

**CONDENSED CONSOLIDATED INCOME STATEMENT OF THE GROUP
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008**

	Note	FIRST QUARTER		CUMULATIVE QUARTER	
		Current Quarter Ended 31.3.2008 RM'000 Unaudited	Preceding Quarter Ended 31.3.2007 RM'000 Restated	Current Year-To-Date Ended 31.3.2008 RM'000 Unaudited	Preceding Year-To-Date Ended 31.3.2007 RM'000 Restated
Revenue	4	55,122	61,866	55,122	61,866
Cost of sales		<u>(29,807)</u>	<u>(38,626)</u>	<u>(29,807)</u>	<u>(38,626)</u>
Gross profit		25,315	23,240	25,315	23,240
Other income		926	735	926	735
Staff costs		(3,653)	(2,783)	(3,653)	(2,783)
Depreciation and amortisation		(250)	(184)	(250)	(184)
Other operating expenses		<u>(1,986)</u>	<u>(1,226)</u>	<u>(1,986)</u>	<u>(1,226)</u>
Profit from operations		20,352	19,782	20,352	19,782
Finance costs		(5,293)	(3,996)	(5,293)	(3,996)
Share of profit of a jointly controlled entity		<u>84</u>	<u>82</u>	<u>84</u>	<u>82</u>
Profit before taxation		15,143	15,868	15,143	15,868
Taxation	19	<u>(2,337)</u>	<u>(4,436)</u>	<u>(2,337)</u>	<u>(4,436)</u>
Net profit for the period		<u>12,806</u>	<u>11,432</u>	<u>12,806</u>	<u>11,432</u>
Attributable to:					
Equity holders of the parent		11,182	10,158	11,182	10,158
Minority interest		1,624	1,274	1,624	1,274
		<u>12,806</u>	<u>11,432</u>	<u>12,806</u>	<u>11,432</u>
Earnings per share attributable to equity holders of the parent	27				
- Basic (Sen)		2.3	2.3	2.3	2.3
- Diluted (Sen)		2.1	2.1	2.1	2.1

The condensed consolidated income statements should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET OF THE GROUP
AS AT 31 MARCH 2008**

	As At 31.3.2008 RM'000 (Unaudited)	As At 31.12.2007 RM'000 (Audited)
Assets		
Non-current Assets		
Property, vessel and equipment	762,601	732,945
Intangible assets	1,167	1,167
Investments in a jointly controlled entity	1,397	1,314
	<u>765,165</u>	<u>735,426</u>
Current Assets		
Trade receivables	111,136	108,891
Other receivables	44,664	23,380
Tax recoverable	731	783
Cash and bank balances	198,954	118,120
	<u>355,485</u>	<u>251,174</u>
Total Assets	<u>1,120,650</u>	<u>986,600</u>
Equity And Liabilities		
Equity Attributable To Equity Holders Of The Parent		
Share capital	122,071	121,322
Share premium	63,169	63,033
Other reserves	7,053	6,179
Retained profits	109,763	98,581
	<u>302,056</u>	<u>289,115</u>
Minority interest	15,265	13,641
Total Equity	<u>317,321</u>	<u>302,756</u>
Non-current Liabilities		
Borrowings	23	568,029
Deferred tax liabilities		48,752
		<u>616,781</u>
Current Liabilities		
Borrowings	23	117,921
Trade payables		28,132
Other payables		37,268
Tax payable		3,227
		<u>186,548</u>
Total Liabilities	<u>803,329</u>	<u>683,844</u>
Total Equity And Liabilities	<u>1,120,650</u>	<u>986,600</u>
Net Assets Per Share (RM)	<u>0.62</u>	<u>0.60</u>

The condensed consolidated balance sheet should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY OF THE GROUP
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008

	← Attributable to Equity Holders of the Parent →				Total	Minority Interest	Total Equity
	Share Capital	← Non-Distributable →		Distributable			
		Share Premium	Other Reserves	(Accumulated Losses) / Retained Profits			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As at 1 January 2007	81,269	30,748	3,505	49,467	164,989	9,184	174,173
Net profit for the period	-	-	-	50,926	50,926	5,081	56,007
Issue of ordinary shares:							
Issued for cash	7,493	58,152	-	-	65,645	-	65,645
Pursuant to ESOS	1,537	3,694	-	-	5,231	-	5,231
Pursuant to bonus issue	31,023	(31,023)	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	399	399
Share issue costs	-	(985)	-	-	(985)	-	(985)
Share options granted under ESOS:							
Recognised in income statement	-	-	5,124	-	5,124	-	5,124
exercised during the year	-	2,447	(2,447)	-	-	-	-
Foreign currency translation	-	-	(3)	-	(3)	(1)	(4)
Dividend	-	-	-	(1,812)	(1,812)	(1,022)	(2,834)
As at 31 December 2007	121,322	63,033	6,179	98,581	289,115	13,641	302,756
As at 1 January 2008	121,322	63,033	6,179	98,581	289,115	13,641	302,756
Net profit for the period	-	-	-	11,182	11,182	1,624	12,806
Issue of ordinary shares:							
Pursuant to ESOS	749	136	-	-	885	-	885
Share options granted under ESOS	-	-	874	-	874	-	874
As at 31 March 2008	122,071	63,169	7,053	109,763	302,056	15,265	317,321

