

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-Jun-07 RM '000	PRECEDING YEAR QUARTER 30-Jun-06 RM '000 (restated)	CURRENT YEAR TO DATE 30-Jun-07 RM '000	PRECEDING YEAR TO DATE 30-Jun-06 RM '000 (restated)
Revenue	146,138	110,348	253,555	215,727
Operating expenses	<u>(45,746)</u>	<u>(44,567)</u>	<u>(83,288)</u>	<u>(85,431)</u>
Other operating income	100,392	65,781	170,267	130,296
Administrative expenses	<u>45,310</u>	<u>13,439</u>	<u>131,757</u>	<u>23,036</u>
	<u>(6,006)</u>	<u>(5,108)</u>	<u>(12,978)</u>	<u>(9,772)</u>
Profit from operations	139,696	74,112	289,046	143,560
Finance cost	(3,141)	(4,491)	(8,140)	(7,941)
Share of results of associate	<u>4,004</u>	<u>3,852</u>	<u>7,665</u>	<u>7,722</u>
Profit before taxation	140,559	73,473	288,571	143,341
Income tax expense	<u>(310)</u>	<u>(382)</u>	<u>(1,975)</u>	<u>(319)</u>
Profit for the period	<u>140,249</u>	<u>73,091</u>	<u>286,596</u>	<u>143,022</u>
Attributable to:				
Equity holders of the parent	129,465	70,113	273,119	137,115
Minority interests	<u>10,784</u>	<u>2,978</u>	<u>13,477</u>	<u>5,907</u>
	<u>140,249</u>	<u>73,091</u>	<u>286,596</u>	<u>143,022</u>
Earnings per share attributable to equity holders of the parent (sen)				
- Basic	12.95	7.01	27.31	13.71

Please refer to Note B13 for number of shares

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2007

	UNAUDITED	AUDITED
	AS AT END OF CURRENT QUARTER 30-Jun-07 RM '000	AS AT PRECEDING FINANCIAL YEAR END 31-Dec-06 RM '000
ASSETS		
Non-current assets		
Fixed assets	893,027	1,021,312
Associate	43,733	36,397
	<u>936,760</u>	<u>1,057,709</u>
Current Assets		
Consumable stores	6,741	6,216
Trade receivables	28,346	33,148
Other receivables and prepayments	92,923	84,231
Financial assets (comprising club membership & quoted investments)	297,610	178,235
Short term deposits	546,841	676,671
Cash and bank balances	5,689	16,123
	<u>978,150</u>	<u>994,624</u>
Non-current asset classified as held for sale	106,138	36,062
	<u>1,084,288</u>	<u>1,030,686</u>
TOTAL ASSETS	<u>2,021,048</u>	<u>2,088,395</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	250,000	200,000
Reserves	1,301,813	1,354,117
	<u>1,551,813</u>	<u>1,554,117</u>
Minority interest	61,938	53,034
Total equity	<u>1,613,751</u>	<u>1,607,151</u>
Non-current liabilities		
Bank and other borrowings	324,964	336,014
Deferred taxation	513	-
	<u>325,477</u>	<u>336,014</u>
Current liabilities		
Bank and other borrowings	17,085	73,302
Other payables	63,619	71,451
Provision for Taxation	1,116	477
	<u>81,820</u>	<u>145,230</u>
Total liabilities	<u>407,297</u>	<u>481,244</u>
TOTAL EQUITY AND LIABILITIES	<u>2,021,048</u>	<u>2,088,395</u>

