# QUARTERLY REPORT

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This is a quarterly report on consolidated results for the period ended 30 September 2008 The figures have not been audited.

# CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2008

	INDIVIDUAL C	QUARTER	CUMUL	ATIVE
	CURRENT	PRECEDING	CURRENT	PRECEDING
	YEAR	YEAR	YEAR	YEAR
	QUARTER	QUARTER	TO DATE	TO DATE
	30-Sep-08	30-Sep-07	30-Sep-08	30-Sep-07
	RM '000	RM '000	RM '000	RM '000
Revenue	216,545	163,676	583,035	417,231
Operating expenses	(103,179)	(66,935)	(276,557)	(150,223)
Other operating income Administrative expenses	113,366 93,130 (6,973)	96,741 44,761 (7,411)	306,478 246,425 (20,821)	267,008 176,518 (20,389)
Profit from operations	199,523	134,091	532,082	423,137
Finance cost	(6,059)	(6,379)	(19,193)	(14,519)
Share of results of associate	1,196	3,915	8,441	11,580
Profit before taxation	194,660	131,627	521,330	420,198
Income tax expense	(1,363)	(315)	(4,618)	(2,290)
Profit for the period	193,297	131,312	516,712	417,908
Attributable to:	143,472	115,467	457,624	388,586
Equity holders of the parent	49,825	15,845	59,088	29,322
Minority interests	193,297	131,312	516,712	417,908
Earnings per share attributable to equity holders of the parent (sen)				
- Basic	14.35	11.55	45.76	38.86

Please refer to Note B13 for number of shares

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# CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2008

	UNAUDITED	AUDITED
	AS AT	AS AT
	END OF	PRECEDING
	CURRENT	FINANCIAL
	QUARTER	YEAR END
	30-Sep-08	31-Dec-07
	RM '000	RM '000
ASSETS		
Non-current assets		
Fixed assets	635,327	655,175
Leasehold property	18,539	18,508
Associate	56,092	47,605
	709,958	721,288
Current Assets	40.000	0 647
Consumable stores Trade receivables	12,309	6,517
	46,502 52,937	42,798 53,444
Other receivables and prepayments Investments	166,824	208,716
Short term deposits	1,399,525	988,783
Cash and bank balances	18,157	38,163
	1,696,254	1,338,421
Non-current assets classified as held for sale	-	127,999
	1,696,254	1,466,420
	1,030,234	1,400,420
TOTAL ASSETS	2,406,212	2,187,708
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	250,000	250,000
Reserves	1,591,554	1,445,048
	1,841,554	1,695,048
Minority interest	138,450	79,256
Total equity	1,980,004	1,774,304
Non-current liabilities	050 00 /	0.40.040
Bank and other borrowings	353,084	342,810
Deferred taxation	1,338	1,338
	354,422	344,148
Current liabilities		
Bank and other borrowings	7,146	6,589
Bank and other borrowings Other payables	7,146 60,789	6,589 60,845
•		
Other payables	60,789	60,845
Other payables Provision for Taxation	60,789 3,851 71,786	60,845 1,822 69,256
Other payables	60,789 3,851	60,845 1,822
Other payables Provision for Taxation	60,789 3,851 71,786	60,845 1,822 69,256

# CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2008

CURRENT     PRECEDING WERR 30-Sep-08       20-Sep-08     30-Sep-08       30-Sep-08     30-Sep-07       RM 000     RM 000       Cash Flow From Operating Activities     21,854     28,038       Profit before taxation     21,854     28,038       Adjustments for:     21,854     28,038       Depreciation and amotisation     21,854     28,038       Gain on disposal of fixed assets     (fi)     -       Loss/(gain) ondisposal of toxed investments     2,879     (fi)       Operating on doubtid debts     36     124       Provision for dams     -     3,863       Unrealised exchange (gain)loss     (fi)     6,124       Operating profit bolicow working capital changes     (27,563)     (27,686)       Dividem function     (fi)     (fi)     (fi)       Rookvabble     (fi)     (fi)     (fi)       Operating profit bolicow working capital changes     (fi)     (fi)       Operating profit bolicow working capital changes     (fi)     (fi)       Consumable store     (fi)     (fi)     (fi)		CUMULATIVE		
29-Sep-66     29-Sep-67       RM 1000     Cash Flow From Operating Activities       Profit before taxation     521,330     420,198       Adjustments for:     21,854     28,038       Depreciation and amorisation     21,854     28,038       Gain on disposal of fixed assets     (16)     -       Loss/gain/on disposal of vessels     (302,967)     (133,470)       Provision for dabitul debts     36     124       Interest income     (13,470)     (24,053)       Interest income     (27,955)     (26,26,053)       Interest income     (12				
RM '000     RM '000       Cash Flow From Operating Activities        Profit before taxation     521,330     420,198       Adjustments for:     21,854     26,030       Depreciation and amoritisation     21,854     26,030       Gain on disposal of Kevad assets     (16)     -       Loss/(pain) on disposal of quoted investments     2,879     (13,3470)       Provision for doubtul dobts     36     124       Provision for doubtul dobts     36     124       Provision for doubtul dobts     36,59     0.76,365       Unrealised exchange (gain)/loss     601     6,444       Operating profit before working capital changes     287,963     225,482       Working capital changes     (14,159)     (14,159)       Operating profit before working capital changes     (16,144)     (17,128)       Working capital changes     (16,144)     (12,27,146)       Receivables     (10,044)     (23,191)       Payables     (16,144)     (183,589)       Cash Flows From Investing Activities     (16,144)     (183,589)       Cash flows from disposal of vessels		YEAR	YEAR	
Cash Flow From Operating Activities     521,330     420,198       Adjustments for:     0.9profision and amoritation     21,854     28,038       Gain on disposal of fixed assets     (16)     -       Loss/(gain) on disposal of vestments     2,879     (6,109)       Gain on disposal of vestments     (302,967)     (133,470)       Provision for doubtit debts     -     3,659       Unrealised exchange (gain)/loss     601     6,546       Share of results of associate     (1,1580)     (1,1580)       Unrealised loss on quited investments     62,256     2,386       Dividend income     (2,7,555)     (28,053)       Interest income     (1,167)     (1,177)       Operating profit before working capital changes     287,963     285,482       Working capital changes:     (0,2,17)     (408)       Receivables     (1,20,17)     (409)       Receivables     (1,23,17)     (409)       Provision for obst and purchase of vessels     (13,347)     (1,31,87)       Purchase of other fixed assets     (12,32)     (7)       Purchase of other fixed assets     (12,32		30-Sep-08	30-Sep-07	
Profit before taxition     521,330     420,198       Adjustments for:     0     21,854     28,038       Gain on disposal of fixed assets     (16)     -       Loss/gain on disposal of vessels     (302,987)     (133,470)       Provision for dolubrid debts     -     3,659       Unrealised exchang (gain)/loss     -     -     3,659       Unrealised loss on quoted investments     -     3,659     124       Provision for daims     -     3,659     124       Unrealised loss on quoted investments     62,256     2,386     144,111       Operating profit before working capital changes     (16,277)     (24,292)     25,482       Vorking capital changes:     (10,904)     (27,195)     (24,282)       (Tax paid) / tax rathunded     (72,092)     (244,162)     (25,250)     (24,101+		RM '000	RM '000	
Adjustiments for:     1.8.54     28.038       Opprecision and amoritation     2.18.54     28.038       Gain on disposal of fixed assets     (16)     -       Loss/(gain) on disposal of quoted investments     (28.79)     (6, 109)       Gain on disposal of vessels     (302.987)     (13.3470)       Provision for doubtrid debts     36.5     124       Provision for doubtrid debts     6.346     5.441       Share of results of associate     (8.441)     (1.1567)       Unrealised loss on quoted investments     6.2256     2.386       Dividend income     (27.595)     (28.053)       Interest income     (1.27.595)     (28.053)       Interest income     (1.27.595)     (28.053)       Interest income     (2.27.1)     (408)       Receivabilise     (23.113)     (24.168)       (1.844)     (18.353)     (24.168)       (1.844)     (18.358)     (2.27.1)       Consumable stores     (16.241)     (18.3589)       Purchase of other fixed assets     (16.21)     (24.28)       Puruchase of other fixed assets     (16.21	Cash Flow From Operating Activities			
Adjustiments for:     1.8.54     28.038       Opprecision and amoritation     2.18.54     28.038       Gain on disposal of fixed assets     (16)     -       Loss/(gain) on disposal of quoted investments     (28.79)     (6, 109)       Gain on disposal of vessels     (302.987)     (13.3470)       Provision for doubtrid debts     36.5     124       Provision for doubtrid debts     6.346     5.441       Share of results of associate     (8.441)     (1.1567)       Unrealised loss on quoted investments     6.2256     2.386       Dividend income     (27.595)     (28.053)       Interest income     (1.27.595)     (28.053)       Interest income     (1.27.595)     (28.053)       Interest income     (2.27.1)     (408)       Receivabilise     (23.113)     (24.168)       (1.844)     (18.353)     (24.168)       (1.844)     (18.358)     (2.27.1)       Consumable stores     (16.241)     (18.3589)       Purchase of other fixed assets     (16.21)     (24.28)       Puruchase of other fixed assets     (16.21	Profit before taxation	521,330	420,198	
Depreciation and amortisation     21.844     28.038       Gain on disposal of fued assets     (16)     -       Loss/(gain) on disposal of quoted investments     2.879     (6,109)       Gain on disposal of vessels     (302,967)     (133,470)       Provision for doubtful debts     -     3.659       Unrealised exchange (gain)/loss     -     3.659       Unrealised exchange (gain)/loss     601     6.546       Share of results of associate     61.411     (11,87)       Unrealised oss on quoted investments     62.266     2.386       Dividend income     (1,167)     (1,167)       Interest income     (27.595)     (28.053)       Unrealised loss on quoted investments     (28.795)     (28.053)       Operating profit before working capital changes     (27.795)     (28.053)       Unrealised income     (10,94)     (29.119)       Payables     (20,94)     (24.922)       Cash generated from operating activities     (28.153)     (24.022)       Cash generated from operating activities     (16,144)     (18.589)       Purchase of other fixed assets     (132)	Adjustments for:		,	
