

QUARTERLY REPORT

This is a quarterly report on consolidated results for the period ended 30 June 2007.
The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2007

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 30 JUNE 2007 RM '000	PRECEDING YEAR CORRESPONDING QUARTER 30 JUNE 2006 RM '000	CURRENT YEAR TO DATE 30 JUNE 2007 RM '000	PRECEDING YEAR TO DATE 30 JUNE 2006 RM '000
Revenue	2,921,219	2,718,734	2,921,219	2,718,734
Other operating income	<u>112,666</u>	<u>80,132</u>	<u>112,666</u>	<u>80,132</u>
Operating profit	655,135	609,329	655,135	609,329
Gain on disposal of ships	26,137	-	26,137	-
Finance cost	(83,953)	(85,241)	(83,953)	(85,241)
Share of loss of associates	(84)	(170)	(84)	(170)
Share of profit /(loss) of jointly controlled entities	2,944	(422)	2,944	(422)
Profit before tax	<u>600,179</u>	<u>523,496</u>	<u>600,179</u>	<u>523,496</u>
Taxation	<u>(14,862)</u>	<u>(271)</u>	<u>(14,862)</u>	<u>(271)</u>
Profit after tax	<u>585,317</u>	<u>523,225</u>	<u>585,317</u>	<u>523,225</u>
Attributable to:				
Shareholders of the parent	575,616	522,220	575,616	522,220
Minority interests	<u>9,701</u>	<u>1,005</u>	<u>9,701</u>	<u>1,005</u>
	<u>585,317</u>	<u>523,225</u>	<u>585,317</u>	<u>523,225</u>
Earnings per share attributable to shareholders of the parent : -				
(i) Basic (based on 3,719,827,586 ordinary shares) (sen)	15.5	14.0	15.5	14.0
(ii) Diluted (based on 3,719,827,586 ordinary shares) (sen)	15.5	14.0	15.5	14.0

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2007)



CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2007

	AS AT END OF CURRENT QUARTER 30 JUNE 2007 RM '000	AS AT PRECEDING FINANCIAL YEAR END 31 MARCH 2007 RM '000
Ships	21,378,070	21,034,467
Property, Plant and Equipment	770,619	843,227
Investment Properties	49,278	49,500
Prepaid Land Lease Payments	118,119	-
Investments in Associates	2,587	2,685
Investments in Jointly Controlled Entities	737,551	503,358
Long Term Investments	236,658	236,077
Intangible Assets	1,036,226	1,041,424
Deferred Tax Asset	2,933	2,941
	<u>24,332,041</u>	<u>23,713,679</u>
Current Assets		
<i>Inventories</i>	315,762	262,974
<i>Trade & Other Receivables</i>	1,857,086	1,643,132
<i>Marketable Securities</i>	912	851
<i>Cash</i>	2,179,734	2,217,564
<i>Amounts due from Group Companies</i>	102,806	61,827
<i>Amounts due from Associates</i>	8,290	8,028
<i>Amounts due from Jointly Controlled Entities</i>	24,346	8,716
<i>Assets held for sale</i>	38,013	38,015
	<u>4,526,949</u>	<u>4,241,107</u>
Current Liabilities		
<i>Short Term Borrowings</i>	558,355	495,252
<i>Trade & Other Payables</i>	2,478,676	2,099,056
<i>Provision for Taxation</i>	22,236	25,631
<i>Amounts due to Group Companies</i>	61,363	78,395
<i>Amounts due to Associates</i>	5,372	2,530
<i>Amounts due to Jointly Controlled Entities</i>	84	3
	<u>3,126,086</u>	<u>2,700,867</u>
Net Current Assets	<u>1,400,863</u>	<u>1,540,240</u>
	<u>25,732,904</u>	<u>25,253,919</u>
Shareholders' Funds		
Shareholders of parent		
Share Capital	3,719,828	3,719,828
Reserves		
<i>Revaluation Reserve</i>	35,272	35,272
<i>Other Reserves</i>	1,078,217	1,084,908
<i>Statutory Reserve</i>	1,242	1,242
<i>Retained Profits</i>	14,373,527	13,797,911
	<u>19,208,086</u>	<u>18,639,161</u>
Minority interests	251,829	241,435
Total equity	<u>19,459,915</u>	<u>18,880,596</u>
Non-Current Liabilities		
<i>Long Term Borrowings</i>	6,208,692	6,309,140
<i>Deferred Taxation</i>	64,297	64,183
	<u>25,732,904</u>	<u>25,253,919</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2007)



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CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2007

