

QUARTERLY REPORT

This is a quarterly report on consolidated results for the period ended 31 March 2006
The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2006

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 31-Mar-06 RM '000	PRECEDING YEAR QUARTER 31-Mar-05 RM '000	CURRENT YEAR TO DATE 31-Mar-06 RM '000	PRECEDING YEAR TO DATE 31-Mar-05 RM '000
Revenue	105,379	103,733	105,379	103,733
Operating expenses	<u>(40,406)</u>	<u>(27,751)</u>	<u>(40,406)</u>	<u>(27,751)</u>
Other operating income	64,973	75,982	64,973	75,982
Administrative expenses	9,800	294,806	9,800	294,806
Finance cost	(4,867)	(3,744)	(4,867)	(3,744)
Share of results of associate	(3,450)	(3,167)	(3,450)	(3,167)
	<u>3,870</u>	<u>(1)</u>	<u>3,870</u>	<u>(1)</u>
Profit before taxation	70,326	363,876	70,326	363,876
Income tax expense	<u>63</u>	<u>925</u>	<u>63</u>	<u>925</u>
Profit for the period	<u><u>70,389</u></u>	<u><u>364,801</u></u>	<u><u>70,389</u></u>	<u><u>364,801</u></u>
Attributable to:				
Equity holders of the parent	67,460	362,036	67,460	362,036
Minority interests	<u>2,929</u>	<u>2,765</u>	<u>2,929</u>	<u>2,765</u>
	<u><u>70,389</u></u>	<u><u>364,801</u></u>	<u><u>70,389</u></u>	<u><u>364,801</u></u>
Earnings per share attributable to equity holders of the parent (sen)				
- Basic	8.43	45.25	8.43	45.25

Please refer to Note B13 for number of shares

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2006

	UNAUDITED	AUDITED
	AS AT END OF CURRENT QUARTER 31-Mar-06 RM '000	AS AT PRECEDING FINANCIAL YEAR END 31-Dec-05 RM '000
ASSETS		
Non-current assets		
Fixed assets	956,907	972,324
Investments in associates	25,319	25,461
	<u>982,226</u>	<u>997,785</u>
Current Assets		
Consumable stores	4,683	7,882
Trade receivables	22,817	27,327
Other receivables and prepayments	38,777	23,892
Financial assets (including quoted investments)	148,921	150,338
Short term deposits	798,996	772,310
Cash and bank balances	5,003	2,783
	<u>1,019,197</u>	<u>984,532</u>
TOTAL ASSETS	<u><u>2,001,423</u></u>	<u><u>1,982,317</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	200,000	200,000
Reserves	1,302,765	1,264,080
	<u>1,502,765</u>	<u>1,464,080</u>
Minority interest	47,992	45,082
Total equity	<u>1,550,757</u>	<u>1,509,162</u>
Non-current liabilities		
Borrowings	379,788	389,540
Deferred taxation	74	74
	<u>379,862</u>	<u>389,614</u>
Current liabilities		
Borrowings	23,090	23,201
Other payables	47,600	60,238
Provision for Taxation	114	102
	<u>70,804</u>	<u>83,541</u>
Total liabilities	<u>450,666</u>	<u>473,155</u>
TOTAL EQUITY AND LIABILITIES	<u><u>2,001,423</u></u>	<u><u>1,982,317</u></u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2006

	CUMULATIVE	
	CURRENT	PRECEDING
	YEAR	YEAR
	31-Mar-06	31-Mar-05
	RM '000	RM '000
Cash Flow From Operating Activities		
Profit before taxation	70,326	363,876
Adjustments for:		
Depreciation	9,055	8,298
(Gain) / loss on disposal of quoted investments	(453)	(44)
Gain on disposal of subsidiaries	-	(294,432)
Share of results of associate	(3,870)	1
Unrealised loss / (gain) on quoted investments	962	1,528
Dividend income	(516)	(132)
Movement in foreign exchange translation	(11,548)	(564)
Interest income	(9,652)	(1,273)
Interest expense	3,450	948
Dividend on RPS	-	2,219
Operating profit before working capital changes	<u>57,754</u>	<u>80,425</u>
Working capital changes:		
Consumable stores	3,199	(1,596)
Receivables	5,419	(2,061)
Payables	(27,912)	(3,832)
Cash generated from operating activities	<u>38,460</u>	<u>72,936</u>
Tax (paid)/recovered	(444)	(125)
Net cash generated from operating activities	<u>38,016</u>	<u>72,811</u>
Cash Flows From Investing Activities		
Construction / purchase cost incurred for fixed assets	(11,736)	(89,581)
Purchase of new equipment and capitalisation of dry docking cost	(629)	(238)
Purchase of other fixed assets	(57)	-
Purchase of quoted investments	(9,145)	(12,634)
Dividend received	516	132
Interest received	9,652	1,273
Proceeds from disposal of quoted investments	7,608	5,027
Proceeds from disposal of subsidiaries	-	186,070
Loan repayment from associate company	3,708	-
Net cash generated from/(used in) investing activities	<u>(83)</u>	<u>90,049</u>
Cash Flows From Financing Activities		
Interest paid	(3,450)	(948)
Repayment of term loans	(5,577)	(2,064)
Net cash generated from/(used in) financing activities	<u>(9,027)</u>	<u>(3,012)</u>
Net Change in Cash & Cash Equivalents	<u>28,906</u>	<u>159,848</u>
Cash & Cash Equivalents at the beginning of the period	<u>775,093</u>	<u>56,091</u>
Cash & Cash Equivalents at the end of the period	<u>803,999</u>	<u>215,939</u>
Cash & Cash equivalents comprise:		
Short term deposits	798,996	207,778
Cash and bank balances	5,003	8,161
	<u>803,999</u>	<u>215,939</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2006