Loss/(gain) on disposal of vessels     2.879     (6, 109)       Gain on disposal of vessels     (302,967)     (133,470)       Provision for daubful debts     -     3,859       Unrealised exchange (gain)/loss     -     6,846       Share of results of associate     (8,441)     (11,850)       Unrealised exchange (gain)/loss     62,256     2,386       Dividend income     (1,167)     (1,176)       Interest income     (27,595)     (28,053)       Interest income     (27,595)     (28,053)       Operating profit before working capital changes     (287,963)     (28,482)       Working capital changes:     (10,904)     (29,119)       Consumable stores     (5,271)     (408)       Receivables     (10,904)     (29,119)       Payables     281,635     (241,633)       (Tax paid) tax refunded     (730)     (449)       Net cash generated from operating activities     280,805     241,014       Construction cost and purchase of vessels     (16,444)     (183,569)       Purchase of ouber fixed assets     (132)     (75) <t< td=""><td></td><td>21,854</td><td>28,038</td></t<>		21,854	28,038	
Gain On disposal of vessels     (30, 267)     (113, 470)       Provision for doubful debts     36     124       Provision for doubful debts     601     6.946       Share of results of associate     (8.441)     (11.580)       Unrealised exchange (gain)/loss     62.236     225.226       Dividend income     (11.67)     (1.176)       Interest income     (27.595)     (28.053)       Operating profit before working capital changes     267.963     225.482       Working capital changes:     (10.904)     (29.119)       Consumable stores     (5.271)     (408)       Receivables     (10.904)     (29.119)       Payables     29.747     (24.292)       Cash generated from operating activities     281.535     241.663       Cash Flows From Investing Activities     (107.128)     (226.592)       Purchase of onker fux d assets     (107.128)     (226.592)       Dividend recoived	Gain on disposal of fixed assets	(16)	-	
Provision for doubtful debis     36     124       Provision for doubnot for dams     -     3,659       Unrealised exchange (gain)/loss     601     6,946       Share of results of associate     (8,441)     (11,57)       Unrealised loss on quoted investments     62,256     2,386       Dividend income     (1,167)     (1,176)       Interest income     (27,595)     (28,053)       Interest expense     19,193     14,518       Operating profit before working capital changes     287,963     2285,428       Working capital changes:     (5,271)     (408)       Consumable stores     (5,271)     (408)       Receivables     (10,304)     (29,119)       Payables     281,535     241,663       (Tax paid) / tax refunded     (73)     (649)       Net cash generated from operating activities     280,805     241,014       Cash Flows From Investing Activities     (10,7,128)     (226,533)       Dividend received     1,167     1,176       Purchase of other fixed assets     (13,27)     (3,198)       Proceced from disposal of vu			,	
Provision for claims     .     3,659       Unrealised exchange (gain)/loss     601     6,546       Share of results of associate     (8,441)     (11,550)       Unrealised loss on quoted investments     62,256     2,396       Dividend income     (1,167)     (1,176)       Interest expense     (27,595)     (22,035)       Operating profit before working capital changes     287,963     295,482       Working capital changes:     (10,904)     (29,119)       Consumable stores     (15,271)     (408)       Receivables     (21,335)     241,663       (Tax paid) / tax rolunded     (730)     (6449)       Net cash generated from operating activities     280,605     241,014       Cash remeasurement and capitalisation of dry docking cost     (16,444)     (183,589)       Purchase of onew equipment and capitalisation of dry docking cost     (107,128)     (22,653)       Purchase of onew equipment and capitalisation of dry docking cost     (16,444)     (28,593)       Dividend inceived     1,167     1,176     1,176       Interest received     (10,128)     (26,593)     (26,493) <td>•</td> <td></td> <td></td>	•			
Unrealised exchange (gain)/loss     601     6,946       Share of results of associate     (8,441)     (11,580)       Unrealised loss on quoted investments     62,256     2,386       Dividend income     (1,167)     (1,175)       Interest income     (27,595)     (28,053)       Interest income     (28,763)     295,482       Operating profit before working capital changes     287,963     295,482       Vorking capital changes:     (5,271)     (408)       Consumable stores     (5,271)     (408)       Receivables     281,535     241,653       (Tax paid) / tax refunded     (730)     (449)       Net cash generated from operating activities     280,805     241,014       Cash Flows From Investing Activities     (10,712)     (22,533)       Purchase of outper invised assets     (107,12)     (22,533)       Dividend received     1,167     1,167       Interest received     21,163     (14,544)     388,173       Proceeds from disposal of quoted investments     90,075     224,133       Proceeds from disposal of vessels     473,444		36		
Share of results of associate     (8,441)     (11,580)       Undered income     (1,167)     (1,167)       Interest income     (27,595)     (28,053)       Interest expense     (27,959)     (28,053)       Operating profit before working capital changes     (27,059)     (28,053)       Consumable stores     (5,271)     (408)       Receivables     (10,004)     (29,119)       Payables     9,747     (24,292)       Cash generated from operating activities     (281,535)     (241,663)       (Tax paid) / tax refunded     (730)     (649)       Net cash generated from operating activities     (25,877)     (3,198)       Purchase of onew equipment and captelisation of dry docking cost     (5,387)     (3,198)       Purchase of other fixed assets     (107,128)     (226,593)       Dividend free/eved     1,167     1,167       Interest received     21,995     28,083       Proceeds from disposal of quoted investments     90,075     226,133       Proceeds from disposal of other fixed assets     16     -       Net cash generated from (used in) investing activities		-		
Unrealised loss on quoted investments     62,256     2,386       Dividend income     (1,167)     (1,176)       Interest income     (27,595)     (28,053)       Unrealing profit before working capital changes     287,963     2295,482       Working capital changes:     (1,0904)     (29,119)       Payables     (1,0904)     (29,119)       Payables     (1,235)     241,683       (Tax paid) / tax refunded     (730)     (649)       Net cash generated from operating activities     280,805     241,014       Cash flows From Investing Activities     (10,904)     (183,589)       Purchase of other fixed assets     (10,7128)     (226,593)       Purchase of other fixed assets     (107,128)     (226,593)       Dividend received     1,167     1,176       Interest received     1,167     (1,434)       Proceeds from disposal of vessels     16     -       Proceeds from disposal of vessels     16     -       Proceeds from disposal of vessels     1,167     1,177       Proceeds from disposal of vessels     16     -       Proc				
