

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME OF THE GROUP  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011

	Note	FIRST QUARTER		CUMULATIVE QUARTER	
		Current Quarter Ended 31.3.2011 RM'000 Unaudited	Preceding Quarter Ended 31.3.2010 RM'000 Unaudited	Current Year-To-Date Ended 31.3.2011 RM'000 Unaudited	Preceding Year-To-Date Ended 31.3.2010 RM'000 Unaudited
Revenue	A4	34,688	66,869	34,688	66,869
Cost of sales		<u>(31,352)</u>	<u>(42,397)</u>	<u>(31,352)</u>	<u>(42,397)</u>
Gross profit		3,336	24,472	3,336	24,472
Other income		4,758	3,972	4,758	3,972
Staff costs		(4,203)	(3,797)	(4,203)	(3,797)
Other operating expenses		<u>(2,590)</u>	<u>(1,802)</u>	<u>(2,590)</u>	<u>(1,802)</u>
Profit from operations		1,301	22,845	1,301	22,845
Finance costs		(6,960)	(6,831)	(6,960)	(6,831)
Share of profit/(loss) of associates		(239)	834	(239)	834
Share of profit/(loss) of jointly controlled entities		<u>(830)</u>	<u>8,223</u>	<u>(830)</u>	<u>8,223</u>
Profit/(Loss) before taxation		(6,728)	25,071	(6,728)	25,071
Taxation	B5	<u>(25)</u>	<u>(2,176)</u>	<u>(25)</u>	<u>(2,176)</u>
Net profit/(loss) for the period		(6,753)	22,895	(6,753)	22,895
Other comprehensive income			-		-
Currency translation differences		<u>(621)</u>	<u>(1,203)</u>	<u>(621)</u>	<u>(1,203)</u>
Other comprehensive income for the period, net of tax		(621)	(1,203)	(621)	(1,203)
Total comprehensive income/(loss) for the period		<u>(7,374)</u>	<u>21,692</u>	<u>(7,374)</u>	<u>21,692</u>
Profit/(loss) attributable to:					
Equity holders of the parent		(6,764)	21,716	(6,764)	21,716
Minority interest		11	1,179	11	1,179
		<u>(6,753)</u>	<u>22,895</u>	<u>(6,753)</u>	<u>22,895</u>
Total comprehensive income/(loss) for the period					
Equity holders of the parent		(7,385)	20,513	(7,385)	20,513
Minority interest		11	1,179	11	1,179
		<u>(7,374)</u>	<u>21,692</u>	<u>(7,374)</u>	<u>21,692</u>
Earnings per share attributable to equity holders of the parent	B13				
- Basic (Sen)		(0.9)	4.0	(0.9)	4.0
- Diluted (Sen)		(0.9)	3.9	(0.9)	3.9

UNAUDITED STATEMENT OF FINANCIAL POSITION OF THE GROUP  
AS AT 31 MARCH 2011

	As At 31.3.2011 RM'000 (Unaudited)	As At 31.12.2010 RM'000 (Audited)
<b>Assets</b>		
<b>Non-current Assets</b>		
Property, vessel and equipment	661,606	680,230
Intangible assets	1,647	1,691
Investments in a jointly controlled entity	79,676	80,681
Investments in associated companies	54,668	54,907
	<u>797,597</u>	<u>817,509</u>
<b>Current Assets</b>		
Inventories	19,230	8,507
Trade receivables	141,616	117,435
Other receivables	110,673	169,308
Tax recoverable	1,841	4,454
Cash and bank balances	129,364	178,578
	<u>402,724</u>	<u>478,282</u>
<b>Total Assets</b>	<u>1,200,321</u>	<u>1,295,791</u>
<b>Equity And Liabilities</b>		
<b>Equity Attributable To Equity Holders Of The Parent</b>		
Share capital	195,585	195,287
Share premium	22,978	22,629
Other reserves	(1,580)	(1,033)
Retained profits	240,710	248,141
	<u>457,693</u>	<u>465,024</u>
Minority interest	<u>7,538</u>	<u>7,481</u>
<b>Total Equity</b>	<u>465,231</u>	<u>472,505</u>
<b>Non-current Liabilities</b>		
Borrowings B9	420,367	435,164
Deferred tax liabilities	77,618	70,946
	<u>497,985</u>	<u>506,110</u>
<b>Current Liabilities</b>		
Borrowings B9	182,471	233,849
Trade payables	27,014	28,625
Other payables	24,913	51,756
Tax payable	2,707	2,946
	<u>237,105</u>	<u>317,176</u>
<b>Total Liabilities</b>	<u>735,090</u>	<u>823,286</u>
<b>Total Equity And Liabilities</b>	<u>1,200,321</u>	<u>1,295,791</u>
<b>Net Assets Per Share (RM)</b>	<u>0.59</u>	<u>0.60</u>

