



**Speech by
Tan Sri Dato Sri Mohd Hassan Marican
Chairman of MISC Berhad
at the
Unveiling of MISC's new corporate identity
on 22 September 2005**

It gives me great pleasure to be here at this auspicious occasion to unveil the new corporate identity of Malaysia International Shipping Corporation Berhad. I would like to welcome all of you present here today and to thank you for taking time to join us at this auspicious event. Today's ceremony marks a historic milestone for MISC and its parent company PETRONAS as it marks the beginning of a new era of sustainable growth for MISC and the country's logistics and maritime business.

Let me begin by taking some time to reflect on the past of MISC because the past has provided us with the foundation to build the present and to plan for the future. MISC was incorporated in November 1968 as the national shipping line of Malaysia. Its first vessel which was also the nation's first cargo carrier, Bunga Raya, was launched at Sumitomo Shipbuilding yard at Uraga in Japan on 31 July 1970. Our first Prime Minister, Almarhum Tengku Abdul Rahman Putra Al-Haj, at a reception on the eve of vessel launching said the idea of setting up the nation's shipping line came to him when Japan agreed to reparations for the war damage. Then, the critics were quick to predict our demise, to which the Tengku said: "The most I could make of the ships was to display them as white elephants, so said all the prophets. In short, the advice I received all round dampened the spirit, but did not dishearten me." (The Straits Times, 1 August 1970). The late Tengku would certainly be proud to see where MISC is today - from one vessel to a fleet of 107 vessels transverse the oceans of the world, calling at more than 300 ports, proudly displaying our national flag - translating his vision into a reality.

Concurrent with the launching of the vessel which commenced operation towards the later part of that year, the Malaysian Cabinet at that time approved the setting up of the Malaysian Freight Study Unit and the National Shippers Council as a further step towards building up the national shipping line. The main aim of the Freight Unit was to gather data and information on freight while the Council, which was represented by the private sector, would act as

an advisory body to the Government on policy regarding shipping in general and freight matters.

From its humble beginnings, MISC has sailed through choppy and calm waters. It was listed on the Kuala Lumpur Stock Exchange in 1987, making it one of the largest IPO at that time, enabling the Malaysian public and the employees to own a part of a national success. PETRONAS' involvement in MISC began in the 1980s with the charter of MISC's vessels for its business requirements, particularly in the LNG business. The opportunity for PETRONAS to optimise the synergistic benefits of its business with MISC came in 1997 with an initial acquisition of a 29.3% shareholding which was subsequently increased to about 62% a year later through the injection of its five LNG tankers, making MISC its subsidiary.

Since then, we have embarked on a journey to transform the corporation into a preferred fully integrated maritime and logistics service provider, as one of the core businesses of PETRONAS. In line with its aspiration to become a global energy transporter, the company made a bold and unprecedented move to acquire AET in 2003. It took the industry by surprise and even attracted some negative comments. Today, all is forgiven and we are praised for our foresight. MISC today is the largest single owner operator of LNG tankers and second largest owner of Aframax tankers in the world - an achievement we can be proud of.

MISC has expanded into the offshore business to become the owner and operator of FPSOs and FSOs to support and capitalise on the growing petroleum industry globally. To further leverage on the strategic advantage of being part of the PETRONAS Group and capitalise on the vast growth opportunities, MISC through its subsidiary Malaysia Marine and Heavy Engineering has expanded its marine and heavy engineering business.

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It is the aspiration of MMHE to become a regional player in heavy marine engineering, deepwater support services for the petroleum industry and centre for LNG ship repairs and drydocking as well as a one-stop centre for ship conversions. All these will strengthen the entire value chain of the PETRONAS Group and at the same time position MISC to effectively take on the new challenges and expanded scope that it has embarked upon.

MISC has indeed come a long way since its incorporation 37 years ago. I would like to take this opportunity to record our appreciation to all those who have in one way or another contributed towards the growth and success of MISC so far. PETRONAS will continue to support MISC to realise its vision to become a Global Champion within the maritime, logistics and transportation industry. While much of MISC's business is derived from PETRONAS and being part of the PETRONAS Group is a privilege, it will not necessarily guarantee that MISC will be able to obtain business at any cost. MISC must continue to prove that it will be able to deliver quality service at competitive prices. At the same time, MISC must also continue to expand its revenue base especially from third party businesses.

Ladies and Gentlemen,

MISC is now at the threshold of greater heights. From today, Malaysia International Shipping Corporation Berhad will be simply known as MISC Berhad. The change of name and logo after over thirty years in service, is a visual representation of the renewed bold, vibrant and dynamic organization that it has come to be associated with. The new logo will add a more contemporary image and flavour to contend with the Company's dynamic growth globally and current expansionary programmes to meet the challenges. It has been purposefully designed to assume compact and robust equities, reflecting the strength and resilience of MISC Berhad as a global entity.

More importantly, this change of visual identity brings with it a renewed promise, one of strengthened commitment to all our stakeholders, be they customers, suppliers, investors, joint venture partners and especially our employees. Much of our success to date has been and will continue to be based on mutually advantageous partnerships and collaboration. The pursuance of strategic and energetic partnerships in all our business dealings and the fostering

of longer term relationships will continue to remain a major focus in our thrust moving forward.

While focusing on being an energy transporter, MISC shall not neglect its role as a national shipping company. We will continue to build capacity and capability to enhance Malaysia's position as one of a leading maritime nations and at the same time contribute towards reducing the nation's services account deficit. More importantly, we will continue to focus on the development of human capital which is crucial in ensuring the successful realisation of both the nation and our aspirations.

A new corporate identity will not guarantee success as MISC will face many challenges in its journey forward. I believe that these challenges can be overcome with the full support, commitment and dedication of its employees.

A transformation process is not easy. It will require a change in mindset and the way we conduct our business. Even though it has taken some time, the organisation has made encouraging progress in its transformation process. We have revamped the organisation to have a more balanced growth strategy and enhance operational efficiency.

We have put in place measures to turn MISC into a performance-driven organisation, providing employees with excellent career development opportunities based on merit. In short, the foundation is well in place to enable MISC achieve greater success.

Before I conclude, I would like to thank our shareholders, clients, affiliates and partners for their continued support and confidence in MISC Berhad. We look forward to even better working relationships as we continue to strive to be your preferred provider of world class maritime transportation and logistics services.

Finally, I would like to take this opportunity to thank the employees of MISC Berhad for their commitment and unwavering loyalty that has been instrumental to the growth and success of the company.

Thank you.