Dividend income     (1,167)     (1,167)       Interest income     (27,555)     (28,053)       Interest expense     19,193     14,519       Operating profit before working capital changes     287,963     228,482       Consumable stores     (5,271)     (408)       Receivables     9,747     (24,292)       Cash generated from operating activities     281,535     241,663       Cash generated from operating activities     280,805     241,014       Cash generated from operating activities     280,805     241,014       Cash Flows From Investing Activities     (10,904)     (23,07)       Purchase of other fixed assets     (13,2)     (75)       Purchase of other fixed assets     (107,128)     (226,593)       Dividend received     1,167     1,176       Interest received     1,167     1,176       Proceeds from disposal of vessels     473,448     388,173       Proceeds from disposal of vessels     473,448     388,173       Proceeds from disposal of vessels     473,448     388,173       Proceeds from disposal of subsidiary company     -     (25				
Interest income     (27,595)     (28,053)       Interest expense     19,193     14,519       Operating profit before working capital changes     287,963     295,482       Working capital changes:     (10,904)     (28,119)       Consumable stores     (5,271)     (408)       Receivables     (10,904)     (28,119)       Payables     9,747     (24,292)       Cash generated from operating activities     281,535     241,663       Cash generated from operating activities     280,805     241,1014       Cash Flows From Investing Activities     (16,444)     (183,589)       Purchase of other fixed assets     (13,192)     (75)       Purchase of other fixed assets     (10,7,128)     (226,693)       Dividend received     1,167     1,176       Interest received     27,595     28,053       Proceeds from disposal of vessels     463,210     268,080       Cash Flows From Financing Activities     463,210     268,080       Cash Elows From Financing Activities     (19,193)     (14,519)       Interest paid     (19,193)     (14,519) <t< td=""><td></td><td></td><td></td></t<>				
Interest expense     19,193     14,519       Operating profit before working capital changes:     287,963     295,462       Working capital changes::     0,5271     (408)       Receivables     (10,904)     (29,119)       Payables     9,747     (24,292)       Cash generated from operating activities     281,535     241,663       (Tax paid) / tax refunded     (730)     (649)       Net cash generated from operating activities     280,805     241,014       Cash Flows From Investing Activities     280,805     241,014       Cash requipment and capitalisation of dry docking cost     (16,444)     (183,589)       Purchase of other fixed assets     (132)     (75)       Purchase of other fixed assets     (107,128)     (226,593)       Dividend received     1,167     1,176       Proceeds from disposal of vesels     463,210     268,080       Cash Flows From Financing Activities     463,210     268,080       Cash Flows From Financing Activities     (19,193)     (14,519)       Repayment of leas financing     (4,560)     (60,406)       Leash generated from/(used in) inves				
Working capital changes: Consumable stores(5.271)(408) (40,904)Receivables(10,904)(29,119) 9,747(24,392) (24,492)Cash generated from operating activities281,535241,663(Tax paid) / tax refunded(730)(649)Net cash generated from operating activities280,805241,014Cash generated from operating activitiesConstruction cost and purchase of vessels(16,444)(183,589)Purchase of new equipment and capitalisation of dry docking cost(5,387)(3,198)Purchase of onew equipment and capitalisation(107,128)(226,593)Purchase of quoted investments(107,128)(226,593)Purchase of quoted investments90,075264,133Proceeds from disposal of vessels473,448388,173Proceeds from disposal of other fixed assets16-Net cash generated from/(used in) investing activities463,210268,080Cash Flows From Financing Activities19,193)(14,519)Repayment of loan from minority shareholder-(2,5971)Repayment of loan from minority shareholder of subsidiary company-(3,630)Dividend paid to minority shareholder of subsidiary(380,500)(320,000)Dividend paid to minority shareholder of subsidiary(4,15,660)(60,406)Loan from minority shareholder of subsidiary(5,846)-Net cash used in financing activities333,91693,434Effects of Foreign Exchange Rate Changes(5,820)(11,226)				
Consumable stores     (5,271)     (408)       Receivables     (10,904)     (29,119)       Payables     9,747     (24,292)       Cash generated from operating activities     281,535     241,663       (Tax paid) / tax refunded     (730)     (649)       Net cash generated from operating activities     280,805     241,014       Cash Flows From Investing Activities     (16,444)     (183,589)       Purchase of new equipment and capitalisation of dry docking cost     (5,387)     (3,198)       Purchase of quoted investments     (107,128)     (226,593)       Dividend received     1,167     1,177       Interest received     27,595     28,053       Proceeds from disposal of quoted investments     90,075     264,133       Proceeds from disposal of outed investments     16     -       Net cash generated from/(used in) investing activities     463,210     268,080       Cash Flows From Financing Activities     (19,193)     (14,519)       Interest paid     (19,193)     (14,519)       Repayment of loans     -     (3,400)       Repayment of loans from minority shareholder<		287,963	295,482	
Receivables(10,904)(29,119)Payables9,747(24,292)Cash generated from operating activities281,535241,663(Tax paid) / tax refunded(730)(649)Net cash generated from operating activities280,805241,014Cash Flows From Investing Activities280,805241,014Cash Flows From Investing Activities(16,444)(183,589)Purchase of new equipment and capitalisation of dry docking cost(5,387)(3,198)Purchase of other fixed assets(107,128)(226,593)Purchase of quoted investments(107,128)(226,593)Dividend received1,1671,176Interest received27,59528,053Proceeds from disposal of quoted investments90,075264,133Proceeds from disposal of vessels463,210268,080Cash Flows From Financing Activities463,210268,080Cash Flows From Financing Activities(19,193)(14,519)Repayment of loan from minority shareholder(25,971)(3,400)Net cash used in financing activities(4560)(60,406)Loan from minority shareholder of subsidiary(5,846)-Net cash used in financing activities(410,099)(415,660)Net cash used in financing activities68,2794-Cash & Cash Equivalents333,91693,434Effects of Foreign Exchange Rate Changes56,820(11,22)Cash & Cash Equivalents at the end of the period1,026,946692,794Cash & Cash Equiva		(5.074)	(100)	
