

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT OF THE GROUP  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2009

	Note	SECOND QUARTER		CUMULATIVE QUARTER	
		Current Quarter Ended 30.6.2009 RM'000 Unaudited	Preceding Quarter Ended 30.6.2008 RM'000 Restated	Current Year-To-Date Ended 30.6.2009 RM'000 Unaudited	Preceding Year-To-Date Ended 30.6.2008 RM'000 Audited
Revenue	4	80,673	71,595	152,011	126,717
Cost of sales		<u>(41,110)</u>	<u>(37,890)</u>	<u>(71,803)</u>	<u>(67,697)</u>
<b>Gross profit</b>		<b>39,563</b>	<b>33,705</b>	<b>80,208</b>	<b>59,020</b>
Other income		577	1,277	3,344	2,203
Staff costs		(6,298)	(5,241)	(10,432)	(8,894)
Depreciation and amortisation		(741)	(195)	(1,600)	(445)
Other operating expenses		<u>(2,523)</u>	<u>(981)</u>	<u>(4,744)</u>	<u>(2,967)</u>
<b>Profit from operations</b>		<b>30,578</b>	<b>28,565</b>	<b>66,776</b>	<b>48,917</b>
Finance costs		(6,381)	(7,076)	(13,960)	(12,369)
Share of profit of associates		391	-	1,151	-
Share of profit of jointly controlled entities		<u>8,905</u>	<u>3,940</u>	<u>13,409</u>	<u>4,024</u>
<b>Profit before taxation</b>		<b>33,493</b>	<b>25,429</b>	<b>67,376</b>	<b>40,572</b>
Taxation	19	<u>(6,453)</u>	<u>(5,826)</u>	<u>(11,559)</u>	<u>(8,163)</u>
<b>Net profit for the period</b>		<b><u>27,040</u></b>	<b><u>19,603</u></b>	<b><u>55,817</u></b>	<b><u>32,409</u></b>
Attributable to:					
Equity holders of the parent		25,271	19,346	51,963	30,528
Minority interest		1,769	257	3,854	1,881
		<u>27,040</u>	<u>19,603</u>	<u>55,817</u>	<u>32,409</u>
Earnings per share attributable to equity holders of the parent	27				
- Basic (Sen)		5.1	4.0	10.5	6.3
- Diluted (Sen)		5.0	3.9	10.3	6.1

*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 2009**

	<b>As At 30.6.2009 RM'000 (Unaudited)</b>	<b>As At 31.12.2008 RM'000 (Audited)</b>
<b>Assets</b>		
<b>Non-current Assets</b>		
Property, vessel and equipment	822,321	817,699
Intangible assets	1,889	1,950
Investments in a jointly controlled entity	38,957	25,548
Investments in associated companies	21,381	21,668
	<u>884,548</u>	<u>866,864</u>
<b>Current Assets</b>		
Inventories	1,541	19,985
Trade receivables	230,139	199,585
Other receivables	93,378	46,568
Tax recoverable	2,689	2,689
Cash and bank balances	176,560	121,589
	<u>504,307</u>	<u>390,416</u>
<b>Total Assets</b>	<b><u>1,388,855</u></b>	<b><u>1,257,280</u></b>
<b>Equity And Liabilities</b>		
<b>Equity Attributable To Equity Holders Of The Parent</b>		
Share capital	123,432	123,211
Share premium	69,076	68,689
Other reserves	8,841	7,969
Retained profits	226,315	174,997
	<u>427,664</u>	<u>374,866</u>
Minority interest	9,181	5,330
<b>Total Equity</b>	<b><u>436,845</u></b>	<b><u>380,196</u></b>
<b>Non-current Liabilities</b>		
Borrowings	499,337	507,982
Deferred tax liabilities	75,940	66,397
	<u>575,277</u>	<u>574,379</u>
<b>Current Liabilities</b>		
Borrowings	141,984	127,092
Trade payables	57,892	39,045
Other payables	175,926	134,881
Tax payable	931	1,688
	<u>376,733</u>	<u>302,706</u>
<b>Total Liabilities</b>	<b><u>952,010</u></b>	<b><u>877,085</u></b>
<b>Total Equity And Liabilities</b>	<b><u>1,388,855</u></b>	<b><u>1,257,280</u></b>
<b>Net Assets Per Share (RM)</b>	<b><u>0.87</u></b>	<b><u>0.76</u></b>

