

QUARTERLY REPORT

This is a quarterly report on consolidated results for the period ended 31 March 2008  
The figures have been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2008

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 31 MARCH 2008 RM '000	PRECEDING YEAR CORRESPONDING QUARTER 31 MARCH 2007 RM '000	CURRENT YEAR TO DATE 31 MARCH 2008 RM '000	PRECEDING YEAR TO DATE 31 MARCH 2007 RM '000
Revenue	3,541,245	2,864,619	12,957,425	11,198,945
Other operating income	<u>189,131</u>	<u>109,282</u>	<u>394,814</u>	<u>303,345</u>
Operating profit	810,355	727,908	2,691,715	2,813,868
Gain on disposal of ships	127,161	94,451	180,481	436,559
Finance cost	(90,133)	(93,849)	(345,385)	(347,757)
Share of profit /(loss) of associates	407	(420)	1,551	(491)
Share of profit of jointly controlled entities	4,034	18,808	80,998	28,131
Profit before tax	<u>851,824</u>	<u>746,898</u>	<u>2,609,360</u>	<u>2,930,310</u>
Taxation	<u>(34,458)</u>	<u>(26,663)</u>	<u>(71,033)</u>	<u>(33,380)</u>
Profit after tax	<u>817,366</u>	<u>720,235</u>	<u>2,538,327</u>	<u>2,896,930</u>
Attributable to:				
Shareholders of the parent	774,417	702,590	2,430,291	2,852,025
Minority interests	<u>42,949</u>	<u>17,645</u>	<u>108,036</u>	<u>44,905</u>
	<u>817,366</u>	<u>720,235</u>	<u>2,538,327</u>	<u>2,896,930</u>
Earnings per share attributable to shareholders of the parent : -				
(i) Basic (based on 3,719,827,586 ordinary shares) (sen)	20.8	18.9	65.3	76.7
(ii) Diluted (based on 3,719,827,586 ordinary shares) (sen)	20.8	18.9	65.3	76.7

(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 31 MARCH 2008

	AS AT END OF CURRENT QUARTER 31 MARCH 2008 RM '000	AS AT PRECEDING FINANCIAL YEAR END 31 MARCH 2007 RM '000
Ships	20,893,758	21,034,467
Property, Plant and Equipment	974,819	724,429
Investment Properties	-	49,500
Prepaid Land Lease Payments	111,568	118,798
Investments in Associates	4,317	2,685
Investments in Jointly Controlled Entities	1,116,625	503,358
Long Term Investments	188,823	236,077
Intangible Assets	962,432	1,041,424
Deferred Tax Asset	4,606	2,941
	<u>24,256,948</u>	<u>23,713,679</u>
<b>Current Assets</b>		
<i>Inventories</i>	399,584	262,974
<i>Trade &amp; Other Receivables</i>	2,231,066	1,643,132
<i>Marketable Securities</i>	-	851
<i>Cash</i>	1,964,361	2,217,564
<i>Amounts due from Group Companies</i>	135,797	61,827
<i>Amounts due from Associates</i>	5,750	8,028
<i>Amounts due from Jointly Controlled Entities</i>	30,052	8,716
<i>Assets held for sale</i>	19,793	38,015
	<u>4,786,403</u>	<u>4,241,107</u>
<b>Current Liabilities</b>		
<i>Short Term Borrowings</i>	959,358	495,252
<i>Trade &amp; Other Payables</i>	2,640,328	2,099,056
<i>Provision for Taxation</i>	35,782	25,631
<i>Amounts due to Group Companies</i>	57,181	78,395
<i>Amounts due to Associates</i>	3,802	2,530
<i>Amounts due to Jointly Controlled Entities</i>	2,036	3
	<u>3,698,487</u>	<u>2,700,867</u>
<b>Net Current Assets</b>	<u>1,087,916</u>	<u>1,540,240</u>
	<u>25,344,864</u>	<u>25,253,919</u>
<b>Shareholders' Funds</b>		
Shareholders of parent		
Share Capital	3,719,828	3,719,828
Reserves		
<i>Revaluation Reserve</i>	55	35,272
<i>Other Reserves</i>	(225,688)	1,084,908
<i>Statutory Reserve</i>	1,242	1,242
<i>Retained Profits</i>	14,958,961	13,797,911
	<u>18,454,398</u>	<u>18,639,161</u>
Minority interests	274,061	241,435
Total equity	<u>18,728,459</u>	<u>18,880,596</u>
<b>Non-Current Liabilities</b>		
<i>Long Term Borrowings</i>	6,568,769	6,309,140
<i>Deferred Taxation</i>	47,636	64,183
	<u>25,344,864</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 31 MARCH 2008