Payables9.747(24.292)Cash generated from operating activities281.535241.633(Tax paid) / tax refunded(730)(649)Net cash generated from operating activities280.805241.014Cash Flows From Investing Activities280.805241.014Cash Plows From Investing Activities(16.444)(183.589)Purchase of other fixed assets(132)(75)Purchase of quoted investments(107,128)(226.593)Dividend received1.1671.176Intreest received27.59528.053Proceeds from disposal of quoted investments90.075264.133Proceeds from disposal of quoted investing activities463.210268.080Cash Flows From Financing Activities16-Interest received:(15.846)-Net cash generated from (jused in) investing activities463.210268.080Cash Flows From Financing Activities(19,193)(14.519)Repayment of loans from minority shareholder:(25.971)Repayment of loans from minority shareholder of a subsidiary company:8.636Dividend paid to shareholder of a subsidiary(58.46):Net cash used in financing activities(410.099)(415.660)Net cash used in financing activities33.91693.434Effects of Foreign Exchange Rate Changes56.820(11.226)Cash & Cash Equivalents33.91693.434Effects of Foreign Exchange Rate Changes56.820(11.226)Cash &				
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Interest paid(19,193)(14,519)Repayment of loan from minority shareholder-(25,971)Repayment of loans-(3,400)Repayment of lease financing(4,560)(60,406)Loan from minority shareholder of a subsidiary company-8,636Dividend paid to shareholders(380,500)(320,000)Dividend paid to minority shareholder of subsidiary(5,846)-Net cash used in financing activities(410,099)(415,660)Net cash used in financing activities(410,099)(415,660)Net Change in Cash & Cash Equivalents333,91693,434Effects of Foreign Exchange Rate Changes56,820(11,226)Cash & Cash Equivalents at the beginning of the period1,026,946692,794Cash & Cash Equivalents comprise:5hort term deposits775,002Cash & Cash and bank balances1,399,525725,577Cash and bank balances18,15749,425	Net cash generated from/(used in) investing activities	463,210	268,080	
Repayment of loan from minority shareholder-(25,971)Repayment of loans-(3,400)Repayment of lease financing(4,560)(60,406)Loan from minority shareholder of a subsidiary company-8,636Dividend paid to shareholders(380,500)(320,000)Dividend paid to minority shareholder of subsidiary(5,846)-Net cash used in financing activities(410,099)(415,660)Net cash used in financing activities333,91693,434Effects of Foreign Exchange Rate Changes56,820(11,226)Cash & Cash Equivalents at the beginning of the period1,026,946692,794Cash & Cash equivalents comprise:1,417,682775,002Short term deposits1,399,525725,577Cash and bank balances18,15749,425	Cash Flows From Financing Activities			
Repayment of loan from minority shareholder-(25,971)Repayment of loans-(3,400)Repayment of lease financing(4,560)(60,406)Loan from minority shareholder of a subsidiary company-8,636Dividend paid to shareholders(380,500)(320,000)Dividend paid to minority shareholder of subsidiary(5,846)-Net cash used in financing activities(410,099)(415,660)Net cash used in financing activities333,91693,434Effects of Foreign Exchange Rate Changes56,820(11,226)Cash & Cash Equivalents at the beginning of the period1,026,946692,794Cash & Cash equivalents comprise:1,417,682775,002Short term deposits1,399,525725,577Cash and bank balances18,15749,425	Interest paid	(19 193)	(14 519)	
Repayment of loans-(3,400)Repayment of lease financing(4,560)(60,406)Loan from minority shareholder of a subsidiary company-8,636Dividend paid to shareholders(380,500)(320,000)Dividend paid to minority shareholder of subsidiary(5,846)-Net cash used in financing activities(410,099)(415,660)Net change in Cash & Cash Equivalents333,91693,434Effects of Foreign Exchange Rate Changes56,820(11,226)Cash & Cash Equivalents at the beginning of the period1,026,946692,794Cash & Cash Equivalents comprise:1,417,682775,002Short term deposits1,399,525725,577Cash and bank balances18,15749,425		-		
Repayment of lease financing(4,560)(60,406)Loan from minority shareholder of a subsidiary company-8,636Dividend paid to shareholders(380,500)(320,000)Dividend paid to minority shareholder of subsidiary(5,846)-Net cash used in financing activities(410,099)(415,660)Net Change in Cash & Cash Equivalents333,91693,434Effects of Foreign Exchange Rate Changes56,820(11,226)Cash & Cash Equivalents at the beginning of the period1,026,946692,794Cash & Cash Equivalents comprise:1,417,682775,002Short term deposits1,399,525725,577Cash and bank balances18,15749,425		-		
Dividend paid to shareholders(380,500)(320,000)Dividend paid to minority shareholder of subsidiary(5,846)-Net cash used in financing activities(410,099)(415,660)Net Change in Cash & Cash Equivalents333,91693,434Effects of Foreign Exchange Rate Changes56,820(11,226)Cash & Cash Equivalents at the beginning of the period1,026,946692,794Cash & Cash Equivalents at the end of the period1,417,682775,002Cash & Cash equivalents comprise: Short term deposits1,399,525725,577Cash and bank balances18,15749,425		(4,560)	(60,406)	
Dividend paid to minority shareholder of subsidiary(5,846)-Net cash used in financing activities(410,099)(415,660)Net Change in Cash & Cash Equivalents333,91693,434Effects of Foreign Exchange Rate Changes56,820(11,226)Cash & Cash Equivalents at the beginning of the period1,026,946692,794Cash & Cash Equivalents at the end of the period1,417,682775,002Cash & Cash equivalents comprise: Short term deposits Cash and bank balances1,399,525725,577		-		
Net cash used in financing activities(410,099)(415,660)Net Change in Cash & Cash Equivalents333,91693,434Effects of Foreign Exchange Rate Changes56,820(11,226)Cash & Cash Equivalents at the beginning of the period1,026,946692,794Cash & Cash Equivalents at the end of the period1,417,682775,002Cash & Cash equivalents comprise: Short term deposits1,399,525725,577Cash and bank balances18,15749,425			(320,000)	
Net Change in Cash & Cash Equivalents333,91693,434Effects of Foreign Exchange Rate Changes56,820(11,226)Cash & Cash Equivalents at the beginning of the period1,026,946692,794Cash & Cash Equivalents at the end of the period1,417,682775,002Cash & Cash equivalents comprise: Short term deposits Cash and bank balances1,399,525725,577Cash and bank balances18,15749,425	Dividend paid to minority shareholder of subsidiary	(5,846)	-	
Effects of Foreign Exchange Rate Changes56,820(11,226)Cash & Cash Equivalents at the beginning of the period1,026,946692,794Cash & Cash Equivalents at the end of the period1,417,682775,002Cash & Cash equivalents comprise: Short term deposits Cash and bank balances1,399,525725,577Cash and bank balances18,15749,425	Net cash used in financing activities	(410,099)	(415,660)	
Effects of Foreign Exchange Rate Changes56,820(11,226)Cash & Cash Equivalents at the beginning of the period1,026,946692,794Cash & Cash Equivalents at the end of the period1,417,682775,002Cash & Cash equivalents comprise: Short term deposits Cash and bank balances1,399,525725,577Cash and bank balances18,15749,425	Net Change in Cash & Cash Equivalents	333.916	93.434	
Cash & Cash Equivalents at the beginning of the period1,026,946692,794Cash & Cash Equivalents at the end of the period1,417,682775,002Cash & Cash equivalents comprise: Short term deposits Cash and bank balances1,399,525725,577Cash and bank balances18,15749,425				
Cash & Cash equivalents comprise:Short term deposits1,399,525Cash and bank balances18,157				
Short term deposits     1,399,525     725,577       Cash and bank balances     18,157     49,425	Cash & Cash Equivalents at the end of the period	1,417,682	775,002	
Short term deposits     1,399,525     725,577       Cash and bank balances     18,157     49,425	Cash & Cash equivalents comprise:			
Cash and bank balances     18,157     49,425		1,399,525	725 577	
	·			
			·	

