

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT OF THE GROUP
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2008**

	Note	SECOND QUARTER		CUMULATIVE QUARTER	
		Current Quarter Ended 30.6.2008 RM'000 Unaudited	Preceding Quarter Ended 30.6.2007 RM'000 Restated	Current Year-To-Date Ended 30.6.2008 RM'000 Unaudited	Preceding Year-To-Date Ended 30.6.2007 RM'000 Restated
Revenue	4	83,833	48,548	138,955	110,414
Cost of sales		<u>(41,129)</u>	<u>(25,617)</u>	<u>(70,936)</u>	<u>(62,604)</u>
Gross profit		42,704	22,931	68,019	47,810
Other income		1,301	5,636	2,227	6,371
Staff costs		(5,241)	(3,401)	(8,894)	(6,184)
Depreciation and amortisation		(195)	(1,811)	(445)	(3,634)
Other operating expenses		<u>(1,841)</u>	<u>(2,448)</u>	<u>(3,827)</u>	<u>(3,674)</u>
Profit from operations		36,728	20,907	57,080	40,689
Finance costs		(8,948)	(5,592)	(14,241)	(9,588)
Share of profit of a jointly controlled entity		<u>173</u>	<u>103</u>	<u>257</u>	<u>185</u>
Profit before taxation		27,953	15,418	43,096	31,286
Taxation	19	<u>(5,856)</u>	<u>(3,492)</u>	<u>(8,193)</u>	<u>(7,928)</u>
Net profit for the period		<u>22,097</u>	<u>11,926</u>	<u>34,903</u>	<u>23,358</u>
Attributable to:					
Equity holders of the parent		19,295	10,133	30,477	20,291
Minority interest		2,802	1,793	4,426	3,067
		<u>22,097</u>	<u>11,926</u>	<u>34,903</u>	<u>23,358</u>
Earnings per share attributable to equity holders of the parent	27				
- Basic (Sen)		4.0	2.3	6.3	4.5
- Diluted (Sen)		3.9	2.1	6.1	4.2

The unaudited 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 30 JUNE 2008**

	As At 30.6.2008 RM'000 (Unaudited)	As At 31.12.2007 RM'000 (Audited)
Assets		
Non-current Assets		
Property, vessel and equipment	829,105	732,945
Intangible assets	1,570	1,167
Investments in a jointly controlled entity	1,167	1,314
	<u>831,842</u>	<u>735,426</u>
Current Assets		
Trade receivables	131,842	108,891
Other receivables	20,382	23,380
Tax recoverable	783	783
Cash and bank balances	148,277	118,120
	<u>301,284</u>	<u>251,174</u>
Total Assets	<u>1,133,126</u>	<u>986,600</u>
Equity And Liabilities		
Equity Attributable To Equity Holders Of The Parent		
Share capital	121,363	121,322
Share premium	63,194	63,033
Other reserves	7,853	6,179
Retained profits	129,058	98,581
	<u>321,468</u>	<u>289,115</u>
Minority interest	19,445	13,641
Total Equity	<u>340,913</u>	<u>302,756</u>
Non-current Liabilities		
Borrowings	568,167	395,927
Deferred tax liabilities	53,891	48,158
	<u>622,058</u>	<u>444,085</u>
Current Liabilities		
Borrowings	94,903	178,620
Trade payables	31,479	43,887
Other payables	39,362	15,200
Tax payable	4,411	2,052
	<u>170,155</u>	<u>239,759</u>
Total Liabilities	<u>792,213</u>	<u>683,844</u>
Total Equity And Liabilities	<u>1,133,126</u>	<u>986,600</u>
Net Assets Per Share (RM)	<u>0.66</u>	<u>0.60</u>

The unaudited 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 30 JUNE 2008**

	← Attributable to Equity Holders of the Parent →				Total RM'000	Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	← Non-Distributable →		Distributable (Accumulated Losses) / Retained Profits RM'000			
		Share Premium RM'000	Other Reserves 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	-	-	-	30,477	30,477	4,426	34,903
Issue of ordinary shares:							
Pursuant to ESOS	41	161	1,674	-	1,876	-	1,876
Acquisition of subsidiaries	-	-	-	-	-	1,378	1,378
As at 30 June 2008	121,363	63,194	7,853	129,058	321,468	19,445	340,913