	CUMULATIVE	
	CURRENT	PRECEDING
	YEAR	YEAR
	TO DATE	TO DATE
	30 JUNE 2007	30 JUNE 2006
	RM '000	RM '000
Cash Flow from Operating Activities	995,292	864,533
Cash Flow from Investing Activities	(958,567)	(1,402,919)
Cash Flow from Financing Activities	(75,188)	(323,771)
Net Change in Cash & Cash Equivalents	<u>(38,463)</u>	<u>(862,157)</u>
Cash & Cash Equivalents at the beginning of the year	2,217,564	3,425,969
Currency translation difference	633	13,260
Cash & Cash Equivalent at the end of the period	<u><u>2,179,734</u></u>	<u><u>2,577,072</u></u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2007)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2007

	Share Capital * Ordinary shares RM '000	Non-distributable Other reserves RM '000	Distributable Retained profits RM '000	Total RM '000	Minority interest RM '000	Total equity RM '000
3 MONTHS ENDED 30 JUNE 2007						
At 1 April 2007	3,719,828	1,121,422	13,797,911	18,639,161	241,435	18,880,596
Currency translation differences	-	(6,691)	-	(6,691)	693	(5,998)
Net loss not recognised in income statement	-	(6,691)	-	(6,691)	693	(5,998)
Net profit	-	-	575,616	575,616	9,701	585,317
At 30 June 2007	3,719,828	1,114,731	14,373,527	19,208,086	251,829	19,459,915
3 MONTHS ENDED 30 JUNE 2006						
At 1 April 2006 as previously stated	3,719,828	23,150	13,309,578	17,052,556	298,882	17,351,438
Prior year adjustments - effects of adopting FRS 121	-	2,327,795	(1,238,929)	1,088,866	(667)	1,088,199
At 1 April 2006 (restated)	3,719,828	2,350,945	12,070,649	18,141,422	298,215	18,439,637
Currency translation differences	-	(22,522)	-	(22,522)	(873)	(23,395)
Net loss not recognised in income statement	-	(22,522)	-	(22,522)	(873)	(23,395)
Acquisition of subsidiary	-	-	-	-	(97,125)	(97,125)
Dividend	-	-	-	-	(252)	(252)
Net profit	-	-	522,220	522,220	1,005	523,225
At 30 June 2006	3,719,828	2,328,423	12,592,869	18,641,120	200,970	18,842,090

* Included in share capital is one preference share of RM1.



NOTES TO THE FINANCIAL REPORT

The figures are unaudited.

A1. ACCOUNTING POLICIES

The interim financial statements have been prepared under the historical cost convention except for the revaluation of freehold land and freehold building included within property, plant and equipment.

The interim financial statements are unaudited and have been prepared in accordance with 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 audited financial statements for the year ended 31 March 2007. The explanatory notes attached to the interim financial statements 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 since the year ended 31 March 2007.

A2. CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2007 except for the adoption of the two new Financial Reporting Standards ("FRS") effective for financial period beginning 1 April 2007:

FRS 117 Leases
FRS 124 Related Party Disclosures

The adoption of these new FRSs does not have significant financial impact on the Group except for FRS 117. The effects of the adoption of the FRS 117 is highlighted below:

(a) FRS 117 : Leases

FRS 117 requires leasehold land to be treated as an operating lease. Therefore, instead of capitalising the payments made for the leasehold land as property, plant and equipment, the carrying amounts of all long and short leasehold land are now reclassified as prepaid land lease payments.

On 1 April 2007, the Group has reclassified leasehold land from property, plant and equipment with net book value of approximately RM118.1 million to prepaid lease payments. These prepaid lease payments are amortised on a straight-line basis over the lease period, which is similar to the depreciation policy when they were treated as property, plant and equipment.

A3. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

There was no qualified report issued by the auditors in the annual financial statements for the year ended 31 March 2007.

A4. SEASONALITY OR CYCLICALITY OF OPERATIONS

Except for Liquefied Natural Gas (LNG) transportation business and Offshore business, other businesses of the Group are subject to market fluctuations.

A5. EXCEPTIONAL ITEMS

During the quarter ended 30 June 2007, the Group disposed 1 vessel which resulted in gain on disposal amounting to RM26.1 million.

A6. CHANGES IN ESTIMATES

There were no changes in estimates of amounts reported in prior quarters of the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect in the current

quarter.

A7. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

During the current quarter ended 30 June 2007, there were no issuance or repayment of debt and equity securities, share buy-backs, share cancellation or shares held as treasury shares and resale of treasury shares.

A8. DIVIDENDS

There were no dividend payments in the current financial period to date.

A9. SEGMENT REPORT

Segmental analysis for the current financial period to date is as follows:

	Energy related Shipping ¹⁾ RM '000	Other Energy Businesses ²⁾ RM '000	Integrated Liner Logistics RM '000	Non- Shipping RM '000	Total RM '000
REVENUE AND RESULT					
Revenue					
Total Revenue - External sales	<u>1,582,210</u>	<u>338,232</u>	<u>1,000,777</u>	<u>-</u>	<u>2,921,219</u>
Result					
Operating profit/(loss)	<u>568,134</u>	<u>65,130</u>	<u>(17,766)</u>	<u>39,637</u>	<u>655,135</u>

1) LNG, petroleum and chemical

2) Offshore and heavy engineering

A10. VALUATION OF PROPERTY

The valuations of land and buildings have been brought forward without any amendments from the most recent annual audited financial statements as no revaluation has been carried out since 31 March 2007.

