

NOTES

1) ACCOUNTING POLICIES

The consistent accounting policies and methods of computation used in the preparation of the Group's Annual Financial Statements for the year ended 31 March 2001 have been applied in the preparation of the quarterly financial statements except for items in Note 22.

2) EXCEPTIONAL ITEMS

There are no exceptional items during the current financial year to date.

3) EXTRAORDINARY ITEMS

There are no extraordinary items during the current financial year to date.

4) TAXATION

	Jan 02-Mar 02 RM '000	Apr 01-Mar 02 RM '000
Taxation for the period comprises the following charge/(credit)		
Income tax charge/(credit)		
- current period	8,162	20,743
- prior year	132	(711)
Deferred taxation	(3,987)	(3,850)
	<u>4,307</u>	<u>16,182</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.

5) PROFITS ON SALE OF INVESTMENTS AND/OR PROPERTIES

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

6) PURCHASES AND SALES OF QUOTED SECURITIES

a) Quoted securities amounting to RM 4,974,000 were purchased during the year to date. Proceeds from sale of quoted securities during the same period amounted to RM 7,705,000.

b) Investments in quoted securities as at 31 March 2002 are as follows:-

Marketable Securities	RM '000
At cost	10,587
At carrying value	6,326
At market value	6,326
Other Investments (Long Term)	RM '000
At cost	183,812
At carrying value	183,812
At market value	184,793

7) CHANGES IN THE COMPOSITION OF THE GROUP

None

8) STATUS OF CORPORATE PROPOSALS

None

9) ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

During the current financial year to 31 December 2001, 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.

10) GROUP BORROWINGS

a) The tenure of Group borrowings as at 31 March 2002 classified as short and long term as well as secured and unsecured categories is as follows :-

	RM '000
Short Term Borrowings	
Secured	86,783
Unsecured	<u>1,414,171</u>
	<u>1,500,954</u>
Long Term Borrowings	
Secured	389,569
Unsecured	<u>2,721,660</u>
	<u>3,111,229</u>
Total	<u><u>4,612,183</u></u>

b) Foreign borrowings in Ringgit Malaysia equivalent as at 31 March 2002 are as follows :-

	RM '000
US Dollars	3,807,186

11) 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 agents	6,370

12) OFF BALANCE SHEET FINANCIAL INSTRUMENTS

A subsidiary company that was acquired in 1998 has interest rate swap contracts to convert a portion of its floating rate interest obligations. Under these interest rate swap contracts, the subsidiary company concerned agreed with the counterparties to receive interest at floating rates and to pay interest at a fixed rate of 7.0% per annum, calculated on the notional principal of USD 130,000,000 (RM 494,000,000). The average floating interest rate on these contracts during the quarter was 1.90% per annum (financial year ended 31 March 2001: 6.6% per annum). These interest rate swap agreements expire in year 2005.

The interest rate swap contracts are secured by a counter-guarantee from certain subsidiary companies and mortgaged on the vessels of these subsidiary companies.

The estimated fair value of the interest rate swap contracts currently is USD 12,289,000 (RM 46,698,200) and represents the amount the Group would have to pay to terminate the contracts.

13) MATERIAL LITIGATION

There is no material litigation involving the Group.

14) SEGMENT REPORT

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

	Revenue	Profit/(Loss) from ordinary activities before tax	Total Assets
	RM '000	RM '000	RM '000
Shipping	3,560,736	1,539,177	11,958,829
Integrated Liner Logistics	1,995,909	(163,670)	2,161,012
Non-shipping	<u>1,151,572</u>	<u>35,542</u>	<u>286,552</u>
Sub total	6,708,217	1,411,049	14,406,393
Less: Associated Companies	<u>(1,199,783)</u>	-	-
Group	<u><u>5,508,434</u></u>	<u><u>1,411,049</u></u>	<u><u>14,406,393</u></u>

15) COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group Profit Before Tax (PBT) which was higher by 35.6% than the preceding quarter (after restating the effect of change in accounting policies as per Note 22) was brought about by better performance from all business lines except Bulk and other profit centres. Major contributors during Quarter 4 compared to Quarter 3 of the 2001/02 FY were LNG and Petroleum businesses.

16) REVIEW OF PERFORMANCE

The continuous slowdown of the global economy has resulted in overcapacity and falling freight rates, which contributed to lower Group performance compared to the last FY.

17) SUBSEQUENT MATERIAL EVENT

None

18) SEASONALITY OR CYCLICALITY OF OPERATIONS

Except for LNG transportation business, other businesses of the Group are influenced by market fluctuations.

19) CURRENT YEAR PROSPECTS

The anticipated recovery of the US economy in the second half of 2002 promises prospects of better performance by the Group. However, continuous global overtonnage and weak freight rates situation will impact on revenue streams. The Group had taken several initiatives to improve performance through stringent cost management, liner service rationalisation and formation of alliances and joint ventures in bulk and chemical businesses.

On 31 March 2002, the Group was awarded a three-year time charter contract with a renewal of another year from Gaz de France for the transportation of liquified natural gas. Efforts are also ongoing to look for new petroleum and chemical business opportunities globally.

The expected delivery of two new LNG vessels in the second half of 2002 will bring consistent added revenue stream to shield the Group from the effect of global economic uncertainties.

20) VARIANCE OF FORECAST PROFIT/PROFIT GUARANTEE

None

21) DIVIDENDS

The Group paid an interim dividend for FY 2001/2002 of 15 sen per share tax exempt (2000/2001: 10 sen) on 30 January 2002. The Board of Directors has recommended a final dividend of 15 sen per share, tax exempt (2000/2001: 16 sen) in respect of the financial year ended 31 March 2002, amounting to RM 279.0 million (2000/2001: RM 297.6 million). Subject to approval at the forthcoming Annual General Meeting, the proposed dividend will be paid on 27 August 2002 to shareholders registered at the close of business on 1 August 2002. The Register of Members will be closed from 2 August 2002 to 9 August 2002 (both dates inclusive) for the purpose of determining shareholders' entitlement to the dividend. A depositor shall qualify for entitlement only in respect of:

- a) Shares transferred into the depositor's securities account before 12.30 pm on 30 July 2002 in respect of ordinary share transfer.
- b) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the rules of the Kuala Lumpur Stock Exchange.

22) CHANGE IN ACCOUNTING POLICIES

The Group has opted for an early adoption of Malaysian Accounting Standard Board ("MASB") 6 - "The Effect of Changes in Foreign Exchange Rates" and MASB 20 - "Provisions, Contingent Liabilities and Contingent Assets" . This has given rise to change in accounting policies which have the effect of increasing the profit before tax as follows:

	CUMULATIVE	
	CURRENT	PRECEDING YEAR
	YEAR	CORRESPONDING
	TO DATE	PERIOD
	31 MAR 2002	31 MAR 2001
	RM '000	RM '000
Exchange difference on translation of long term foreign currency loans	226,216	230,574
Provision for dry-docking	56,173	82,829
	<u>282,389</u>	<u>313,403</u>

The effect relating to periods prior to 1 April 2000 of RM409,671,000 has been adjusted against the opening retained profits for the year ended 31 March 2001.