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#### Page 4 of 9

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2008

	•		Attributable to	o Equity Holders of	f the Parent				
			Non-distr	ibutable		Distributable		Minority Interest	Total Equity
	=			Capital	Exchange				
	Share	Share	Capital	redemption	translation	Retained			
	Capital	premium	reserve	reserve	reserve	profits	Total		
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
9 MONTHS ENDED 30 SEPTEMBER 200	7								
At 1 JANUARY 2007	200,000	98,791	34,159	40,000	(16,995)	1,198,162	1,554,117	53,034	1,607,151
Currency translation differences	-	-	-	-	(11,736)	-	(11,736)	(2,681)	(14,417)
Profit for the period	-	-	-	-	-	388,586	388,586	29,322	417,908
Dividends	-	-	-	-	-	(320,000)	(320,000)	-	(320,000)
Bonus issue	50,000	(50,000)	-	-	-	-	-	-	-
At 30 SEPTEMBER 2007	250,000	48,791	34,159	40,000	(28,731)	1,266,748	1,610,967	79,675	1,690,642

# 9 MONTHS ENDED 30 SEPTEMBER 2008

At 1 JANUARY 2008	250,000	48,791	34,159	40,000	(100,656)	1,422,754	1,695,048	79,256	1,774,304
Currency translation differences Profit for the period	-	-	-	-	69,382	- 457,624	69,382 457,624	5,952 59,088	75,334 516,712
Dividends	-	-	-	-	-	(380,500)	(380,500)	-	(380,500)
Dividend paid to minority shareholder of a subsidiary	-	-	-	-	-	-	-	(5,846)	(5,846)
At 30 SEPTEMBER 2008	250,000	48,791	34,159	40,000	(31,274)	1,499,878	1,841,554	138,450	1,980,004

# NOTES TO THE FINANCIAL REPORT

# 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 FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The accounting policies and methods of computation adopted by the Group in this report are consistent with those adopted in the financial statements for the year ended 31 December 2007 with the exception for FRS 139, whereby unrealised gains on quoted investments are not recognised in the financial statements until year end. Unrealised losses on quoted investments are recognised immediately whilst unrealised gains will only be recognised at the year end.