*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 2009

	← Attributable to Equity Holders of the Parent →						Total Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	← Non-Distributable →		Other Reserves RM'000	Distributable (Accumulated Losses) / Retained Profits RM'000	Total RM'000		
		Share Premium RM'000						
<b>As at 1 January 2008</b>	121,322	63,033	6,179	98,581	289,115	3,063	292,178	
Net profit for the period	-	-	-	78,237	78,237	2,070	80,308	
Issue of ordinary shares:								
Pursuant to ESOS	1,889	3,563	-	-	5,452	-	5,452	
Acquisition of subsidiaries	-	-	-	-	-	191	191	
Share issued to minority interest	-	-	-	-	-	98	98	
Share options granted under ESOS:								
Recognised in income statement	-	-	3,810	-	3,810	-	3,810	
Exercised during the year	-	2,093	(2,093)	-	-	-	-	
Foreign currency translation	-	-	72	-	72	48	121	
Dividend	-	-	-	(1,821)	(1,821)	(140)	(1,961)	
<b>As at 31 December 2008</b>	<b>123,211</b>	<b>68,689</b>	<b>7,969</b>	<b>174,997</b>	<b>374,866</b>	<b>5,330</b>	<b>380,196</b>	

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY OF THE GROUP (Continued)  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2009

	← Attributable to Equity Holders of the Parent →				Total	Minority Interest	Total Equity
	Share Capital	← Non-Distributable 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 2009	123,211	68,689	7,969	174,997	374,866	5,330	380,196
Net profit for the period	-	-	-	51,963	51,963	3,854	55,817
Issue of ordinary shares:							
Pursuant to ESOS	221	387	-	-	608	-	608
Share options granted under ESOS:							
Recognised in income statement	-	-	878	-	878	-	878
Foreign currency translation	-	-	(6)	-	(6)	(3)	(9)
Dividend	-	-	-	(645)	(645)	-	(645)
<b>As at 30 June 2009</b>	<b>123,432</b>	<b>69,076</b>	<b>8,841</b>	<b>226,315</b>	<b>427,664</b>	<b>9,181</b>	<b>436,845</b>

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 2009**

	Current Year-To-Date Ended 30.6.2009 RM'000 Unaudited	Preceding Year-To-Date Ended 30.6.2008 RM'000 Unaudited
Net cash generated from operating activities	60,044	2,481
Net cash used in investing activities	(11,282)	(33,934)
Net cash generated from financing activities	<u>(21,103)</u>	<u>36,063</u>
Net increase in cash and cash equivalents	27,659	4,610
Cash and cash equivalents at beginning of financial year	<u>105,745</u>	<u>103,773</u>
Cash and cash equivalents at end of financial year	<u><b>133,404</b></u>	<u><b>108,383</b></u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash on hand and at banks	43,156	81,683
Deposits with licensed banks	133,404	117,271
	<u><b>176,560</b></u>	<u><b>198,954</b></u>
Bank overdrafts (Note 23)	-	(8,888)
Amount set aside as sinking fund	(40,519)	(77,682)
Amount set aside as bank guarantee facilities	(2,637)	(4,001)
	<u><b>133,404</b></u>	<u><b>108,383</b></u>
Total cash and cash equivalent	<u><b>133,404</b></u>	<u><b>108,383</b></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 2008.