	CUMULATIVE	
	CURRENT	PRECEDING
	YEAR	YEAR
	TO DATE	TO DATE
	31 MARCH 2008	31 MARCH 2007
	RM '000	RM '000
Cash Flow from Operating Activities	4,039,209	3,633,630
Cash Flow from Investing Activities	(2,850,164)	(3,609,544)
Cash Flow from Financing Activities	(1,342,428)	(1,045,121)
Net Change in Cash & Cash Equivalents	<u>(153,383)</u>	<u>(1,021,035)</u>
Cash & Cash Equivalents at the beginning of the year	2,217,564	3,425,969
Currency translation difference	(99,820)	(187,370)
Cash & Cash Equivalent at the end of the period	<u><u>1,964,361</u></u>	<u><u>2,217,564</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 31 MARCH 2008

	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
<b>12 MONTHS ENDED 31 MARCH 2008</b>						
At 1 April 2007	3,719,828	1,121,422	13,797,911	18,639,161	241,435	18,880,596
Currency translation differences	-	(1,325,090)	-	(1,325,090)	(29,486)	(1,354,576)
Transfer from reserves to retained profit	-	(35,217)	35,217	-	-	-
Transfer to reserves from retained profit	-	14,494	(14,494)	-	-	-
Net loss not recognised in income statement	-	(1,345,813)	20,723	(1,325,090)	(29,486)	(1,354,576)
Additional investment in a subsidiary	-	-	-	-	2,450	2,450
Reclass of a subsidiary to jointly controlled entity	-	-	-	-	(198)	(198)
Dividend	-	-	(1,289,964)	(1,289,964)	(48,176)	(1,338,140)
Net profit	-	-	2,430,291	2,430,291	108,036	2,538,327
At 31 March 2008	3,719,828	(224,391)	14,958,961	18,454,398	274,061	18,728,459
<b>12 MONTHS ENDED 31 MARCH 2007</b>						
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	-	2,325,273	(1,221,623)	1,103,650	(14,196)	1,089,454
At 1 April 2006 (restated)	3,719,828	2,348,423	12,087,955	18,156,206	284,686	18,440,892
- effects of adopting FRS 3	-	-	65	65	-	65
	3,719,828	2,348,423	12,088,020	18,156,271	284,686	18,440,957
Currency translation differences	-	(1,272,169)	-	(1,272,169)	24,932	(1,247,237)
Transfer to reserves from retained profit	-	45,168	(45,168)	-	-	-
Net loss not recognised in income statement	-	(1,227,001)	(45,168)	(1,272,169)	24,932	(1,247,237)
Acquisition of a subsidiary	-	-	-	-	(95,324)	(95,324)
Dividend	-	-	(1,096,966)	(1,096,966)	(17,764)	(1,114,730)
Net profit	-	-	2,852,025	2,852,025	44,905	2,896,930
At 31 March 2007	3,719,828	1,121,422	13,797,911	18,639,161	241,435	18,880,596

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



## **NOTES TO THE FINANCIAL REPORT**

The figures are audited.

### **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 investment properties.

The interim financial statements are audited and have been prepared in accordance with FRS 134 - Interim Financial Reporting in accordance with 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 Disclosure

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:

#### **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 RM118.8 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**

The businesses of the Group are subject to market fluctuations.

### **A5. EXCEPTIONAL ITEMS**

During the year ended 31 March 2008, the Group disposed 7 ships which resulted in gain on disposal amounting to RM180.5 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 31 March 2008, there were no issuance or repayment of debt and equity securities, share buy-back share cancellation or shares held as treasury shares and resale of treasury shares.

#### A8. DIVIDENDS

The Group paid a final dividend of 20 sen per share tax exempt (2005/2006: 20 sen) on 30 August 2007 in respect of the financial year 2006/2007, amounting to RM748.1 million.

On 24 December 2007, the Group also paid an interim dividend of 15 sen per share tax exempt (2006/2007: 10 sen) in respect of the financial year 2007/2008, amounting to RM559.2 million.