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

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT OF THE GROUP
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2008**

	Current Year-To-Date Ended 30.6.2008 RM'000 Unaudited	Preceding Year-To-Date Ended 30.6.2007 RM'000 Unaudited
Net cash generated from operating activities	46,856	25,813
Net cash used in investing activities	(105,424)	(70,215)
Net cash generated from financing activities	<u>67,972</u>	<u>57,604</u>
Net increase in cash and cash equivalents	9,404	13,202
Cash and cash equivalents at beginning of financial year	<u>103,774</u>	<u>19,120</u>
Cash and cash equivalents at end of financial period	<u>113,178</u>	<u>32,322</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Short-term deposits	34,719	14,133
Deposits with licensed banks	113,558	36,116
	<u>148,277</u>	<u>50,249</u>
Bank overdrafts (Note 23)	(380)	(4,163)
Amount set aside as sinking fund	(32,483)	(9,692)
Amount set aside as bank guarantee facilities	(2,236)	(4,072)
Total cash and cash equivalent	<u>113,178</u>	<u>32,322</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 30 June 2008 are as follows: -

	Offshore support vessels and services RM'000	Underwater services RM'000	Others RM'000	Consolidation RM'000	TOTAL RM'000
Revenue					
External	116,428	21,645	882	-	138,955
Intra group	-	-	470	(470)	-
Total	116,428	21,645	1,352	(470)	138,955
Results					
Profit from operations	54,297	5,965	(2,433)	(749)	57,080
Finance costs	(14,170)	(60)	(11)	-	(14,241)
Share of profit of associates	-	-	-	257	257
Profit before taxation	40,127	5,905	(2,444)	(492)	43,096

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 four (24) out of the Group's fleet of twenty five (25) 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 period 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 46,875 ordinary shares of RM0.25 each for cash at an average exercise price of RM0.83 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:

Acquisition of Alam Food Industries (M) Sdn Bhd ("AFIM")

On 20 June 2008, Alam Maritim (M) Sdn Bhd, a wholly-owned subsidiary of the Company, acquired a new subsidiary namely Alam Food Industries (M) Sdn Bhd with the transfer of two (2) subscribers' shares of RM1.00 each at a consideration of RM2.00. AMSB had subsequently entered into a Shareholders Agreement with Captain Mahamood bin Ibrahim and pursuant to the Shareholders Agreement dated 20 June 2008, AMSB had subscribed a total of 69,998 ordinary shares of RM1.00 each amounting to RM69,998.00 whereas Captain Mahamood Bin Ibrahim had subscribed a total of 30,000 ordinary shares of RM1.00 each amounting to RM30,000.00 shares in AFIM.

As a result of the subscription, both AMSB and Captain Mahamood bin Ibrahim hold 70% and 30% of equity in AFIM, respectively. The principal activities of AFIM are providing and supplying Halal food and beverages and other related services such as lodging-house keepers for the Group's fleet and external parties.

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 30 June 2008 is as follows:

	RM'ooo
Approved and contracted for:	
Expenditure on the acquisition of vessels and equipment	495,304
Approved but not contracted for:	
Expenditure on the acquisition of vessels and equipment	-
Total	<u><u>495,304</u></u>

13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 30 June 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 30 June 2008, the Company issued 6,658,049 ordinary shares of RM0.25 each for cash at an exercise price of RM0.67 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 RM138.96 million for the financial period ended 30 June 2008 as compared to RM110.41 million for the corresponding period in the preceding year, resulting in a favourable variance of 25.8%. This is mainly attributable to generally higher revenue derived from both offshore support vessels and underwater services segments spurred by the increase in the number of owned vessels operated by the Group and new contracts secured by underwater services unit.

The profit before taxation for the current financial period of RM43.19 million was 38.0% higher in comparison to RM31.29 million registered for the corresponding period last year, mainly due to higher operating profit contribution from offshore support vessels segment which is in tandem with the higher daily charter rates and expanded fleet of vessels owned and operated by the Group.

16. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

The Group's revenue for the current quarter of RM83.83 million was higher than the preceding quarter's revenue figure of RM55.12 million by 52.1%, mainly due to substantially higher revenue derived from chartering activities of owned and third party vessels during the second financial quarter under review. The revenue derived from underwater services segment was also significantly higher as compared to the preceding quarter supported by several new contracts secured by the Group recently.