The unaudited statement of financial position 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 PERIOD ENDED 31 MARCH 2011

	← Attributable to Equity Holders of the Parent →				Total RM'000	Minority Interest RM'000	Total Equity RM'000
	← Non-Distributable →		Distributable				
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Profits RM'000			
As at 1 January 2010	126,747	78,471	6,786	264,469	476,473	7,289	483,762
Profit for the year	-	-	(143)	(13,918)	(14,061)	957	(13,104)
Total comprehensive income for the period							
Transactions with owners							
Issue of ordinary shares:							
Pursuant to ESOS	4,981	5,034	-	-	10,015	-	10,015
Pursuant to Bonus Issue	63,559	(63,559)			-		-
Share options granted under ESOS:							
- Recognised in income statement	-	-	519	-	519	-	519
- Exercised during the year	-	2,683	(2,683)	-	-	-	-
Dividend	-	-	-	(2,860)	(2,860)	-	(2,860)
Acquisition of Minority Interest						(315)	(315)
Premium Paid on Acquisition on Minority Interest			(5,512)		(5,512)		(5,512)
Accretion in a subsidiary	-	-	-	450	450	(450)	-
Net income recognised directly in equity	-	-	-	450	450	(450)	-
As at 31 December 2010	<u>195,287</u>	<u>22,629</u>	<u>(1,033)</u>	<u>248,141</u>	<u>465,024</u>	<u>7,481</u>	<u>472,505</u>

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.

(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY OF THE GROUP (Continued)  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011

	← Attributable to Equity Holders of the Parent →				Total	Minority Interest	Total Equity
	← Non-Distributable →		Distributable				
	Share Capital	Share Premium	Other Reserves	Retained Profits			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Profit/(loss) attributable to:							
As at 1 January 2011	195,287	22,629	(1,033)	248,141	465,024	7,481	472,505
Total comprehensive income for the period	-	-	-	(7,385)	(7,385)	11	(7,374)
Transactions with owners							
Issue of ordinary shares:							
Pursuant to ESOS	298	349			647	-	647
Foreign currency translation			(547)	(46)	(593)	46	(547)
As at 31 March 2011	195,585	22,978	(1,580)	240,710	457,693	7,538	465,231

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 STATEMENT OF CASH FLOW OF THE GROUP  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011

	Current Year-To-Date Ended 31.3.2011 RM'000 Unaudited	Preceding Year-To-Date Ended 31.3.2010 RM'000 Unaudited
Net cash generated from operating activities	4,383	52,682
Net cash used in investing activities	11,933	(57,843)
Net cash generated from financing activities	<u>(64,775)</u>	<u>(9,329)</u>
Net increase in cash and cash equivalents	(48,459)	(14,490)
Cash and cash equivalents at beginning of financial year	<u>142,807</u>	<u>181,642</u>
Cash and cash equivalents at end of financial period	<u><u>94,348</u></u>	<u><u>167,152</u></u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash on hand and at banks	35,016	47,820
Deposits with licensed banks	94,348	169,028
	<u>129,364</u>	<u>216,848</u>
Bank overdrafts (Note B9)	-	(1,876)
Amount set aside as sinking fund	(35,772)	(47,144)
Amount pledged for bank guarantee facilities	756	(676)
Total cash and cash equivalent	<u><u>94,348</u></u>	<u><u>167,152</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

A1. 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.

A2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except as follows: -

On 1 January 2011, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2011.

- FRS 1 First-time Adoption of Financial Reporting Standards
- FRS 3 Business Combinations (revised)
- Amendments to FRS 2 Share-based Payment
- Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 127 Consolidated and Separate Financial Statements
- Amendments to FRS 138 Intangible Assets
  - Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives
- IC Interpretation 12 Service Concession Arrangements
- IC Interpretation 15 Agreements for the Construction of Real Estate
- IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
  - IC Interpretation 17 Distributions of Non-cash Assets to Owners
- Amendments to FRS 132 Classification of Rights Issues
- Amendments to FRS 1 Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
- Amendments to FRS 7 Improving Disclosures about Financial Instruments

Except for the changes in accounting policies arising from the adoption of the revised FRS 3 and the amendments to FRS 127, as well as the new disclosures required under the Amendments to FRS 7, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised FRS 3 and the amendments to FRS 127 are described below.