	← Attributable to Equity Holders of the Parent →						Total RM '000	Minority Interest RM '000	Total Equity RM '000
	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			
3 MONTHS ENDED 31 MARCH 2005									
At 1 January 2005	200,000	98,791	34,159	25,000	2,172	555,953	916,075	32,553	948,628
Currency translation differences	-	-	-	-	291	-	291		291
Profit for the period	-	-	-	-	-	362,036	362,036	2,765	364,801
At 31 March 2005	200,000	98,791	34,159	25,000	2,463	917,989	1,278,402	35,318	1,313,720
3 MONTHS ENDED 31 MARCH 2006									
At 1 January 2006	200,000	98,791	34,159	40,000	1,473	1,089,657	1,464,080	45,082	1,509,162
Currency translation differences	-	-	-	-	(28,775)	-	(28,775)	(19)	(28,794)
Profit for the period	-	-	-	-	-	67,460	67,460	2,929	70,389
At 31 March 2006	200,000	98,791	34,159	40,000	(27,302)	1,157,117	1,502,765	47,992	1,550,757

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 and should be read in conjunction with the audited financial statements for the year ended 31 December 2005.

The significant accounting policies adopted by the Group in this interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2005 which includes the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 January 2006.

FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets

The adoption of FRS 102, 108, 110, 116, 127, 128, 131, 132, 133, 136 and 138 does not have significant financial impact to the Group. The principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRSs are discussed below:

(a) FRS 101 - Presentation of Financial Statements

The adoption of the revised FRS 101 has effected the presentation of minority interest, share of net after tax results of associates and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presentation as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

(b) FRS 121 - The Effects of Changes in Foreign Exchange Rates

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Ringgit Malaysia, which is the Company's presentation currency.

The Company and some of its subsidiaries have identified United States Dollar as their functional currency and have measured its results and financial position for the current period in United States Dollar. The results and the financial position of these companies were subsequently translated into Ringgit Malaysia in accordance with paragraphs 38-50 of FRS 121.

In accordance with the transitional provisions of FRS 121, this change is applied with effect from 1 January 2006. The change has had no impact on amounts reported for 2005 or prior periods.

A2. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2005 were not qualified.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

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 and financial year-to-date ended 31 March 2006.

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

No dividend has been paid or declared for the current quarter and financial year-to-date ended 31 March 2006.

A8. SEGMENT REPORT

Segmental analysis for the current financial year 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	82,030	22,401	948	-	105,379
Inter-segment sales	(421)	-	856	(435)	-
Total revenue	<u>81,609</u>	<u>22,401</u>	<u>1,804</u>	<u>(435)</u>	<u>105,379</u>
Segment results	49,565	12,485	(1,796)	-	60,254
Interest income					9,652
Finance cost					(3,450)
Share of results of associate					3,870
Taxation					63
Profit for the period					<u>70,389</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

There were no material events subsequent to the current quarter ended 31 March 2006 up to the date of this report.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current quarter and financial year-to-date ended 31 March 2006.

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 quarter of RM105.4 million is a marginal 1.6% increase against the comparative Q1 2005 revenue of RM103.7 million. The time charter equivalent (TCE) for the dry bulk and tankers reported a 9% and 22% drop respectively. The significant drop in the tanker segment is primarily due to the disposal of a panamax tanker at the end of January 2005. However, the adverse impact of the lower TCE on Group's revenue was mitigated by the delivery of the 5 post panamax bulkers during the year 2005, which boosted total hire days by 21.5% compared to Q1 2005.