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:

<b>FRSs, Amendments to FRSs and Interpretations</b>		<b>Effective for financial periods beginning on or after</b>
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 Company is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

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

### **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 2008 were not qualified.

#### 4. SEGMENTAL INFORMATION

The results and other information of the Group as at 30 June 2009 are as follows: -

	<b>Offshore support vessels and services RM'000</b>	<b>Underwater services RM'000</b>	<b>Others RM'000</b>	<b>Consolidation RM'000</b>	<b>TOTAL RM'000</b>
<b>Revenue</b>					
External	109,663	41,039	1,309	-	152,011
Intra group	921	-	-	(921)	-
<b>Total</b>	<b>110,584</b>	<b>41,039</b>	<b>1,309</b>	<b>(921)</b>	<b>152,011</b>
<b>Results</b>					
Profit from operations	56,204	16,146	(1,070)	(4,504)	66,776
Finance costs	(13,887)	(63)	(10)	-	(13,960)
Share of profit of associates	-	-	-	1,151	1,151
Share of profits of jointly controlled entities	-	-	-	13,409	13,409
<b>Profit before taxation</b>	<b>42,317</b>	<b>16,083</b>	<b>(1,080)</b>	<b>10,056</b>	<b>67,376</b>

#### 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 eight (28) out of the Group's fleet of thirty (30) 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 880,375 ordinary shares of RM0.25 each for cash at an average exercise price of RM0.69 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) Acquisition of New Subsidiaries

On 27 April 2009, Alam Maritim (L) Inc (“AMLI”) acquired four(4) Labuan Offshore incorporated companies at a consideration of USD2.00 each from EC Trust Services (L) Ltd. The companies are Alam Synergy IV (L) Inc, Alam Synergy V (L) Inc, Alam Puteri JV-DLB I (L) Inc and Alam Maritim Drilling Services (L) Inc.

Each of the offshore subsidiaries has issued and paid-up share capital of USD2.00 comprising ordinary shares of USD1.00 each. The new offshore subsidiaries are inactive and their intended principal activities are, among others, ship-owning, provision of offshore marine services to the oil and gas industry, and participation in drilling activities.

b) Alam Drydock (L) Inc (“Alam Drydock”)

On 28 May 2009, Alam Drydock (L) Inc was incorporated in Labuan Federal Territory under the Offshore Companies Act 1990 and wholly-owned by AMLI with an issued and paid-up share capital of USD1.00 comprising one (1) ordinary share of USD1.00 each.

Alam Drydock has yet to commence its operations, and the intended principal activities are owning and operating a floating dry-dock facility.



**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 2009 is as follows:

	<b>RM'000</b>
<b>Approved and contracted for:</b>	
Expenditure on the acquisition of vessels and equipment	348,373
<b>Approved but not contracted for:</b>	
Expenditure on the acquisition of vessels and equipment	-
<b>Total</b>	<b><u>348,373</u></b>

**13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

As at 30 June 2009, our contingent liabilities, comprising bank and performance guarantees for contracts entered into with customers, stood at approximately RM5.99 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 and 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 2009, the Company issued 1,910,787 ordinary shares of RM0.25 each for cash at an average exercise price of RM0.66 per share pursuant to ESOS.

**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 RM152.01 million for the financial period ended 30 June 2009 as compared to RM126.72 million for the same period in the preceding year, resulting in a favourable variance of 20.0%. This is mainly attributable to higher revenue derived from Underwater Services segment supported by new contracts secured by underwater services unit.

The profit before taxation for the current financial period of RM67.38 million was 66.1% higher in comparison to RM40.57 million registered for the preceding year, mainly due to higher operating profit contribution from Offshore Support Vessels & Services and Underwater Services segments, which is in tandem with the expanded fleet of vessels owned and operated by the Group and higher revenue contributed by underwater services contracts. In addition, the Group has also registered higher share of profit of jointly controlled entities during the current financial period under review.

**16. VARIATION OF RESULTS AGAINST PRECEDING QUARTER**

The Group's revenue for the current quarter of RM80.67 million was higher than the preceding quarter's revenue figure of RM71.34 million by 13.1% mainly due to higher revenue registered by owned vessels under Offshore Support Vessels & Services segment. Besides, revenue derived from Underwater Services segment was also higher as compared to the preceding quarter.

There was no significant variation in profit before taxation ("PBT") of the Group for the current financial quarter of RM33.49 million in comparison to the preceding quarter's PBT of RM33.88 million.