A11. SUBSEQUENT MATERIAL EVENTS

There are no material events subsequent to the current financial quarter to date.

A12. CHANGES IN THE COMPOSITION OF THE GROUP

There is no material change in the composition of the Group.

A13. CONTINGENT LIABILITIES

Contingent liabilities of the Group comprise the following :-

	RM '000
Letters of guarantee issued in respect of banking facilities extended to third party	28,077
Bank guarantees extended to customers for performance bond on contracts	266,819

B1. REVIEW OF PERFORMANCE

The Group profit before taxation (excluding the exceptional gain) of RM574.0 million was 9.6% higher than the corresponding quarter of RM523.5 million. The increase was mainly due to improved profitability in Heavy Engineering business and offshore business and lower losses in Liner business.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group profit before taxation (excluding the exceptional gain) of RM574.0 million was 12.0% lower than the preceding quarter of RM652.4 million. The decrease was mainly due to softening of Aframax freight rates.

B3. CURRENT YEAR PROSPECTS

The prospects for global Petroleum and Container shipping are stable to softening due to the surplus capacity from newbuildings and delays in mandatory scrapping of single hull vessels. Chemical shipping sector is anticipated to remain stable. However, the Group's earnings arising from existing and new long term charters in the LNG and Offshore businesses and improvement of profit in Heavy Engineering business will provide the Group with stable earnings.

B4. VARIANCE OF ACTUAL RESULTS COMPARED WITH FORECASTED AND SHORTFALL IN PROFIT GUARANTEE

The Company did not provide any profit forecast or profit guarantee in any public document.

B5. TAXATION

Apr 07-June 07
RM '000

Taxation for the period comprises the following charge/(credit)

Income tax charge/(credit)	
- current period	10,415
- prior year	4,216
Deferred taxation	231
	<u>14,862</u>

The income of the Group that is derived from the operations of sea-going Malaysian registered ships is tax exempt under Section 54A of the Income Tax Act, 1967. The taxation charge for the Group is attributable to tax in respect of other activities of the Group.

B6. PROFITS ON SALE OF INVESTMENTS AND/OR PROPERTIES

There are no material sales of investments and/or properties for the current financial year to date.

B7. PURCHASES AND SALES OF QUOTED SECURITIES

i) There are no material purchases and sales of quoted securities for the current financial year to date.

ii) Investments in quoted securities as at 30 June 2007 are as follows:-

Marketable Securities	RM '000
At cost	3,248
At carrying value	912
At market value	1,086
Other Investments (Long Term)	RM '000
At cost	238,014
At carrying value	236,658
At market value	284,949

B8. STATUS OF CORPORATE PROPOSALS

There are no outstanding corporate proposals submitted by the Group for the quarter ended 30 June 2007.

B9. GROUP BORROWINGS

i) The tenure of Group borrowings as at 31 March 2007 classified as short and long term as well as secured and unsecured categories is as follows :-

	RM '000
Short Term Borrowings	
Secured	412,566
Unsecured	145,789
	<u>558,355</u>
Long Term Borrowings	
Secured	2,430,951
Unsecured	3,770,639
Redeemable Preference Shares	7,102
	<u>6,208,692</u>
Total	<u><u>6,767,047</u></u>

ii) Foreign borrowings in Ringgit Malaysia equivalent as at 30 June 2007 are as follows :-

	RM '000
US Dollars	6,585,340

B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

On 18 December 2006, a subsidiary company has entered into an interest rate swap contract to hedge the floating interest rate obligations, for the loan of which USD310,000,000 has been drawn down. Under this arrangement, the subsidiary company concerned has hedged its floating interest rate to fixed rate at 5.09% per annum, calculated on the notional principal USD410,000,000 (RM1,414,910,000). These interest rate swap contract expires in June 2014.

The estimated fair value of interest rate swap contract currently is USD4,526,400 (RM15,620,606) and represents the amount the subsidiary would gain upon termination of the contract.

B11. CHANGES IN MATERIAL LITIGATION

There is no material litigation involving the Group.

B12. DIVIDENDS

No dividend has been proposed for the quarter ended 30 June 2007.

B13. EARNINGS PER SHARE

In respect of earnings per share :-

- i) The amount used as numerator for the calculation of basic earnings per share is RM575.6 million for the first quarter ended 30 June 2007 which is the same as the net profits shown in the condensed consolidated income statement.
- ii) The number of ordinary shares used as the denominator in calculating the earnings per share is 3,719.8 million.

The Group does not have any financial instrument or other contract that may entitle its holder to ordinary shares and therefore, dilutive to its basic earnings per share.