Revised FRS 3 and Amendments to FRS 127

The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments have been made to FRS 107 Statement of Cash Flows, FRS 112 Income Taxes, FRS 121 The Effects of Changes in Foreign Exchange Rates, FRS 128 Investments in Associates and FRS 131 Interests in Joint Ventures. The changes from revised FRS 3 and Amendments to FRS 127 will affect future acquisitions or loss of control and transactions with minority interests.

A3. 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 2010 were not qualified.

A4. SEGMENTAL INFORMATION

The results and other information of the Group as at 31 March 2011 are as follows: -

	Offshore support vessels and services RM'000	Underwater services & OIC RM'000	Others RM'000	Consol RM'000	TOTAL RM'000
Revenue					
External	30,010	4,678	-	-	34,688
Intra group	1,696	-	-	(1,696)	-
Total	<u>31,706</u>	<u>4,678</u>	<u>-</u>	<u>(1,696)</u>	<u>34,688</u>
Results					
Profit from operations	(2,920)	146	(19)	4,094	1,301
Finance costs	(6,800)	(158)	(2)	-	(6,960)
Share of profit of associates	(239)	-	-	-	(239)
Share of profits of jointly controlled entities	(830)	-	-	-	(830)
Profit before taxation	<u>(10,789)</u>	<u>(12)</u>	<u>(21)</u>	<u>4,094</u>	<u>(6,728)</u>

A5. 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 A2.

A6. 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.

A7. 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, thirty six (36) out of the Group's fleet of thirty eight (38) vessels most of which 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.

A8. DIVIDENDS PAID

No dividend was paid in the financial quarter under review.

A9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

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

#### A10. 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 has issued 1,190,624 ordinary shares of RM0.25 each for cash at an average exercise price of RM0.54 per share pursuant to the AMRB Employee Share Options Scheme (ESOS).

#### A11. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in composition of the Group for the financial quarter under review.

#### A12. 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 2011 is as follows: -

	RM'000
Approved and contracted for:	
Expenditure on the acquisition of vessels and equipment	116,474
Approved but not contracted for:	
Expenditure on the acquisition of vessels and equipment	-
Total	<u>116,474</u>

#### A13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 31 March 2011, our contingent liabilities, comprising bank and performance guarantees for contracts entered into with customers, stood at approximately RM9.72 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 provided a corporate guarantee for the banking facilities amounting to RM43.2 million granted by financial institutions to Alam Hidro (M) Sdn Bhd ("AHSB"), a 70%-owned subsidiary of AMSB. Alam Maritim (L) Inc has also provided corporate guarantee on proportionate basis (50%) for the credit facilities totalling RM154.0 million granted by Ambank Group to its jointly controlled entity, Alam Swiber DLB 1 (L) Inc.

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.

#### A14. SUBSEQUENT EVENTS

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

Issuance of Shares

Subsequent to 31 March 2011, the Company issued 1,321,611 ordinary shares of RM0.25 each for cash at an average exercise price of RM0.47 per share pursuant to ESOS.



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

B1. PERFORMANCE REVIEW

The Group recorded a turnover of RM34.7 million for the financial period ended 31 March 2011 as compared to RM66.9 million for corresponding period in the preceding financial year, resulting in an adverse variance of 48.1%. This is mainly attributable to lower revenue derived from both Offshore Support Vessels (by 33.4%) , Underwater Services and Offshore Installation & Construction ("OIC") (by 78.6%) segments.

The loss before taxation for the current financial period of RM6.7 million was in contrast to the profit before taxation of RM25.1 million recorded for corresponding period in the preceding year, due to lower revenue and contribution margin registered for the current financial period under review. In addition, share of loss of associates and jointly controlled entities has also contributed to the adverse financial performance as compared to substantial share of profit of associates and jointly controlled entities for same period last year.

B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

The Group's revenue for the current quarter of RM34.7 million was lower than the preceding quarter's revenue figure of RM40.2 million (restated) by 13.7% mainly due to lower revenue registered by Offshore Support Vessels segment as a result of lower vessel utilisation rate.

