSB Group	Fair value adjustments	Adjusted proforma AMSB Group carrying value
Property, plant and equipment	251,934	16,417	268,351
Deferred taxation	(23,429)	(4,597)	(28,026)
Minority interests	(1,751)	(169)	(1,920)
		<u>11,651</u>	

\*\* Negative goodwill is recognised immediately in the income statement in the year it arises.

Adjustment I also reflects the transfer of the entire issued and paid-up share capital of AMLI comprising 7,110,100 ordinary shares of USD1.00 each from AMSB to AMRB for a total transfer consideration of USD7,110,100 (RM27,018,380).

**7. HISTORICAL FINANCIAL INFORMATION (Cont'd)**

**APPENDIX II**  
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**NOTES TO THE UNAUDITED PROFORMA CONSOLIDATED BALANCE SHEETS OF AMRB (CONTD.)**

**Adjustment II**

Adjustment II reflects the Public Issue and Offer for Sale as follows:

(a) Public Issue

AMRB is undertaking a public offering of 29,219,200 Public Issue Shares at the IPO price of RM1.65 per Public Issue Shares and the write off of the estimated listing expenses of RM3.0 million against the share premium account. For the purpose of the proforma consolidated balance sheet, other than the RM3.0 million of listing expenses which was being offset against the share premium account, the proceeds from the Public Issue is reflected in Cash and Bank Balances of the Unaudited Proforma Consolidated Balance Sheets.

The proceeds from the Public Issue is assumed to be utilised as follows:

	<b>RM'000</b>
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
	48,212

(b) Offer for Sale

The Offerors are undertaking, in total, an offer for sale of 8,652,600 Offer Shares at the IPO Price of RM1.65 per Offer Share.

The Offer Shares, representing approximately 5.33% of the enlarged issued and paid-up share capital of AMRB will be made available by way of private placement, and will be placed with Malaysian and/or foreign investors by the Placement Agent.

The Offer for Sale will not have any impact on the proforma consolidated balance sheet of AMRB as at 31 December 2005.

**7. HISTORICAL FINANCIAL INFORMATION (Cont'd)**APPENDIX II  
PAGE 4 OF 4**NOTES TO THE UNAUDITED PROFORMA CONSOLIDATED BALANCE SHEETS OF AMRB (CONTD.)****Adjustment III**

Adjustment III reflects the full exercise of options to be granted under the ESOS as follows:

The full exercise of the options under ESOS would be approximately 15% of the enlarged issued and paid-up share capital of AMRB representing 24,350,412 Shares at an illustrative price of RM1.65 per Share under the ESOS.

**Effect on shareholders funds**

The effects of the above proforma adjustments on AMRB's shareholders' funds are as follows:

	Share capital RM'000	Share Premium RM'000	Retained Earnings RM'000
Audited as at 31 December 2005	*	-	(21)
AMSB Acquisition and AMLI Transfer	66,558	-	18,317
Proforma I	66,558	-	18,296
Public Issue and Offer for Sale **	14,610	30,602	-
Proforma II	81,168	30,602	18,296
Full exercise of options under the ESOS	12,175	28,003	-
Proforma III	93,343	58,605	18,296

\* RM1

\*\* The Share Premium is arrived at after deducting listing expenses of RM3.0 million

**7. HISTORICAL FINANCIAL INFORMATION (Cont'd)**

**APPENDIX III  
PAGE 1 OF 2**

**UNAUDITED PROFORMA CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005**

The unaudited proforma consolidated cash flow statement of the AMRB Group, for which the Directors of AMRB are solely responsible, has been prepared for illustrative purposes only based on the audited financial statements of the respective companies in the AMRB Group for the year ended 31 December 2005 which have been prepared in accordance with the applicable MASB approved accounting standards in Malaysia after making such adjustments that are considered necessary for elimination of all significant inter-company transactions and to show the effects of the Public Issue, Offer for Sale and the full exercise of the ESOS as described in Adjustment II and III of Appendix II on the assumption that the respective transactions had been completed on 31 December 2005 and should be read in conjunction with the notes thereon. The bases and accounting policies used for the purpose of the unaudited proforma consolidated cash flow statement of the AMRB Group are consistent with those adopted in the preparation of the audited financial statements of the respective companies within the AMRB Group for the financial year ended 31 December 2005.