The profit before taxation ("PBT") of the Group for the current financial quarter of RM28.05 million was higher than the preceding quarter's PBT of RM15.42 million by 81.9%, which is mainly due to higher overall operating profit contribution from both offshore support vessels and underwater services segments. Besides, the improvement in profit margins derived from chartering activities of owned and third party vessels, arising from higher daily charter rates for new charter contracts secured in the current financial year, has enhanced to certain extent the financial performance of the Group.

17. COMMENTARY ON PROSPECTS

The Group anticipates that the oil majors such as Petronas are still committed to continue with their exploration and production ('E&P') programmes in view of maintaining and/or increasing the current production level. The demand for offshore support vessels is expected to remain bullish with sustainable daily charter rates for the year ahead.

The new vessels scheduled to be delivered this year right up to 2010 are poised to contribute positively to the financial results of the Group with less reliance on third party vessels. In addition, the underwater services segment is currently enjoying healthy growth with several contracts secured recently to further boost up the Group's financial performance for the current financial year.

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	
	30.6.2008 RM'000	30.6.2007 RM'000	30.6.2008 RM'000	30.6.2007 RM'000
Income Taxation				
-Current year	1,876	1,025	2,460	1,953
-(Over)/under-provision in prior year	-	-	-	-
	<u>1,876</u>	<u>1,025</u>	<u>2,460</u>	<u>1,953</u>
Deferred Taxation				
-Current year	3,980	2,467	5,733	5,975
-(Over)/under-provision in prior year	-	-	-	-
	<u>3,980</u>	<u>2,467</u>	<u>5,733</u>	<u>5,975</u>
	<u>5,856</u>	<u>3,492</u>	<u>8,193</u>	<u>7,928</u>

The effective tax rate for the current financial period of 19.0% 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 21 July 2008, approved for an extension of time of another six (6) months up to 26 January 2009 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 11 August 2008.

23. BORROWINGS

	Denominated in Local Currency As at 30.6.2008 RM'000	Denominated in Foreign Currency As at 30.6.2008 RM'000	Total
Short Term Borrowings			
Unsecured:			
Revolving credit facilities	-	42,246	42,246
Overdraft	380	-	380
Secured:			
CP - Murabahah	48,645	-	48,645
Term loans	381	3,008	3,389
Hire purchase	243	-	243
			<u>94,903</u>
Long-term borrowings			
Secured:			
MTN - Sukuk Ijarah	500,000	-	500,000
Term loans	1,878	63,779	65,657
Hire purchase	2,510	-	2,510
			<u>568,167</u>
Total Borrowings			<u><u>663,070</u></u>
Borrowings denominated in foreign currency:		USD'000	RM'000 Equivalent
United States Dollar (USD)		33,379	109,033

24. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There are no off balance sheet financial instruments as at 11 August 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 11 August 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 had proposed for a final dividend of 2.0% or 0.50 Sen per share (less 26% taxation) for the financial year ended 31 December 2007. The aforesaid proposed final dividend has been approved by shareholders in the Annual General Meeting convened on 20 June 2008.

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	
	30.6.2008	30.6.2007	30.6.2008	30.6.2007
	RM'000	RM'000	RM'000	RM'000
Profit attributable to equity holders of the parent	19,295	10,133	30,477	20,291
Weighted average number of ordinary shares in issue	485,422	447,125	485,289	447,125
Basic EPS (Sen)	4.0	2.3	6.3	4.5

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	
	30.6.2008	30.6.2007	30.6.2008	30.6.2007
	RM'000	RM'000	RM'000	RM'000
Profit attributable to equity holders of the parent	19,295	10,133	30,477	20,291
Weighted average number of ordinary shares in issue	485,422	447,125	485,289	447,125
Effects of dilution from ESOS*	14,740	31,968	14,747	31,968
Adjusted weighted average number of ordinary shares in issue and issuable	500,162	479,093	500,036	479,093
Diluted EPS (Sen)	3.9	2.1	6.1	4.2

*Note: The estimation of effects of dilution from ESOS was based on the average closing price of RM2.01 for the financial period ended 30 June 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 11 August 2008.

BY ORDER OF THE BOARD

Haniza Binti Sabaran
(MAICSA No. 7032233)
Company Secretary
Kuala Lumpur
11 August 2008