The loss before taxation for the current financial quarter of RM6.7 million was significantly lower as compared to loss before taxation of RM73.6 million (restated) for the preceding quarter. It was mainly attributable to higher other operating expenses incurred in the preceding quarter as a result of provision for doubtful debts and foreign exchange losses.

B3. COMMENTARY ON PROSPECTS

Despite the adverse financial performance for the financial year ended 31 December 2010, the Group is still confident of sustaining its business operations with the expectation that the demand for oil and gas support services in Malaysia will remain healthy in the foreseeable future.

The Board of Directors look forward to an improved financial performance for the current financial year ending 31 December 2011 on the back of global economic recovery and expected increase in domestic and regional oil & gas activities.

The Group will continue to invest in strategic assets that are viable to generate good returns in the long run. The strategy to participate in joint-venture business with reputable and experienced partners is expected to reduce the Group's exposure to operational and financial risks, and to improve its gearing level.

B4. PROFIT FORECAST

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

B5. INCOME TAX EXPENSE

	Current Quarter		Year-To-Date	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
	RM'000	RM'000	RM'000	RM'000
Income Taxation				
-Current year	-	380	-	380
-(Over)/under-provision in prior year	4	-	4	-
	<u>4</u>	<u>380</u>	<u>4</u>	<u>380</u>
Deferred Taxation				
-Current year	21	1,796	21	1,796
-(Over)/under-provision in prior year	-	-	-	-
	<u>21</u>	<u>1,796</u>	<u>21</u>	<u>1,796</u>
	<u>25</u>	<u>2,176</u>	<u>25</u>	<u>2,176</u>

The minimal income tax provision is principally due to unabsorbed capital allowances and losses by certain subsidiary companies.

B6. SALE OF PROPERTIES

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

B7. INVESTMENTS IN QUOTED SECURITIES

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

B8. CORPORATE PROPOSALS

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

B9. BORROWINGS

	Total As at 31.3.2011 RM'000
Short Term Borrowings	
Unsecured:	
Revolving credit facilities	45,000
Overdraft	852
Secured:	
MTN - Sukuk Ijarah	30,000
CP - Murabahah	96,763
Term loans	1,716
Hire purchase	8,140
	<u>182,471</u>

B9. BORROWINGS (Continued)

	Total As at 31.3.2011 RM'000
Long-term borrowings	
Secured:	
MTN - Sukuk Ijarah	390,000
Term loans	28,295
Hire purchase	2,072
	<u>420,367</u>
Total Borrowings	<u><u>602,837</u></u>

B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There are no off balance sheet financial instruments as at 27 May 2011

B11. 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 27 May 2011. 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.

B12. DIVIDEND PAYABLE

No dividend has been declared for the financial year ended 31 December 2010.

B13. 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	
	31.3.2011 RM'000	31.3.2010 RM'000	31.3.2011 RM'000	31.3.2010 RM'000
Profit attributable to equity holders of the parent	(7,385)	20,513	(7,385)	20,513
Weighted average number of ordinary shares in issue	781,998	507,856	781,998	507,856
Basic EPS (Sen)	<u>(0.9)</u>	<u>4.0</u>	<u>(0.9)</u>	<u>4.0</u>

B13. 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	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
	RM'000	RM'000	RM'000	RM'000
Profit attributable to equity holders of the parent	(7,385)	20,513	(7,385)	20,513
Weighted average number of ordinary shares in issue	781,998	507,856	781,998	507,856
Effects of dilution from ESOS*	21,330	16,912	16,635	16,912
Adjusted weighted average number of ordinary shares in issue and issuable	803,328	524,768	798,633	524,767
Diluted EPS (Sen)	(0.9)	3.9	(0.9)	3.9

\*Note: The estimation of effects of dilution from ESOS was based on the average closing price of RM1.14 for the financial year ended 31 March 2011.

B14. REALISED AND UNREALISED PROFITS

	As At 31.3.2011 RM'000
Total retained profits of the Company and its subsidiaries	
- realised	292,604
- unrealised	(41,869)
	<u>250,735</u>
Total share of retained profits from associates:	
- realised	1,810
- unrealised	123
Total share of retained profits from jointly controlled entities:	
- realised	40,416
- unrealised	2,957
	<u>296,041</u>
Less: consolidation adjustments	(55,331)
Retained profits as per financial statements	<u>240,710</u>

B15. 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 27 May 2011.

BY ORDER OF THE BOARD

Haniza Binti Sabaran  
(MAICSA No. 7032233)  
Company Secretary  
Kuala Lumpur  
27 May 2011