**31.12.2005  
RM'000**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Profit before taxation	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 in investing activities	(134,607)

## 7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

APPENDIX III  
PAGE 2 OF 2UNAUDITED PROFORMA CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005 (CONTD.)31.12.2005  
RM'000**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	<u>179,674</u>

<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	74,762
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>13,147</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>87,909</u></u>

**CASH AND CASH EQUIVALENTS COMPRISE:**

Cash and bank balances	95,196
Bank overdraft	(2,235)
Deposits in sinking funds	(4,208)
Margin deposits	(844)
	<u><u>87,909</u></u>



## 7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

APPENDIX IV  
PAGE 1 OF 7**UNAUDITED PROFORMA STATEMENT OF ASSETS AND LIABILITIES AS AT  
31 DECEMBER 2005**

The unaudited proforma statement of assets and liabilities of the AMRB Group, for which the Directors of AMRB are solely responsible, have been prepared for illustrative purpose based on accounting principles and bases consistent with those previously adopted in the preparation of the audited financial statements of the respective companies in the AMRB Group as at 31 December 2005 which have been prepared in accordance with the applicable MASB approved accounting standards in Malaysia after making such adjustments that are considered necessary for elimination of all significant inter-company transactions and balances and to show the effects of the transactions described in Adjustment I , II and III of Appendix II on the assumption that the respective transactions had been completed on 31 December 2005 and should be read in conjunction with the notes thereon.

	Notes	AMRB Group RM'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	1	268,351
Investment in associate	2	350
		<u>268,701</u>
<b>CURRENT ASSETS</b>		
Trade receivables	3	48,331
Other receivables	4	13,401
Tax recoverable		670
Cash and bank balances		95,196
		<u>157,598</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	5	25,174
Other payables	6	8,398
Borrowings	7	24,155
Due to holding company		4,755
		<u>62,482</u>
<b>NET CURRENT ASSETS</b>		<u>95,116</u>
		<u>363,817</u>

## 7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

APPENDIX IV  
PAGE 2 OF 7UNAUDITED PROFORMA STATEMENT OF ASSETS AND LIABILITIES AS AT  
31 DECEMBER 2005 (CONTD.)

	Notes	Proforma Group RM'000
<b>FINANCED BY:</b>		
Share capital	8	93,343
Share premium		58,605
Retained earnings		18,296
Shareholders' equity		<u>170,244</u>
Minority interests		1,920
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	7	163,627
Deferred taxation	9	28,026
		<u>363,817</u>

## 7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

APPENDIX IV  
PAGE 3 OF 7NOTES TO THE UNAUDITED PROFORMA STATEMENT OF ASSETS AND  
LIABILITIES - 31 DECEMBER 2005

## 1. PROPERTY, PLANT AND EQUIPMENT

Net book value	RM'000
Leasehold building	1,431
Vessels	255,578
Diving equipment, equipment on vessel	7,926
Drydocking	870
Motor vehicles	1,336
Computers, office equipments, furniture and fittings	567
Renovations	643
Total	<u>268,351</u>

- (a) As at 31 December 2005, the net carrying amount of property, plant and equipment of the Group acquired under hire-purchase arrangements of which installments are still outstanding are as follows:

	RM'000
Motor vehicles	<u>1,336</u>

- (b) The net book values of property, plant and equipment pledged for borrowings as mentioned in Note 7, are as follows:

	RM'000
Leasehold building	1,431
Vessels	255,578
	<u>257,009</u>

## 2. INVESTMENT IN AN ASSOCIATE

	31.12.2005 RM'000
Outside Malaysia:	
Unquoted shares, at cost	208
Share of post acquisition reserves	142
	<u>350</u>

## 7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

APPENDIX IV  
PAGE 4 OF 7NOTES TO THE UNAUDITED PROFORMA STATEMENT OF ASSETS AND  
LIABILITIES - 31 DECEMBER 2005 (CONTD.)