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

	CUMULATIVE	
	CURRENT YEAR 30-Jun-07 RM '000	PRECEDING YEAR 30-Jun-06 RM '000 (Restated)
Cash Flow From Operating Activities		
Profit before taxation	288,571	143,341
Adjustments for:		
Depreciation	20,191	19,634
(Gain) / loss on disposal of quoted investments	(3,429)	(1,107)
Gain on disposal of vessels	(105,846)	-
Provision for doubtful debts	(152)	-
Unrealised exchange (gain)/loss	2,363	-
Share of results of associate	(7,665)	(7,722)
Unrealised loss / (gain) on quoted investments	1,045	2,037
Dividend income	(523)	(742)
Movement in foreign exchange translation	(2,936)	(5,836)
Interest income	(19,199)	(19,087)
Interest expense	8,140	7,941
Operating profit before working capital changes	180,560	138,459
Working capital changes:		
Consumable stores	(525)	2,846
Receivables	(4,653)	(9,074)
Payables	(7,832)	(43,936)
Cash generated from operating activities	167,550	88,295
Tax (paid)/recovered	57	(553)
Net cash generated from operating activities	167,607	87,742
Cash Flows From Investing Activities		
Construction / purchase cost incurred for fixed assets	(128,829)	(81,888)
Purchase of new equipment and capitalisation of dry docking cost	(3,080)	(1,040)
Purchase of other fixed assets	(53)	(252)
Purchase of quoted investments	(207,000)	(24,553)
Dividend received	523	742
Interest received	19,199	19,087
Proceeds from disposal of quoted investments	86,425	15,032
Proceeds from sale of vessels	249,456	-
Loan repayment from associate company	-	3,754
Net cash generated from/(used in) investing activities	16,641	(69,118)
Cash Flows From Financing Activities		
Interest paid	(8,140)	(7,941)
Repayment of loans	(64,159)	(11,448)
Dividend paid to shareholders	(240,000)	(136,000)
Loan from a minority shareholder of a subsidiary company	4,361	-
Net cash generated from/(used in) financing activities	(307,938)	(155,389)
Net Change in Cash & Cash Equivalents	(123,690)	(136,765)
Effects of Foreign Exchange Rate Changes	(16,574)	-
Cash & Cash Equivalents at the beginning of the period	692,794	775,093
Cash & Cash Equivalents at the end of the period	552,530	638,328
Cash & Cash equivalents comprise:		
Short term deposits	546,841	633,554
Cash and bank balances	5,689	4,774
	552,530	638,328

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

	← Attributable to Equity Holders of the Parent →						Minority Interest	Total Equity	
	Non-distributable			Distributable					
	Share Capital RM '000	Share premium RM '000	Capital reserve RM '000	Capital redemption reserve RM '000	Exchange translation reserve RM '000	Retained profits RM '000			Total RM '000
6 MONTHS ENDED 30 JUNE 2006									
At 1 January 2006									
As previously stated	200,000	98,791	34,159	40,000	1,473	1,089,657	1,464,080	45,082	1,509,162
Effects of adopting FRS 121	-	-	-	-	91,678	(56,061)	35,617	-	35,617
At 1 January 2006 (restated)	200,000	98,791	34,159	40,000	93,151	1,033,596	1,499,697	45,082	1,544,779
Currency translation differences	-	-	-	-	(32,567)	-	(32,567)	(1,289)	(33,856)
Profit for the period	-	-	-	-	-	137,115	137,115	5,907	143,022
Dividends	-	-	-	-	-	(136,000)	(136,000)	-	(136,000)
At 30 June 2006 (restated)	200,000	98,791	34,159	40,000	60,584	1,034,711	1,468,245	49,700	1,517,945
6 MONTHS ENDED 30 JUNE 2007									
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	-	-	-	-	(35,423)	-	(35,423)	(4,573)	(39,996)
Profit for the period	-	-	-	-	-	273,119	273,119	13,477	286,596
Dividends	-	-	-	-	-	(240,000)	(240,000)	-	(240,000)
Bonus issue	50,000	(50,000)	-	-	-	-	-	-	-
At 30 June 2007	250,000	48,791	34,159	40,000	(52,418)	1,231,281	1,551,813	61,938	1,613,751

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 2006 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 (RM20.0million as at 30 June 07) will only be recognised at the year end.

This interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2006.

A2. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2006 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, save for the bonus issue referred to under note B8.

A7. DIVIDENDS

The directors have declared an interim dividend of 8sen per share (tax exempt) amounting to RM80million for the financial year-to-date.

In respect of financial year ended 31 December 2006, a first and final dividend of 12 sen per share and a special dividend of 18 sen per share, tax exempt, amounting to RM240 million was paid on 10 May 2007.