This interim financial report should be read in conjuction with the audited financial statements of the Group for the year ended 31 December 2007.

## A2. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2007 were not qualified.

## A3. SEASONAL OR CYCLICAL FACTORS

The business operations of the Group were not significantly affected by any seasonal or cyclical factors.

# A4. NATURE AND AMOUNT OF UNUSUAL ITEMS

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence for the current quarter.

# A5. CHANGES IN ESTIMATES

There were no changes to the estimates of amounts reported in prior financial years that may have a material effect in the current quarter.

## A6. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation or shares held as treasury shares and resale of treasury shares for the current quarter.

## A7. DIVIDENDS PAID

In respect of the financial year ending 31 December 2008, an interim gross dividend of 10.00 sen per ordinary share comprising 7.50 sen less 26% income tax and 2.50 sen tax exempt was paid on 25 September 2008.

## A8. SEGMENT REPORT

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

Segmental analysis for the current i	inancial period to date	e is as iollows:			
			Ship brokerage		
	Shipping	Shipping	& management	Elimination	Group
	Bulkers	Tankers	& others		
	RM '000	RM '000	RM '000	RM '000	RM '000
REVENUE AND RESULT					
Revenue					
Group	511,255	63,166	9,648	(1,034)	583,035
Inter-segment	2,550	-	(3,584)	1,034	-
External revenue	513,805	63,166	6,064		583,035
Segment results	526,286	68,381	(90,181) *	-	504,486
Interest income					27,596
Finance cost					(19,193)
Share of results of associate					8,441
Taxation					(4,618)
Profit for the period				—	516,712
-				=	

\*Included in "others" are unrealised loss on quoted investments of RM62.3million and foreign exchange loss of RM23.1million.

# A9. VALUATION OF SHIPS, PROPERTY AND EQUIPMENT

The fixed assets are stated at cost less accumulated depreciation and impairment losses.

# A10. SUBSEQUENT MATERIAL EVENTS

On 24 October 2008, the Company had entered into a conditional Subscription Agreement with PACC Offshore Services Holdings Pte Ltd ("POSH") to subscribe for 34 million new ordinary shares in POSH, representing 22.08% of the enlarged issued and paid up share capital of POSH for a consideration of USD221 million.

The Company has appointed AmInvestment Bank Berhad as its Main Adviser. As this is a related party transaction, the Company has appointed KPMG Corporate Advisory Sdn Bhd as its Independent Adviser. Please refer to our announcement dated 24 October 2008 for further details.

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

There were no changes in the composition of the Group during the current quarter under review.

#### A12. CONTINGENT LIABILITIES

There were no contingent liabilities at the date of this report except for an assessment of RM58.4 million raised by the Inland Revenue Board in respect of deemed interest income, which the Company is contesting.

### **B1. REVIEW OF PERFORMANCE**

The MBC Group's revenue for the 9 months ending September 2008 amounted to RM583.0 million, which is 40% (RM165.8 million) higher than the Group's revenue for the comparative period last year. The higher revenue for 2008 is mainly due to higher average TCE rates earned & increased hire days achieved by the dry bulk fleet.

Average TCE rate of US\$40,949/day for dry bulk fleet is US\$14,230/day higher than the average achieved for the comparative period last year of US\$26,719/day. This is in line with the trend of the BDI which started the year at 8,891, and peaked to a high of 11,793 during the second quarter. The dry bulk segment is further boosted by the increased hire days for the dry bulk sector.

In the tanker segment, average TCE and hire days for the 9 months in 2008 were lower. Average TCE rate declined from US\$21,468/day to this year's 9 months average of US\$20,612/day, a 4% drop whilst hire days reduced by 314 days due to the sale of Alam Comel, a 34,671 dwt product tanker.

The table below summarizes the fleet's average time charter equivalent (TCE) for dry bulk and tankers.

	Ave. TC	E/Day	Hire Days		
	9 months	ending	9 months ending		
	Sep.08	Sep.07	Sep.08	Sep.07	
	(USD)	(USD)	(Day)	(Day)	
Dry Bulk	40,949	26,719	3,875	3,460	
Product Tankers	20,612	21,468	935	1,249	
Fleet Average	36,995	25,326	4,810	4,709	

Total expenses for the 9 months to September 2008 increased by RM126.3 million as compared to the corresponding period in 2007. A major reason for the increase in operating expenses is the increased charter-in activities for 2008. The 9 months in 2008 reported a total of RM185.1 million in charter hire paid compared to only RM43.5 million for the same period last year. This represents 67% of the total operating expenses. However, depreciation has been reduced by 25% as a result of the sale of vessels during the period.

The Group's investments were impacted by the financial crisis resulting in a mark to market loss of RM62.3 million. Fortunately, the Group had earlier disposed of two dry bulk carriers and a tanker during the 9 months period which contributed towards the RM302.9 million gains from the sales. This compared favorably to last year's gains on disposal of 4 vessels which registered a gain of RM133.5 million.

For the 9 months period ended September 2008, the Group returned a profit before tax of RM521.3 million. This is 24% higher than that of the comparative period last year of RM420.2 million.

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

Group revenue for the third quarter of RM216.5 million reported a 16% increase (RM30.5 million) compared to second quarter revenue of RM186.0 million. This is mainly from increased charter-in activities wherein total hire days on bulkers increased from 1,278 days in the 2nd quarter to 1,334 days this 3rd quarter. This increase coupled with a higher 3rd quarter average TCE rate of US\$43,386/day, compared to the 2nd quarter's average of US\$41,514/day, boosted the current's quarter revenue.