## 3. TRADE RECEIVABLES

	<b>31.12.2005</b>
	<b>RM'000</b>
Trade receivables	35,986
Accrued ship management fee	298
Accrued charter hire income	12,059
	<u>48,343</u>
Provision for doubtful debts	(12)
	<u>48,331</u>

The Group's normal trade credit term ranges from 7 to 30 days. Other credit terms are assessed and approved on a case-by-case basis.

## 4. OTHER RECEIVABLES

	<b>31.12.2005</b>
	<b>RM'000</b>
Deposit for purchase of vessels	8,577
Other deposits	1,081
Prepayments	1,698
Advances and staff loans	385
Sundry receivables	1,660
	<u>13,401</u>

## 5. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 60 days.

## 6. OTHER PAYABLES

	<b>31.12.2005</b>
	<b>RM'000</b>
Advances for purchase of vessels	1,878
Accrued expenses	508
Sundry payables	6,012
	<u>8,398</u>

## 7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

APPENDIX IV  
PAGE 5 OF 7NOTES TO THE UNAUDITED PROFORMA STATEMENT OF ASSETS AND  
LIABILITIES - 31 DECEMBER 2005 (CONTD.)

## 7. BORROWINGS

	31.12.2005 RM'000
<b>Short term</b>	
<b>Secured:</b>	
Hire purchase	223
Term loans	17,197
Revolving credit	4,500
Bank overdraft	2,235
	<u>24,155</u>
<b>Long term</b>	
<b>Secured:</b>	
Hire purchase	1,250
Term loans	162,377
	<u>163,627</u>
<b>Total borrowings</b>	<u>187,782</u>

The hire purchase liability bears interest at 2.95%-4.50% per annum.

The term loan are secured by the following:

- (a) First legal charge over the vessels;
- (b) Assignment of insurance policy for the vessels with a financial institution as the first loss payee;
- (c) Legal assignments of charter proceeds;
- (d) Debentures incorporating fixed and floating asset of the Company;
- (e) Joint and several guarantees issued by all directors of the Company; and
- (f) Sinking fund of RM200,000 quarterly to partially cover the last year installment with interest to be capitalised.

## 7. HISTORICAL FINANCIAL INFORMATION (Cont'd)

APPENDIX IV  
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## 8. SHARE CAPITAL

	No. of ordinary shares of RM0.50 each '000	31.12.2005 RM'000
<u>Authorised</u>		
At beginning of the year *	200	100
<u>Issued and Fully paid:</u>		
At beginning of period	**	**
Pursuant to the AMSB Acquisition	133,116	66,558
Pursuant to the Public Issue and Offer for Sale	29,220	14,610
Pursuant to the full exercise of ESOS	24,350	12,175
	186,686	93,343

\* On 21 April 2006, the authorised share capital of AMRB was increased to RM250,000,000 representing 500,000,000 ordinary shares of RM0.50 each.

\*\* 2 ordinary shares of RM1

## 9. DEFERRED TAX LIABILITIES

	31.12.2005 RM'000
As at 1 January	12,828
Recognised in income statement	10,601
Recognised in statement of changes in equity	4,597
As at 31 December	28,026

The components and movements of deferred tax liability and assets during the financial year are as follows:

	Accelerated capital allowances RM'000	Tax losses and unabsorbed capital allowances RM'000	Provision for doubtful debts RM'000	Total RM'000
At 1 January 2005	12,828	-	-	12,828
Recognised in income statement	14,772	(4,168)	(3)	10,601
Recognised in statement of changes in equity	4,597	-	-	4,597
At 31 December 2005	32,197	(4,168)	(3)	28,026

**7. HISTORICAL FINANCIAL INFORMATION (Cont'd)**APPENDIX IV  
PAGE 7 OF 7**NOTES TO THE UNAUDITED PROFORMA STATEMENT OF ASSETS AND LIABILITIES - 31 DECEMBER 2005 (CONTD.)****10. CAPITAL COMMITMENT**

	RM'000
Purchase of vessels:	
- Approved and contracted for	69,540
- Approved but not contracted for	74,320
	<u>143,860</u>

Signed on behalf of the  
Board of Directors of Alam Maritim Resources Berhad



Azmi bin Ahmad  
Managing Director



Shaharuddin bin Warno @ Rahmad  
Finance Director