A8. SEGMENT REPORT

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

	Shipping Bulkers RM '000	Shipping Tankers RM '000	Ship brokerage & management & others RM '000	Elimination RM '000	Group RM '000
REVENUE AND RESULT					
Revenue					
External sales	188,798	62,144	2,613	-	253,555
Inter-segment sales	(934)	-	1,590	(656)	-
Total revenue	<u>187,864</u>	<u>62,144</u>	<u>4,203</u>	<u>(656)</u>	<u>253,555</u>
Segment results	204,590	62,445	2,812	-	269,847
Interest income					19,199
Finance cost					(8,140)
Share of results of associate					7,665
Taxation					(1,975)
Profit for the period					<u>286,596</u>

A9. VALUATION OF SHIPS, PROPERTY AND EQUIPMENT

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

A10. SUBSEQUENT MATERIAL EVENTS

A subsidiary, Ethiopian Assets Ltd had, on 19 March 2007, entered into a Memorandum of Agreement for the disposal of a vessel for cash consideration of US\$41.1 million. The disposal was completed on 10 August 2007.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

A wholly owned subsidiary, New Johnson Holdings Ltd has on 25 June 2007 acquired 100% interest in Towertime Holdings Ltd from Ambi Shipping Pte Ltd. Ambi Shipping is a joint venture in which the group has a 70% equity share.

Seven wholly owned subsidiaries of the Company which are dormant have commenced their Member's Voluntary Winding-up in June 2007.

Saved as disclosed above, there have been no other changes in the composition of the Group during the current quarter under review.

A12. CONTINGENT LIABILITIES

There were no changes in contingent liabilities since the last annual balance sheet date to the date of this report.

B1. REVIEW OF PERFORMANCE

Group revenue for the first half 2007 of RM253.5m is an increase of 17.5% over the RM215.7m posted for the comparative period in 2006. The increase in revenue was mainly attributable to the higher dry bulk TCE achieved for the period.

The dry bulk segment saw positive contribution due to a significant improvement in drybulk TCE rates, which more than offset the reduction in hire days (358 days). This reduction in hire days was due to the sale of one of the Group's Lakers, reduced charter-in activities due to deployment of own tonnage for contracts of affreightment and drydockings.

The TCE rate for Group's medium range (MR) tankers in the first half of 2007 is marginally down when compared to the first half of 2006's TCE average. However, in 2007, MBC took delivery of MT Alam Cepat (March 2007) and Alam Cergas (June 2007) and these additions generated an increase in total tanker hire days which in turn contributed to a RM 17.4m increase in tanker income. Alam Cantik was sold and delivered to buyers in June 2007.

	Ave. TCE/Day		Hire Days	
	June 07 (USD)	June 06 (USD)	June 07 (Day)	June 06 (Day)
Bulkers	24,284	17,742	2,221	2,579
Product Tankers	21,571	22,423	843	552
Total Fleet	23,538	18,568	3,064	3,131

Profit attributable to shareholders for the period ended June 2007 is RM273.1m. The 100% increase in attributable profit compared to the first half of 2006 is because of the strong dry bulk freight market, gains from disposal of vessels totaling RM105.8m and the contribution of the two medium range tankers, Alam Cergas & Alam Cepat.

There were no significant operating expenses variances when the periods under consideration were reviewed. Costs are consistent with the level of operating activities.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

Revenue for the second quarter was up 36% compared to Q1/2007. During the second quarter, Alam Cergas was sold, resulting in a gain of RM31.9m. Excluding gains from sale of vessels (i.e. RM74.0m for Q1/2007 & RM31.9m for Q2/2007), the operating profits for Q2/2007 of RM107.8m is a 43% improvement over the previous quarter. The improved results are as a result of the strong freight market.

Quarter-on-quarter, the average TCE for both the dry bulk and the tanker segment reported improvements of 22% averaging US\$26,543 and 17% averaging US\$23,068 for both the dry bulk and the tanker segment respectively. Hire days were also higher for both segments.