#### A9. SEGMENT REPORT

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

	Energy related Shipping <sup>1)</sup> RM '000	Other Energy Businesses <sup>2)</sup> RM '000	Integrated Liner Logistics RM '000	Non- Shipping RM '000
REVENUE AND RESULT				
Revenue				
Total Revenue - External sales	<u>6,602,139</u>	<u>1,706,064</u>	<u>4,649,222</u>	<u>-</u>
Result				
Operating profit	<u>2,198,672</u>	<u>345,117</u>	<u>30,049</u>	<u>117,879</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 EVENT**

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	63,295
Bank guarantees extended to customers for performance bond on contracts	230,043

**B1. REVIEW OF PERFORMANCE**

The Group profit before taxation (excluding the exceptional gain) of RM724.7 million was 11.1% higher than the corresponding quarter of RM652.4 million. The increase was mainly due to improved performance in Heavy Engineering, Offshore and Liner businesses.

**B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS**

The Group profit before taxation (excluding the exceptional gain) of RM724.7 million was 47.2% higher than the preceding quarter of RM492.1 million. The increase was mainly due to strengthening of petroleum freight rates and higher profitability in Heavy Engineering business.

**B3. CURRENT YEAR PROSPECTS**

The Group's earnings arising from existing and new long term charters in the LNG and Offshore businesses will provide the Group with stable earnings. The global Petroleum and Container shipping markets are expected to weaken further with escalating operational costs especially bunker on the back of current high oil price could adversely impact the short term performance of the Group.

**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**

	Quarter ended 31-Mar-08 RM '000	Financial Year Ended 31-Mar-08 RM '000
Taxation for the period comprises the following charge		
Income tax charge		
- current period	52,279	84,214
- prior year	(174)	4,232
Deferred taxation	<u>(17,647)</u>	<u>(17,413)</u>
	<u>34,458</u>	<u>71,033</u>

The income of the Group that is derived from the operations of sea-going Malaysian registered ships is tax exempt under Section 54, 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**

During the year ended 31 March 2008, the Group disposed the investment property which has resulted in a gain on disposal amounting to RM69.2 million.

**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 31 March 2008 are as follows:-

Other Investments (Long Term)	RM '000
At cost	147,851
At carrying value	147,851
At market value	295,630

**B8. STATUS OF CORPORATE PROPOSALS**

There are no outstanding corporate proposals submitted by the Group for the quarter ended 31 March 2008.

**B9. GROUP BORROWINGS**

- i) The tenure of Group borrowings as at 31 March 2008 classified as short and long term as well as secured and unsecured categories are as follows :-

	RM '000
Short Term Borrowings	
Secured	334,077
Unsecured	625,281
	<u>959,358</u>
Long Term Borrowings	
Secured	2,070,844
Unsecured	4,497,925
	<u>6,568,769</u>
Total	<u>7,528,127</u>

- ii) Foreign borrowings in Ringgit Malaysia equivalent as at 31 March 2008 are as follows :-

RM '000

US Dollars

5,886,335

#### **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 (RM1,311,385,000). This interest rate swap contract expires in June 2014.

The estimated fair value of interest rate swap contract currently is USD24,062,704 (RM76,964,559) and represents the amount the subsidiary company would have to pay upon termination of the contract.

#### **B11. CHANGES IN MATERIAL LITIGATION**

There is no material litigation involving the Group.

#### **B12. DIVIDENDS**

The Board of Directors has declared a final dividend 20 sen (2006/2007:20 sen) in respect of the financial year 2007/2008 financial year amounting RM 744.0 million (2006/2007:RM 728.0 million). The proposed dividend will be paid on 29 August 2008 to shareholders at the close of business on 19 August 2008. This declaration is subject to shareholders' approval at the forthcoming Annual General Meeting. The Register of Members will be closed from 20 August 2008 to 21 August 2008 (both dates inclusive) for the purpose of determining shareholders' entitlement to the dividend. A depositor shall qualify for entitlement only in respect of :

- i. securities transferred into the Depositor's Securities Account before 4:00 pm on 19 August 2008 in respect of Ordinary Transfers; and
- ii. shares bought on the BMSB on a cum entitlement basis according to the rules of BMSB.

#### **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 RM774.4 million for the fourth quarter ended 31 March 2008 and RM2,430.3 million for the current financial year to 31 March 2008 which are 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.



**Appendix 2**  
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