The 3rd quarter results also includes a gain on disposal of 1 vessel amounting to RM158.5 million which compares favorably with 2nd quarter's gains of RM144.4 million.

The 3rd quarter includes mark to market provisions of RM32.3 million on its investments. Notwithstanding this, the quarter under review is still very profitable, albeit at lower group profit before tax of RM194.7 million compared to the previous quarter's RM226.9 million.

## **B3. PROSPECTS**

The business conditions for the second half of this year has seen the sharpest of declines in dry bulk freight with the Baltic Dry Index (BDI) plunging from its year high of 11,793 down to 820 points on 10 November 2008.

The outlook going forward looks bleak and the IMF in their November 6th update on the World Economic Outlook has revised their forecast for global growth down to 2.2% for 2009. The advanced economies of the US and several European economies are projected to see negative growth in 2009, although such setbacks hopefully will be mitigated by positive growth in China and other emerging economies of 5.1% collectively.

The sub-prime problem in the US has grown into a global banking and financial crisis. The mortgage defaults, de-leveraging by investment banks, hedge funds and other investors, and margin calls all have a huge impact on bank balance sheets resulting in banks curtailing credit worldwide. This resulted in reduced trade flows hence the sharp decline in freight rates. The severity of the problem has merited drastic measures by various governments to try to contain the situation in the hope that quick and decisive actions will speedily restore confidence and have trade flowing again. In these tumultuous times it is necessary to recognize that MBC has substantial cash balances and is well poised to take advantage of opportunities that may emerge.

Since September close, the world stock exchanges continue with their free fall and the US Dollar strengthened dramatically against all currencies except the Japanese Yen. If this trend is not reversed, our investments both in equities and a basket of foreign currencies will be further impacted. And with the current depressed shipping market, your Board expects that the 4th quarter results will not be good.

These are difficult times with the banking crisis resonating across all sectors of the global economy. The MBC Board will continue to make decisions that will create values for the group in the longer term. Overall the Group still fared well for the period and will close FY2008 with commendable results.

# B4. VARIANCE OF PROFIT FORECAST AND PROFIT GUARANTEE

There were no profit forecast or profit guarantee for the period under review.

# **B5. TAXATION**

		Current
	Current	financial
	quarter	year-to-date
	RM'000	RM'000
Income tax charge		
-current period	991	2,151
-prior year	372	2,467
	1,363	4,618

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 non-tax exempt activities of the Group.

## B6. PROFITS ON SALE OF INVESTMENTS AND/OR PROPERTIES

There were no sales of unquoted investments and/or properties for the current financial quarter.

# **B7. QUOTED SECURITIES**

ii)

i) Details of purchases and disposals of quoted securities are as follows:

Purchase consideration Sale proceeds Profit/(loss) on disposal of quoted securities	Current quarter RM'000 27,526 26,276 (2,750)	Current financial year-to-date RM'000 107,128 90,075 (2,879)
Details of investments in quoted securities:	As at	
Marketable securities		
At cost	168,037	
At book value *	166,652	
At market value	167,330	
Sale proceeds Profit/(loss) on disposal of quoted securities Details of investments in quoted securities: Marketable securities At cost At book value *	27,526 26,276 (2,750) As at 30-Sep-08 RM '000 168,037 166,652	107,128 90,075

\*Includes writeback of prior year gains of RM64.9 million.

# **B8. STATUS OF CORPORATE PROPOSALS**

Other than as disclosed in note A10 above, there were no other outstanding corporate proposals submitted by the Group as at 30 September 2008.

# **B9. GROUP BORROWINGS**

i) The Group borrowings as at 30 September 2008 are as follows:

	Currency	Current RM '000	Non-current RM '000
Secured loans	GBP	361	312,967
Unsecured loan	RM	-	544
Finance lease payables	USD	6,785	39,573
		7.146	353.084

The secured loans are denominated in Sterling Pound and these have been swapped into US Dollars.

# **B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

The Group did not enter into any contracts involving off balance sheet financial instruments as at the date of this report.

### **B11. MATERIAL LITIGATION**

There is no material litigation involving the Group since the last annual balance sheet date to the date of this report.

# **B12. DIVIDENDS**

The Directors do not recommend any dividend for the quarter under review.

## **B13. EARNINGS PER SHARE**

The basic earnings per share of the Group is calculated by dividing the profit attributable to ordinary equity holders of the parent by the number of ordinary shares in issue.

	CURRENT	PRECEDING	CURRENT	PRECEDING
	YEAR	YEAR	YEAR	YEAR
	QUARTER	QUARTER	TO DATE	TO DATE
	30-Sep-08	30-Sep-07	30-Sep-08	30-Sep-07
Profit attributable to ordinary equity holders of the parent (RM'000)	143,472	115,467	457,624	388,586
Number of ordinary shares in issue('000)	1,000,000	1,000,000	1,000,000	1,000,000
Earnings per share attributable to equity holders of the parent (sen)	14.35	11.55	45.76	38.86

# **B14. COMMITMENTS**

Commitments as at 30 September 2008 are as follows:

(i) Approved and contracted for	RM'000
Capital commitments - USD2.999 million - JPY560 million	10,280 17,898
(ii) Non-cancellable charter commitments	
Due within 1 year Due later than 1 year and not later than 5 years Due later than 5 years	76,230 214,147 599,409 917,964