

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

	Note	THIRD QUARTER		CUMULATIVE QUARTER	
		Current Quarter Ended 30.9.2008 RM'000 Unaudited	Preceding Quarter Ended 30.9.2007 RM'000 Restated	Current Year-To-Date Ended 30.9.2008 RM'000 Unaudited	Preceding Year-To-Date Ended 30.9.2007 RM'000 Restated
Revenue	4	107,690	62,522	246,645	172,935
Cost of sales		<u>(54,501)</u>	<u>(38,073)</u>	<u>(125,437)</u>	<u>(100,676)</u>
Gross profit		53,189	24,449	121,208	72,259
Other income		561	4,931	2,788	11,301
Staff costs		(5,032)	(3,132)	(13,926)	(9,316)
Depreciation and amortisation		(617)	(1,746)	(1,062)	(5,379)
Other operating expenses		<u>(7,178)</u>	<u>(851)</u>	<u>(11,005)</u>	<u>(4,525)</u>
Profit from operations		40,923	23,651	98,003	64,340
Finance costs		(8,229)	(4,352)	(22,470)	(13,940)
Share of profit of a jointly controlled entity		<u>(46)</u>	<u>49</u>	<u>211</u>	<u>234</u>
Profit before taxation		32,648	19,348	75,744	50,634
Taxation	19	<u>(8,555)</u>	<u>(5,469)</u>	<u>(16,748)</u>	<u>(13,397)</u>
Net profit for the period		<u>24,093</u>	<u>13,878</u>	<u>58,996</u>	<u>37,237</u>
Attributable to:					
Equity holders of the parent		23,205	13,955	53,682	34,246
Minority interest		888	(77)	5,314	2,991
		<u>24,093</u>	<u>13,878</u>	<u>58,996</u>	<u>37,237</u>
Earnings per share attributable to equity holders of the parent	27				
- Basic (Sen)		4.8	3.1	11.0	7.6
- Diluted (Sen)		4.8	2.8	11.0	7.0

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 SEPTEMBER 2008

	As At 30.9.2008 RM'000 (Unaudited)	As At 31.12.2007 RM'000 (Audited)
Assets		
Non-current Assets		
Property, vessel and equipment	932,793	732,945
Intangible assets	1,307	1,167
Investments in a jointly controlled entity	1,525	1,314
	<u>935,625</u>	<u>735,426</u>
Current Assets		
Trade receivables	168,908	108,891
Other receivables	35,771	23,380
Tax recoverable	783	783
Cash and bank balances	107,385	118,120
	<u>312,847</u>	<u>251,174</u>
Total Assets	<u>1,248,472</u>	<u>986,600</u>
Equity And Liabilities		
Equity Attributable To Equity Holders Of The Parent		
Share capital	123,150	121,322
Share premium	66,495	63,033
Other reserves	7,853	6,179
Retained profits	150,443	98,581
	<u>347,941</u>	<u>289,115</u>
Minority interest	22,175	13,641
Total Equity	<u>370,116</u>	<u>302,756</u>
Non-current Liabilities		
Borrowings	23 606,061	395,927
Deferred tax liabilities	59,882	48,158
	<u>665,943</u>	<u>444,085</u>
Current Liabilities		
Borrowings	23 130,569	178,620
Trade payables	36,446	43,887
Other payables	38,568	15,200
Tax payable	6,830	2,052
	<u>212,413</u>	<u>239,759</u>
Total Liabilities	<u>878,356</u>	<u>683,844</u>
Total Equity And Liabilities	<u>1,248,472</u>	<u>986,600</u>
Net Assets Per Share (RM)	<u>0.71</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 SEPTEMBER 2008**

	← Attributable to Equity Holders of the Parent →						Minority Interest	Total Equity
	Share Capital	← Non-Distributable →		Other Reserves	Distributable (Accumulated Losses) / Retained Profits	Total		
		Share Premium						
	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	-	-	-	53,682	53,682	5,314	58,996	
Issue of ordinary shares pursuant to ESOS	1,828	3,462	-	-	5,290	-	5,290	
ESOS costs recognised in income statement	-	-	1,674	-	1,674	-	1,674	
Acquisition of subsidiaries	-	-	-	-	-	3,220	3,220	
Dividend	-	-	-	(1,820)	(1,820)	-	(1,820)	
As at 30 September 2008	123,150	66,495	7,853	150,443	347,941	22,175	370,116	