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

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT OF THE GROUP
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008**

	Current Year-To-Date Ended 31.3.2008 RM'000 Unaudited	Preceding Year-To-Date Ended 31.3.2007 RM'000 Unaudited
Net cash generated from operating activities	2,481	63,915
Net cash used in investing activities	(33,934)	(311,756)
Net cash generated from financing activities	<u>36,063</u>	<u>348,274</u>
Net increase in cash and cash equivalents	4,610	100,433
Cash and cash equivalents at beginning of financial year	<u>103,773</u>	<u>3,371</u>
Cash and cash equivalents at end of financial period	<u>108,383</u>	<u>103,804</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Short-term deposits	81,683	110,539
Deposits with licensed banks	117,271	7,581
	<u>198,954</u>	<u>118,120</u>
Bank overdrafts (Note 23)	(8,888)	(6,735)
Amount set aside as sinking fund	(77,682)	(4,000)
Amount set aside as bank guarantee facilities	(4,001)	(3,581)
	<u>108,383</u>	<u>103,804</u>
Total cash and cash equivalent	<u>108,383</u>	<u>103,804</u>

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

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

1. BASIS OF PREPARATION

The interim financial statements have been prepared under the historical cost convention. The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards ("FRS") 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

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

2. CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the statutory financial statements for the financial year ended 31 December 2007 except for the adoption of the following new or revised Financial Reporting Standards ("FRSs"), Amendments to FRSs and Interpretations effective for financial period beginning 1 January 2008.

Amendments to

FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provision, Contingent Liabilities and Contingent Assets
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment

The group has not adopted FRS 139 Financial Instruments: Recognition and measurement as its effective date has been deferred indefinitely.

The adoption of the new FRSs, Amendments to FRSs and Interpretations does not have significant financial impact on the Group.

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements of the Company and its subsidiaries for the year ended 31 December 2007 were not qualified.

4. SEGMENTAL INFORMATION

The results and other information of the Group as at 31 March 2008 are as follows: -

	Offshore support vessels and services RM'ooo	Underwater services RM'ooo	Others RM'ooo	Consolidation RM'ooo	TOTAL RM'ooo
Revenue					
External	47,472	7,402	248	-	55,122
Intra group	-	-	376	(376)	-
Total	47,472	7,402	624	(376)	55,122
Results					
Profit from operations	20,013	1,389	(736)	(314)	20,352
Finance costs	(5,251)	(25)	(17)	-	(5,293)
Share of profit of associates	-	-	-	84	84
Profit before taxation	14,762	1,364	(753)	(230)	15,143

5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current financial year except as disclosed in Note 2.

6. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

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

7. SEASONAL AND CYCLICAL FACTORS

The Group's performance would be subject to the risk of increase in downtime and off-hires due to the adverse weather conditions such as monsoon seasons. In this respect, only one(1) of the Group's smaller-sized vessels that is under spot charter contract, and underwater services would inevitably be affected by the monsoon seasons and this would result in fluctuation in the Group's earnings over the financial year.

Notwithstanding the above, twenty one (21) out of the Group's fleet of twenty two (22) vessels are currently under fixed charter contracts whereby the vessels are to be made available regardless of the weather condition. This, in turn, will provide the Group with a steady stream of income.

8. DIVIDENDS PAID

No dividend was paid in the current financial quarter under review.

9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

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

10. DEBT AND EQUITY SECURITIES

There were no issuance, cancellations, repurchases, resale and repayments of debts and equity securities except for the following:

Employee Share Options Scheme ("ESOS")

During the financial quarter under review, the Company issued 114,690 ordinary shares of RM0.25 each for cash at an average exercise price of RM1.44 per share pursuant to the AMRB Employee Share Options Scheme (ESOS).

11. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in composition of the Group for the financial quarter under review except for the following:

a) Inclusion of a New Subsidiary

On 1 January 2008, Alam Maritim (L) Inc ("AMLI") incorporated a wholly-owned subsidiary namely Alam Subsea Pte Ltd ("Alam Subsea") in the Republic of Singapore with an issued and paid-up capital of SGD2.00 divided into two (2) ordinary shares of SGD1.00 each. The intended principal activity of Alam Subsea is to provide integrated marine services to the oil and gas companies.

b) Acquisition of KJ Waja Engineering (M) Sdn Bhd

On 16 January 2008, Alam Maritim (M) Sdn Bhd, a wholly-owned subsidiary of the Company, acquired 153,000 ordinary shares of RM1.00 each, representing 51% of the issued and paid-up capital of KJ Waja Engineering (M) Sdn Bhd ("KJ Waja") for a total cash consideration of RM382,500. KJ Waja has an issued and paid-up share capital of RM300,000 divided into 300,000 ordinary shares of RM1.00 each.

The principal activities of KJ Waja are the provision of ship repair and maintenance, labour supply, marine spare parts and services.

12. CAPITAL COMMITMENTS

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim condensed financial statements as at 31 March 2008 is as follows:

	RM'000
Approved and contracted for:	
Expenditure on the acquisition of vessels and equipment	322,294
Approved but not contracted for:	
Expenditure on the acquisition of vessels and equipment	-
Total	<u>322,294</u>

13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 31 March 2008, our contingent liabilities, comprising bank and performance guarantees for contracts entered into with customers, stood at approximately RM9.0 million. In addition, the Company has provided corporate guarantee for the credit facilities totaling USD28.56 million granted by Maybank International (L) Ltd. to 60%-owned subsidiaries of Alam Maritim (M) Sdn. Bhd. ("AMSB"), namely Alam Synergy I (L) Inc., Alam Synergy II (L) Inc., Alam Synergy III (L) Inc.

AMSB has also provided a corporate guarantee for the banking facilities amounting to RM 5.0 million granted by Malayan Banking Berhad to Alam Hidro (M) Sdn. Bhd. ("AHSB"), a 70%-owned subsidiary of AMSB.

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

14. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the current financial year except for the following:

Issuance of Shares

Subsequent to 31 March 2008, the Company issued 4,125 ordinary shares of RM0.25 each for cash at an exercise price of RM0.60 per share pursuant to ESOS.

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

15. PERFORMANCE REVIEW

The Group recorded a turnover of RM55.12 million for the financial period ended 31 March 2008 as compared to RM61.87 million for the corresponding period in the preceding year, resulting in an adverse variance of 10.9%. This is mainly attributable to lower revenue derived from third party vessels and underwater services segment despite higher revenue contributed by own vessels for the current financial period under review.

The profit before taxation for the current financial period of RM15.14 million was 4.6% lower in comparison to RM15.87 million registered for the corresponding period last year, mainly due to higher staff and finance costs incurred in the current financial period under review which is in tandem with the expanded fleet of vessels owned by the Group. The adverse financial performance was mitigated to certain extent by higher overall gross profit contribution, with favourable variance of 8.9%, which was derived primarily from operations of own vessels.

16. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

The Group's revenue for the current quarter of RM55.12 million was lower than the preceding quarter's revenue figure of RM76.98 million by 28.4%, mainly due to substantially lower revenue derived from chartering activities of third party vessels. Despite the increase in demand for offshore support vessels, especially for those specialised and bigger capacity vessels, the chartering activities of third party vessels had been adversely affected by regional and global shortage of supply for offshore support vessels in the current financial quarter. The exceptional performance of third party vessels segment in the preceding quarter was largely attributable to the buoyant activities for hook-up and commissioning works coupled with availability of certain third party accommodation vessels to support the requirements.

The profit before taxation ("PBT") of the Group for the current financial quarter of RM15.14 million was lower than the preceding quarter's PBT of RM18.15 million by 16.6%, which is mainly due to lower overall profit contribution from chartering activities of third party vessels as mentioned earlier.

17. COMMENTARY ON PROSPECTS

Despite the generally weak global economy, the Group still embraces positive outlook on the oil and gas industry. With the ever increasing crude oil prices, consistently soaring above USD100, coupled with the Government's wish to maintain Malaysia as a net oil exporting country, this year will definitely see another strong outcome in terms of financial performance for the local oil and gas players. All these exciting prospects are expected to bring about intensified exploration and production ('E&P') activities covering the various phases of oil and gas support services within shallow, marginal and deepwater fields, which in turn will ensure continued growth of the Group's business.

The three-pronged strategies adopted by the Group encompassing fleet expansion, market expansion (regionally and globally) and horizontal expansion for related businesses, are poised to ensure sustainable financial performance for years to come, and to lift the Group to greater heights as a reputable integrated offshore services provider.

The Group is also actively seeking new business ventures in related fields as catalysts for growth in view of expanding revenue stream and increasing shareholders' wealth.

