

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT OF THE GROUP  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	Note	FOURTH QUARTER		CUMULATIVE QUARTER	
		Current Quarter Ended 31.12.2008 RM'000 Unaudited	Preceding Quarter Ended 31.12.2007 RM'000 Restated	Current Year-To-Date Ended 31.12.2008 RM'000 Unaudited	Preceding Year-To-Date Ended 31.12.2007 RM'000 Audited
Revenue	4	110,086	76,965	356,731	249,900
Cost of sales		<u>(50,694)</u>	<u>(48,064)</u>	<u>(176,131)</u>	<u>(148,740)</u>
Gross profit		59,392	28,901	180,600	101,160
Other income		6,052	20,012	8,840	31,313
Staff costs		(7,997)	(5,299)	(21,923)	(14,615)
Depreciation and amortisation		(100)	4,694	(1,162)	(685)
Other operating expenses		<u>(18,789)</u>	<u>(23,945)</u>	<u>(29,794)</u>	<u>(28,470)</u>
Profit from operations		38,558	24,363	136,561	88,703
Finance costs		(7,068)	(6,362)	(29,538)	(20,302)
Share of profit of jointly controlled entities		<u>(102)</u>	<u>(112)</u>	<u>109</u>	<u>122</u>
Profit before taxation		31,388	17,889	107,132	68,523
Taxation	19	<u>(5,829)</u>	<u>881</u>	<u>(22,577)</u>	<u>(12,516)</u>
Net profit for the period		<u><u>25,559</u></u>	<u><u>18,770</u></u>	<u><u>84,555</u></u>	<u><u>56,007</u></u>
Attributable to:					
Equity holders of the parent		22,732	16,680	76,414	50,926
Minority interest		2,827	2,090	8,141	5,081
		<u><u>25,559</u></u>	<u><u>18,770</u></u>	<u><u>84,555</u></u>	<u><u>56,007</u></u>
Earnings per share attributable to equity holders of the parent	27				
- Basic (Sen)		4.6	3.7	15.6	11.4
- Diluted (Sen)		4.4	3.5	14.8	10.6

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 31 DECEMBER 2008

	As At 31.12.2008 RM'000 (Unaudited)	As At 31.12.2007 RM'000 (Audited)
Assets		
Non-current Assets		
Property, vessel and equipment	971,198	732,945
Intangible assets	1,167	1,167
Investments in a jointly controlled entity	3,744	1,314
Investments in associated companies	22,091	-
	<u>998,200</u>	<u>735,426</u>
Current Assets		
Trade receivables	199,521	108,891
Other receivables	63,457	23,380
Tax recoverable	2,045	783
Cash and bank balances	127,318	118,120
	<u>392,341</u>	<u>251,174</u>
Total Assets	<u>1,390,541</u>	<u>986,600</u>
Equity And Liabilities		
Equity Attributable To Equity Holders Of The Parent		
Share capital	123,211	121,322
Share premium	68,689	63,033
Other reserves	7,960	6,179
Retained profits	173,173	98,581
	<u>373,033</u>	<u>289,115</u>
Minority interest	<u>22,799</u>	<u>13,641</u>
Total Equity	<u>395,832</u>	<u>302,756</u>
Non-current Liabilities		
Borrowings	23 621,031	395,927
Deferred tax liabilities	66,421	48,158
	<u>687,452</u>	<u>444,085</u>
Current Liabilities		
Borrowings	23 139,800	178,620
Trade payables	38,931	43,887
Other payables	125,152	15,200
Tax payable	3,374	2,052
	<u>307,257</u>	<u>239,759</u>
Total Liabilities	<u>994,709</u>	<u>683,844</u>
Total Equity And Liabilities	<u>1,390,541</u>	<u>986,600</u>
Net Assets Per Share (RM)	<u>0.76</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.

(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY OF THE GROUP  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	← Attributable to Equity Holders of the Parent →				Total	Minority Interest	Total Equity
	Share Capital	Share Premium	Other Reserves	Distributable (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

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY OF THE GROUP (Continued)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	← Attributable to Equity Holders of the Parent →						Total 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 2008	121,322	63,033	6,179	98,581	289,115	13,641	302,756	
Net profit for the period	-	-	-	76,414	76,414	8,141	84,555	
Issue of ordinary shares:								
Pursuant to ESOS	1,889	3,563	-	-	5,452	-	5,452	
Share options granted under ESOS:								
Recognised in income statement	-	-	3,809	-	3,809	-	3,809	
Exercised during the year	-	2,093	(2,093)	-	-	-	-	
Acquisition of subsidiaries	-	-	-	-	-	289	289	
Increase in cost of investment in subsidiaries	-	-	-	-	-	726	726	
Foreign currency translation	-	-	65	-	65	2	67	
Dividend	-	-	-	(1,822)	(1,822)	-	(1,822)	
As at 31 December 2008	123,211	68,689	7,960	173,173	373,033	22,799	395,832	

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 YEAR ENDED 31 DECEMBER 2008