B3. PROSPECTS

At the close of 2006, the Baltic Dry Index (BDI) a benchmark for dry bulk markets stood at 4,421 and has since been strengthening into FY2007, closing at 6,967 at the end of July 2007. The increased iron-ore & coal imports into China driven by China's construction and steel production boom, the congestion at various major commodity exporting and importing ports has created a shortage of tonnage which newbuilding deliveries have not been able to meet. The BDI averaged 5,974 in the three months ended June 30 – more than double from its levels a year earlier.

However, the tanker segment has been weak for 2007. The Baltic Clean Tanker Index (BCTI) closed at the end of July at 918 points, 22% down from 2006's close of 1,185. The Group's tanker fleet is however relatively insulated from this downward trend in that several of its tankers have been fixed out for period charters or have recently been sold.

Product Tanker freight rates has weakened in June and July with product tankers earnings about 14% lower than the 2007 peak reached in May this year. The recent softening in rates was attributed to the relatively lower than expected consumption of gasoline in the US and the relatively higher inventory arising from the increased production of gasoline by the US refineries. However, the upcoming driving season in the US is expected to support the market although rates are expected to remain lack luster due to current tanker oversupply situation.

The IMF's World Economic Outlook in its July update this year reported that the global economy is expanding at a brisk pace in the first half of 2007, led by China, India and Russia. Global growth is projected at 5.2% for 2007 and 2008. Whilst business fundamentals remains sound and growth in the emerging markets are strong, the current financial problems from the US subprime mortgages and leveraged loans have impacted the equity and loan markets. Coupled with high oil prices, these provide the risks which could slow the otherwise positive outlook for the global economy.

The Board remains positive of a strong Group performance for 2007.

B4. VARIANCE OF PROFIT FORECAST AND PROFIT GUARANTEE

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

B5. TAXATION

	Current quarter RM'000	Current financial year-to-date RM'000
Income tax charge		
-current year	330	1,120
-prior year	(20)	342
Deferred tax	-	513
	<u>310</u>	<u>1,975</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 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

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

	Current quarter RM'000	Current financial year-to-date RM'000
Purchase consideration	193,561	207,000
Sale proceeds	34,352	86,425
Profit/(loss) on disposal of quoted securities	1,306	3,429

ii) Details of investments in quoted securities:

	As at 30-Jun-07 RM '000
Marketable securities	
At cost	256,006
At book value	297,438
At market value	317,241

B8. STATUS OF CORPORATE PROPOSALS

Further to the shareholders' approval at the Extraordinary General Meeting held on 20 April 2007, the Company has effected the bonus issue and allotment of 200 million new ordinary shares RM0.25 each on 23 May 2007. These shares were listed and quoted on the Main Board of Bursa Malaysia Securities Bhd on 24 May 2007.

There are no outstanding corporate proposals submitted by the Group as at 30 June 2007.

B9. GROUP BORROWINGS

i) The Group borrowings as at 30 June 2007 are as follows:

	Currency	Current RM '000	Non-current RM '000
Secured loans	GBP	10,755	254,997
Unsecured loan	USD	-	21,375
Unsecured loan	RM	-	544
Finance lease payables	USD	6,330	48,048
		17,085	324,964

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 have declared an interim dividend of 8sen per share (tax exempt) amounting to RM80million for the financial year-to-date.

The entitlement and payment dates will be determined at a later date.

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 weighted average number of ordinary shares in issue.

	CURRENT YEAR QUARTER 30-Jun-07	PRECEDING YEAR QUARTER 30-Jun-06	CURRENT YEAR TO DATE 30-Jun-07	PRECEDING YEAR TO DATE 30-Jun-06
Profit attributable to ordinary equity holders of the parent (RM'000)	129,465	70,113	273,119	137,115
Weighted average 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)	12.95	7.01	27.31	13.71

B14. COMMITMENTS

Commitments as at 30 June 2007, in foreign currency and its equivalent in RM are as follows:

Approved and contracted for	'000	RM'000
Capital commitments		
- new shipbuildings	USD 15,560	53,386
Charterhire commitments in Japanese Yen	JPY 4,553,450	127,724
		181,110