The Group profit after tax for the first quarter of RM70.4 million is in line with the Board's expectations. This is comparable with Q1 2005's RM70.8 million, excluding the capex gains of RM294.4million in Q1 2005. Ship-operating expenses are higher by RM12.6million, mainly due to the increased fleet size, as well as costs of the Group's charter-in activities.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

Quarter-on-quarter, Q1 2006's revenue of RM105.4 million is higher than the previous quarter of RM101.1 million by 4%. This is mainly due to increased hire days from the Group's charter-in activities.

Total hire days of 1525 days for Q1 2006 is a marginal 2.5% up against Q4 2005. Quarter-on-quarter, the average TCE for the dry bulk and the tanker segments reported a 1.8% increase and 2.3% drop respectively.

Overall, compared to Q4 2005, net operating profit increased by 14% and profit attributable to shareholders for the period increased by 15%.

B3. PROSPECTS

In May this year, the Group took delivery of MT Alam Cantik, a 35,000 dwt tanker, bringing its total fleet size to 18 vessels. The remaining 3 vessels on order will be delivered in 2007.

The Baltic Dry Index (BDI) started the year at 2407, dipping to a low of 2081 at end January 2006, regaining ground to 2498 at end Mar 2006 and is currently at 2476. However, in the tanker segment, the Baltic Clean Tanker Index (BCTI), declined by 45% to 863 into end March, but has since recovered to 1159.

The World Bank and the IMF forecasted an optimistic outlook for the 2006 global economy. On 19 April this year, IMF revised their global growth estimates for 2006 - up by 0.6 percentage points to 4.9%. World trade volume (comprising movements of goods and services) is projected to grow by 8% for 2006. Japan's recovery is becoming more entrenched and China's growth momentum is very strong, with investment and exports being the main drivers. Latest Economist GDP forecasts for China have been revised upwards to 10.2%, from the earlier forecast this year of 9.7%.

Whilst these are good reasons to be optimistic, high oil prices, rising interest rates and inflation, growing global imbalances and the threat of an avian flu pandemic still remain the key risks to growth in Asia and the world. Furthermore, recent data from the US pointed to a slowdown and accelerating inflation in the US. These will revive growing fears that the US Federal Reserve will continue with their monetary tightening, which will affect global economic growth - and the shipping sector will not be spared.

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	financial year-to-date RM'000
Income tax charge/(credit)		
-current year	113	113
-prior year	(176)	(176)
	<u>(63)</u>	<u>(63)</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	9,145	9,145
Sale proceeds	7,608	7,608
Profit/(loss) on disposal of quoted securities	453	453

ii) Details of investments in quoted securities:

	As at 31-Mar-06 RM '000
Marketable securities	
At cost	116,933
At book value	148,921
At market value	164,618

B8. STATUS OF CORPORATE PROPOSALS

There were no outstanding corporate proposals submitted by the Group as at 31 March 2006.

B9. GROUP BORROWINGS

i) The Group borrowings as at 31 March 2006 are as follows:

	Currency	Current RM '000	Non-current RM '000
Secured loans	GBP	10,205	255,409
Unsecured loan	USD	-	9,240
Unsecured loan	RM	-	544
Finance lease payables	USD	12,885	114,595
		<u>23,090</u>	<u>379,788</u>

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 current financial quarter ended 31 March 2006.

B13. EARNINGS PER SHARE

Earnings per share of the Group are calculated by dividing the profit attributable to ordinary equity holders of the parents by the weighted average number of ordinary shares in issue.

	CURRENT YEAR QUARTER 31-Mar-06	PRECEDING YEAR QUARTER 31-Mar-05	CURRENT YEAR TO DATE 31-Mar-06	PRECEDING YEAR TO DATE 31-Mar-05
Profit attributable to ordinary equity holders of the parent (RM'000)	67,460	362,036	67,460	362,036
Weighted average number of ordinary shares in issue('000)	800,000	800,000	800,000	800,000
Earnings per share attributable to equity holders of the parent (sen)	<u>8.43</u>	<u>45.25</u>	<u>8.43</u>	<u>45.25</u>

B14. COMMITMENTS

Commitments as at 31 March 2006, in foreign currency and its equivalent in RM are as follows:

Approved and contracted for	'000	RM'000
Capital commitments		
- new shipbuildings	USD 87,420	324,153
Bareboat charter commitments in Japanese Yen	JPY 4,657,150	<u>147,399</u>
		<u>471,552</u>