	Current Year-To-Date Ended 31.12.2008 RM'000 Unaudited	Preceding Year-To-Date Ended 31.12.2007 RM'000 Audited
Net cash generated from operating activities	106,601	63,915
Net cash used in investing activities	(289,411)	(311,756)
Net cash generated from financing activities	<u>190,430</u>	<u>348,274</u>
Net increase in cash and cash equivalents	7,620	100,433
Cash and cash equivalents at beginning of financial year	<u>103,804</u>	<u>3,371</u>
Cash and cash equivalents at end of financial year	<u><u>111,424</u></u>	<u><u>103,804</u></u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash on hand and at banks	11,545	110,539
Deposits with licensed banks	115,773	7,581
	<u>127,318</u>	<u>118,120</u>
Bank overdrafts (Note 23)	(4,349)	(6,735)
Amount set aside as sinking fund	(8,798)	(4,000)
Amount set aside as bank guarantee facilities	(2,746)	(3,581)
Total cash and cash equivalent	<u><u>111,424</u></u>	<u><u>103,804</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

On 1 January 2008, the Company adopted the following revised FRSs and amendment to FRSs and Interpretations:

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 :	Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121:	The Effects of Changes in Foreign Exchange Rates- Net Investment in a Foreign Operation
IC Interpretation 1:	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2:	Members' Shares in Co-operative Entities and Similar Instruments
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
IC Interpretation 7:	Applying the Restatement Approach under FRS 129 - Financial Reporting in Hyperinflationary Economies
IC Interpretation 8:	Scope of FRS 2

The revised FRSs, amendments to FRSs and Interpretations above do not have any significant impact on the financial statements of the Company upon their initial application.

At the date of the authorisation of these financial statements, the following new FRSs and Interpretations were issued but not yet effective and have not been applied by the Company:

FRSs, Amendments to FRSs and Interpretations	Effective for financial periods beginning on or after	
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9 :	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10:	Interim Financial Reporting and Impairment	1 January 2010

The new FRSs and Interpretations above are expected to have no significant impact on the financial statements of the Company upon their initial application.

The Company is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

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 December 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	273,406	70,993	12,332	-	356,731
Intra group	19,575	-	-	(19,575)	-
Total	<u>292,981</u>	<u>70,993</u>	<u>12,332</u>	<u>(19,575)</u>	<u>356,731</u>
Results					
Profit from operations	123,209	19,850	6,498	(12,996)	136,561
Finance costs	(29,410)	(104)	(25)	-	(29,538)
Share of profit of associates	-	-	-	109	109
Profit before taxation	<u>93,799</u>	<u>19,745</u>	<u>6,472</u>	<u>(12,887)</u>	<u>107,132</u>

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 two (2) of the Group's smaller-sized vessels that are 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 six (26) out of the Group's fleet of twenty eight (28) 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 247,500 ordinary shares of RM0.25 each for cash at an average exercise price of RM0.66 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) Alam Fast Boats (L) Inc ("AFBL")

On 17 December 2008, Alam Maritim (L) Inc ("AMLI") signed a Joint Venture Agreement with Trinity Offshore (L) Inc ("TOLI") to establish a joint venture business by acquiring a ship-owning company known as Alam Fast Boats (L) Inc ("AFBL"). AMLI and TOLI will have equal shareholding in AFBL with fifty percent (50%) each. The current paid-up capital of AFBL is USD100.00, comprising 100 ordinary shares of USD1.00 each.

b) Alam Food Industries (M) Sdn Bhd ("AFIM")

On 20 November 2008, Alam Maritim (M) Sdn Bhd ("AMSB") completed the acquisition of thirty percent (30%) equity, comprising 30,000 ordinary shares of RM1.00 each, in Alam Food Industries (M) Sdn Bhd ("AFIM") previously held by Captain Mahamood bin Ibrahim for cash consideration totalling RM30,000. With the acquisition, AFIM has effectively become a wholly-owned subsidiary of AMSB.

c) Alam-PE Holdings (L) Inc ("ALAM-PE") and Five (5) Ship-owning Companies ("SOCs")

On 30 October 2008, Alam Maritim (L) Inc ("AMLI") signed a Subscription Agreement with Armada Investment Holding Ltd ("ARMADA") to subscribe shares in jointly-owned company known as Alam-PE Holdings (L) Inc ("ALAM-PE"). Pursuant to the Agreement, AMLI and ARMADA will each subscribe to 49% and 51% of newly issued ordinary shares of USD1.00 each in ALAM-PE for cash consideration of USD6.958 million and USD7.242 million respectively. Five (5) ship-owning companies ("SOCs") namely Alam-PE I (L) Inc, Alam-PE II (L) Inc, Alam-PE III (L) Inc, Alam-PE IV (L) Inc and Alam-PE V (L) Inc will be acquired and wholly-owned by ALAM-PE (Please refer to our announcement to Bursa Malaysia dated 30 October 2008 for further details).