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 SEPTEMBER 2008

	Current Year-To-Date Ended 30.9.2008 RM'000 Unaudited	Preceding Year-To-Date Ended 30.9.2007 RM'000 Unaudited
Net cash generated from operating activities	40,561	62,209
Net cash used in investing activities	(216,847)	(235,224)
Net cash generated from financing activities	<u>149,869</u>	<u>191,640</u>
Net increase in cash and cash equivalents	(26,417)	18,625
Cash and cash equivalents at beginning of financial year	<u>103,774</u>	<u>19,121</u>
Cash and cash equivalents at end of financial period	<u><u>77,357</u></u>	<u><u>37,746</u></u>
Cash and cash equivalents at the end of the financial period comprise the following		
Short-term deposits	20,704	12,912
Deposits with licensed banks	86,681	47,935
	<u>107,385</u>	<u>60,847</u>
Bank overdrafts (Note 23)	(9,324)	(11,227)
Amount set aside as sinking fund	(18,112)	(9,692)
Amount set aside as bank guarantee facilities	(2,592)	(2,182)
Total cash and cash equivalent	<u><u>77,357</u></u>	<u><u>37,746</u></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 Operator
FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
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	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation	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 to 1 January 2010.

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 September 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	195,208	45,595	5,842	-	246,645
Intra group	1,210	-	-	(1,210)	-
Total	196,418	45,595	5,842	(1,210)	246,645
Results					
Profit from operations	85,784	15,842	(2,347)	(1,276)	98,003
Finance costs	(22,413)	(37)	(20)	-	(22,470)
Share of profit of associates	-	-	-	211	211
Profit before taxation	63,371	15,805	(2,367)	(1,065)	75,744

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

Notwithstanding the above, twenty six (26) out of the Group's fleet of twenty seven (27) vessels are currently under fixed charter contracts whereby the vessels are to be made available regardless of the weather condition. This will provide the Group with a steady stream of income.

8. DIVIDENDS PAID

The first and final dividend of 2% or 0.5 sen per share (less 26% income tax) in respect of the financial year ended 31 December 2007 was paid on 02 September 2008.

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 7,147,909 ordinary shares of RM0.25 each for cash at an average exercise price of RM0.71 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.

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 September 2008 is as follows:

	RM'000
Approved and contracted for:	
Expenditure on the acquisition of vessels and equipment	442,545
Approved but not contracted for:	
Expenditure on the acquisition of vessels and equipment	-
Total	<u><u>442,545</u></u>

13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 30 September 2008, our contingent liabilities, comprising bank and performance guarantees for contracts entered into with customers, stood at approximately RM5.5 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:

a) Issuance of Shares

Subsequent to 30 September 2008, the Company issued 214,500 ordinary shares of RM0.25 each for cash at an exercise price of RM0.66 per share pursuant to ESOS.

b) Joint Venture Agreement and Subscription Agreement

On 30 October 2008, Alam Maritim (L) Inc ("AMLI"), a wholly-owned subsidiary of the Group, had signed two(2) agreements namely Joint Venture Agreement and Subscription Agreement with Armada Investment Holding Ltd ("Armada"), a wholly-owned subsidiary of CIMB Private Equity Sdn Bhd, to acquire a jointly-owned company known as Alam-PE Holdings (L) Inc ("Alam-PE") and five (5) wholly-owned ship-owning companies for the purpose of acquiring and chartering new vessels.

Pursuant to the Subscription Agreement, both Armada and AMLI will each subscribe to 51% and 49% of newly issued ordinary shares of USD1.00 each in Alam-PE for cash consideration of USD7.242 million and USD6.958 respectively.

The details of the joint venture business and financing arrangement are as per earlier announcement to Bursa Malaysia dated 30 October 2008.

**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 RM246.65 million for the financial period ended 30 September 2008 as compared to RM172.94 million for the corresponding period in the preceding year, resulting in a favourable variance of 42.6%. 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 RM75.74 million was 49.6% higher in comparison to RM50.63 million registered for the corresponding period last year, mainly due to higher operating profit contribution from offshore support vessels and underwater services segments, which is in tandem with the higher daily charter rates, expanded fleet of vessels owned and operated by the Group and higher revenue contributed by underwater services contracts.

16. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

The Group's revenue for the current quarter of RM107.69 million was higher than the preceding quarter's revenue figure of RM83.83 million by 28.5%, mainly due to substantially higher revenue derived from chartering activities of owned and third party vessels during the third financial quarter under review. The revenue derived from underwater services segment was also 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 RM32.65 million was higher than the preceding quarter's PBT of RM27.95 million by 16.8%, which is mainly due to higher overall operating profit contribution from both offshore support vessels and underwater services segments. This is in line with the generally higher revenue generated by both business segments during the financial quarter under review.

17. COMMENTARY ON PROSPECTS

The Group does not expect drastic fall in demand for offshore support vessels and services despite the global economic slowdown and decreasing trend in the crude oil prices. The daily charter rates are bound to be sustained at the current level for at least another year with softening of the rates expected beyond 2009. The Group believes that the oil majors such as PETRONAS are still committed to continue with their exploration and production ('E&P') programmes in view of maintaining the production level and reserve replacement ratio.

The Group has embarked into ship repair business by setting up its own ship repair facilities at Kuala Linggi to seriously address the cost control issues especially during major repair or dry-docking exercises. In addition to ensuring timely execution of major repair and availability of dry-docking slots, the reduction in downtime and cost savings from these activities are poised to improve the Group's financial performance in the long run.

The fleet expansion plan and strengthening of capability for underwater services are still the strategic thrusts going forward in view of expanding revenue stream, ensuring sustainable growth 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	
	30.9.2008	30.9.2007	30.9.2008	30.9.2007
	RM'000	RM'000	RM'000	RM'000
Income Taxation				
-Current year	2,566	(706)	5,024	1,247
-(Over)/under-provision in prior	-	-	-	-
	<u>2,566</u>	<u>(706)</u>	<u>5,024</u>	<u>1,247</u>
Deferred Taxation				
-Current year	5,989	6,175	11,724	12,150
-(Over)/under-provision in prior	-	-	-	-
	<u>5,989</u>	<u>6,175</u>	<u>11,724</u>	<u>12,150</u>
	<u>8,555</u>	<u>5,469</u>	<u>16,748</u>	<u>13,397</u>

The effective tax rate for the current financial period of 22.1% 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 26 November 2008.

23. **BORROWINGS**

	Denominated in Local Currency As at 30.9.2008 RM'000	Denominated in Foreign Currency As at 30.9.2008 RM'000	Total As at 30.9.2008 RM'000
Short Term Borrowings			
Unsecured:			
Revolving credit facilities	25,000	42,246	67,246
Overdraft	9,324	-	9,324
Secured:			
CP - Murabahah	51,040	-	51,040
Term loans	154	2,604	2,758
Hire purchase	201	-	201
			<u>130,569</u>
Long-term borrowings			
Secured:			
MTN - Sukuk Ijarah	495,000	-	495,000
Term loans	10,539	96,840	107,379
Hire purchase	3,682	-	3,682
			<u>606,061</u>
Total Borrowings			<u><u>736,630</u></u>
Borrowings denominated in foreign currency:		USD'000	RM'000 Equivalent
United States Dollar (USD)		40,981	141,690

24. **OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There are no off balance sheet financial instruments as at 26 November 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 26 November 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**

No dividend has been declared for the financial period ended 30 September 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	
	30.9.2008	30.9.2007	30.9.2008	30.9.2007
	RM'000	RM'000	RM'000	RM'000
Profit attributable to equity holders of the parent	23,205	13,955	53,682	34,246
Weighted average number of ordinary shares in issue	485,422	453,315	487,204	449,471
Basic EPS (Sen)	4.8	3.1	11.0	7.6

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	
	30.9.2008	30.9.2007	30.9.2008	30.9.2007
	RM'000	RM'000	RM'000	RM'000
Profit attributable to equity holders of the parent	23,205	13,955	53,682	34,246
Weighted average number of ordinary shares in issue	485,422	453,315	487,204	449,471
Effects of dilution from ESOS*	2,079	37,148	2,008	39,901
Adjusted weighted average number of ordinary shares in issue and issuable	487,501	490,463	489,212	489,372
Diluted EPS (Sen)	4.8	2.8	11.0	7.0

*Note: The estimation of effects of dilution from ESOS was based on the average closing price of RM1.50 for the financial period ended 30 September 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 26 November 2008.

BY ORDER OF THE BOARD

Haniza Binti Sabaran
(MAICSA No. 7032233)
Company Secretary
Kuala Lumpur
26 November 2008