18. PROFIT FORECAST

The Group has not issued any profit forecast for the current financial year and therefore no comparison is available.

19. **INCOME TAX EXPENSE**

	Current Quarter		Year-To-Date	
	31.3.2008 RM'000	31.3.2007 RM'000	31.3.2008 RM'000	31.3.2007 RM'000
Income Taxation				
-Current year	584	928	584	928
-(Over)/under-provision in prior year	-	-	-	-
	<u>584</u>	<u>928</u>	<u>584</u>	<u>928</u>
Deferred Taxation				
-Current year	1,753	3,508	1,753	3,508
-(Over)/under-provision in prior year	-	-	-	-
	<u>1,753</u>	<u>3,508</u>	<u>1,753</u>	<u>3,508</u>
	<u>2,337</u>	<u>4,436</u>	<u>2,337</u>	<u>4,436</u>

The effective tax rate for the current financial period of 15.4% is lower than the statutory tax rate of 26% principally due to certain income which is exempted from taxation.

20. **SALE OF PROPERTIES**

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

21. **INVESTMENTS IN QUOTED SECURITIES**

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

22. **CORPORATE PROPOSALS**

On 28 December 2007, the Company issued 29,975,000 ordinary shares of RM0.25 each for cash at an issue price of RM2.19 per share, in respect of the proposed private placement of up to 10% of the issued and paid-up share capital of the Company, which was previously announced on 24 May 2007. The Securities Commission had, via its letter dated 15 January 2008, approved for an extension of time of six (6) months up to 26 July 2008 for the Company to complete the private placement exercise.

The remaining placement shares, totaling 15,524,800 ordinary shares of RM0.25 each, have yet to be issued by the Company as of 20 May 2008.

23. **BORROWINGS**

	Denominated in Local Currency As at 31.3.2008 RM'000	Denominated in Foreign Currency As at 31.3.2008 RM'000	Total
Short Term Borrowings			
Unsecured:			
Revolving credit facilities	-	57,533	57,533
Overdraft	8,888	-	8,888
Secured:			
CP - Murabahah	48,645	-	48,645
Term loans	736	1,823	2,559
Hire purchase	296	-	296
			<u>117,921</u>
Long-term borrowings			
Secured:			
MTN - Sukuk Ijarah	500,000	-	500,000
Term loans	2,973	63,779	66,752
Hire purchase	1,277	-	1,277
			<u>568,029</u>
			<u>685,950</u>
Total Borrowings			
		USD'000	RM'000 Equivalent
Borrowings denominated in foreign currency:			
United States Dollar (USD)		38,631	123,135

24. **OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There are no off balance sheet financial instruments as at 20 May 2008.

25. **CHANGES IN MATERIAL LITIGATION**

The Group is not engaged in any material litigation, whether as plaintiff or defendant, which may have a material impact on the financial position or performance of the Group as at 20 May 2008. The Board of Directors does 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 the financial or business position of the Group.

26. **DIVIDEND PAYABLE**

The Board of Directors is pleased to propose a final dividend of 2.0% or 0.50 Sen per share (less 27% taxation) for the financial year ended 31 December 2007. The aforesaid proposed final dividend is subject to the shareholders' approval in the forthcoming Annual General Meeting.

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

Basic EPS

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

	Current Quarter		Year-To-Date	
	31.3.2008	31.3.2007	31.3.2008	31.3.2007
	RM'000	RM'000	RM'000	RM'000
Profit attributable to equity holders of the parent	11,182	10,158	11,182	10,158
Weighted average number of ordinary shares in issue	485,365	447,125	485,365	447,125
Basic EPS (Sen)	2.3	2.3	2.3	2.3

Diluted EPS

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

	Current Quarter		Year-To-Date	
	31.3.2008	31.3.2007	31.3.2008	31.3.2007
	RM'000	RM'000	RM'000	RM'000
Profit attributable to equity holders of the parent	11,182	10,158	11,182	10,158
Weighted average number of ordinary shares in issue	485,365	447,125	485,365	447,125
Effects of dilution from ESOS*	34,782	31,968	34,782	31,968
Adjusted weighted average number of ordinary shares in issue and issuable	520,147	479,093	520,147	479,093
Diluted EPS (Sen)	2.1	2.1	2.1	2.1

*Note: The estimation of effects of dilution from ESOS was based on the average closing price of RM1.99 for the financial period ended 31 March 2008.

28. **AUTHORISATION FOR ISSUE**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 20 May 2008.

BY ORDER OF THE BOARD

Haniza Binti Sabaran
(MAICSA No. 7032233)
Company Secretary
Kuala Lumpur
20 May 2008