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 December 2008 is as follows:

	RM'000
Approved and contracted for:	
Expenditure on the acquisition of vessels and equipment	380,593
Approved but not contracted for:	
Expenditure on the acquisition of vessels and equipment	-
Total	<u>380,593</u>



13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 31 December 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 totalling 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.

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

15. PERFORMANCE REVIEW

The Group recorded a turnover of RM356.73 million for the financial year ended 31 December 2008 as compared to RM249.90 million for the preceding year, resulting in a favourable variance of 42.7%. 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 year of RM107.13 million was 56.3% higher in comparison to RM68.52 million registered for the preceding 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

There was no significant variation of the Group's revenue for the current financial quarter of RM110.09 million as compared to the preceding quarter's revenue figure of RM107.69 million.

The profit before taxation ("PBT") of the Group for the current financial quarter of RM31.39 million was lower than the preceding quarter's PBT of RM32.65 million by 3.9%, which is mainly due to higher other operating expenses (i.e. unrealised foreign exchange loss) incurred during the current financial quarter under review. This is despite higher profit contribution from both offshore support vessels and underwater services segments.

17. COMMENTARY ON PROSPECTS

The Group is still confident of sustaining its business operations during the current global economic turmoil with modest growth expected for the financial year ending 31 December 2009. With positive commitment by the oil majors to continue with their exploration and production ("E&P") programmes in view of maintaining the reserve replacement ratio, the Group is on the lookout for opportunities to acquire good assets at competitive prices to expand the fleet size and strengthen our hardware capacity for underwater services.

Moving forward, the Group is also looking seriously at cost optimisation programmes with on-going initiative to set up its own ship repair facilities at Kuala Linggi. The cost savings from major repair and dry-docking activities are expected to contribute positively towards financial performance of the Group.

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	
	31.12.2008 RM'000	31.12.2007 RM'000	31.12.2008 RM'000	31.12.2007 RM'000
Income Taxation				
-Current year	(1,393)	(3,353)	3,631	4,454
-(Over)/under-provision in prior year	307	-	308	(6,560)
	<u>(1,086)</u>	<u>(3,353)</u>	<u>3,939</u>	<u>(2,106)</u>
Deferred Taxation				
-Current year	6,275	2,472	17,999	10,257
-(Over)/under-provision in prior year	639	-	639	4,365
	<u>6,914</u>	<u>2,472</u>	<u>18,638</u>	<u>14,622</u>
	<u>5,829</u>	<u>(881)</u>	<u>22,577</u>	<u>12,516</u>

The effective tax rate for the current financial year of 21.1% 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 validity of the extension of time lapsed on 26 January 2009.

23. BORROWINGS

	Denominated in	Denominated in	Total
	Local Currency	Foreign Currency	
	As at	As at	
	31.12.2008	31.12.2008	
	RM'000	RM'000	
Short Term Borrowings			
Unsecured:			
Revolving credit facilities	25,000	-	25,000
Overdraft	4,349	-	4,349
Secured:			
CP - Murabahah	96,470	-	96,470
Term loans	948	9,415	10,363
Hire purchase	380	-	380
RCCSLs	3,237	-	3,237
			<u>139,800</u>

23. BORROWINGS (Continued)

	Denominated in Local Currency As at 31.12.2008 RM'000	Denominated in Foreign Currency As at 31.12.2008 RM'000	Total
Long-term borrowings			
Secured:			
MTN - Sukuk Ijarah	495,000	-	495,000
Term loans	10,625	87,586	98,211
Hire purchase	2,315	-	2,315
RCCSLS	25,505	-	25,505
			<u>621,031</u>
Total Borrowings			<u>760,831</u>
Borrowings denominated in foreign currency:		USD'000	RM'000 Equivalent
United States Dollar (USD)		27,974	97,001

24. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There are no off balance sheet financial instruments as at 18 February 2009.

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 18 February 2009. 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 year ended 31 December 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	
	31.12.2008 RM'000	31.12.2007 RM'000	31.12.2008 RM'000	31.12.2007 RM'000
Profit attributable to equity holders of the parent	22,732	16,680	76,414	50,926
Weighted average number of ordinary shares in issue	492,794	456,065	488,602	447,144
Basic EPS (Sen)	4.6	3.7	15.6	11.4

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

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	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
	RM'000	RM'000	RM'000	RM'000
Profit attributable to equity holders of the parent	22,732	16,680	76,414	50,926
Weighted average number of ordinary shares in issue	492,794	456,065	488,602	447,144
Effects of dilution from ESOS*	26,242	27,114	28,705	34,838
Adjusted weighted average number of ordinary shares in issue and issuable	519,036	483,179	517,307	481,982
Diluted EPS (Sen)	4.4	3.5	14.8	10.6

\*Note: The estimation of effects of dilution from ESOS was based on the average closing price of RM1.75 for the financial year ended 31 December 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 18 February 2009.

BY ORDER OF THE BOARD

Haniza Binti Sabaran  
(MAICSA No. 7032233)  
Company Secretary  
Kuala Lumpur  
18 February 2009