**17. COMMENTARY ON PROSPECTS**

The Group is confident of sustaining its business operations with modest growth expected for the current financial year ending 31 December 2009. This is in line with the promising prospect of global economic recovery and stabilising oil price, and the expectation that the demand for the oil and gas support services in Malaysia will remain healthy in the foreseeable future.

Moving forward, the Group sees a lot of opportunities to acquire strategic and specialised assets in view of building up capacity to provide a wider range of support services to the Malaysian as well as global oil and gas industry. In addition, the underwater services segment is currently enjoying commendable growth with several contracts secured recently to further boost the Group's financial performance for the current financial year.

The Group envisions to be a premier integrated offshore services provider by actively seeking new business ventures in related fields as catalysts for growth with a view to 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	
	30.6.2009 RM'000	30.6.2008 RM'000	30.6.2009 RM'000	30.6.2008 RM'000
Income Taxation				
-Current year	1,126	1,846	2,016	2,430
-(Over)/under-provision in prior year	-	-	-	-
	<u>1,126</u>	<u>1,846</u>	<u>2,016</u>	<u>2,430</u>
Deferred Taxation				
-Current year	5,327	3,980	9,543	5,733
-(Over)/under-provision in prior year	-	-	-	-
	<u>5,327</u>	<u>3,980</u>	<u>9,543</u>	<u>5,733</u>
	<u><b>6,453</b></u>	<u><b>5,826</b></u>	<u><b>11,559</b></u>	<u><b>8,163</b></u>

The effective tax rate for the current financial period of 17.2% is lower than the statutory tax rate of 25% 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**

There were no corporate proposals announced but not completed as at the end of the financial period under review.

**23. BORROWINGS**

	Denominated in Local Currency As at 30.6.2009 RM'000	Total
<b>Short Term Borrowings</b>		
Unsecured:		
Revolving credit facilities	25,000	25,000
Overdraft	-	-
Secured:		
CP - Murabahah	116,470	116,470
Term loans	458	458
Hire purchase	56	56
		<u><b>141,984</b></u>

**23. BORROWINGS (Continued)**

	Denominated in Local Currency As at 30.6.2009 RM'000	Total
<b>Long-term borrowings</b>		
Secured:		
MTN - Sukuk Ijarah	475,000	475,000
Term loans	22,041	22,041
Hire purchase	2,296	2,296
		<u>499,337</u>
<b>Total Borrowings</b>		<u><u>641,321</u></u>

**24. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There are no off balance sheet financial instruments as at 19 August 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 19 August 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**

The Board of Directors had proposed for a final dividend of 2.0% or 0.50 Sen per share (less 25% taxation) for the financial year ended 31 December 2008. The aforesaid proposed final dividend has been approved by shareholders in the Annual General Meeting convened on 29 May 2009, and the date of payment is tentatively fixed on 11 September 2009.

**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	
	30.6.2009	30.6.2008	30.6.2009	30.6.2008
	RM'000	RM'000	RM'000	RM'000
Profit attributable to equity holders of the parent	25,271	19,346	51,963	30,528
Weighted average number of ordinary shares in issue	492,944	485,422	492,895	485,289
<b>Basic EPS (Sen)</b>	<u>5.1</u>	<u>4.0</u>	<u>10.5</u>	<u>6.3</u>

**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	
	30.6.2009 RM'000	30.6.2008 RM'000	30.6.2009 RM'000	30.6.2008 RM'000
Profit attributable to equity holders of the parent	25,271	19,346	51,963	30,528
Weighted average number of ordinary shares in issue	492,944	485,422	492,895	485,289
Effects of dilution from ESOS*	13,091	14,740	13,105	14,747
Adjusted weighted average number of ordinary shares in issue and issuable	506,035	500,162	506,001	500,036
<b>Diluted EPS (Sen)</b>	<b>5.0</b>	<b>3.9</b>	<b>10.3</b>	<b>6.1</b>

\*Note: The estimation of effects of dilution from ESOS was based on the average closing price of RM0.98 for the financial period ended 30 June 2009.

**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 19 August 2009.

**BY ORDER OF THE BOARD**

**Haniza Binti Sabaran**  
(MAICSA No. 7032233)  
Company Secretary  
Kuala Lumpur  
19 August 2009