

QUARTERLY REPORT

This is a quarterly report on consolidated results for the period ended 30 June 2006
The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2006

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 30-Jun-06 RM '000	PRECEDING YEAR QUARTER 30-Jun-05 RM '000	CURRENT YEAR TO DATE 30-Jun-06 RM '000	PRECEDING YEAR TO DATE 30-Jun-05 RM '000
Revenue	110,348	96,358	215,727	200,091
Operating expenses	<u>(44,352)</u>	<u>(32,016)</u>	<u>(84,758)</u>	<u>(59,767)</u>
Other operating income	65,996	64,342	130,969	140,324
Administrative expenses	13,439	120,016	23,036	414,978
Finance cost	(5,108)	(3,712)	(9,772)	(7,612)
Share of results of associate	(4,491)	(1,977)	(7,941)	(5,144)
	<u>3,852</u>	<u>1</u>	<u>7,722</u>	<u>0</u>
Profit before taxation	73,688	178,670	144,014	542,546
Income tax expense	<u>(382)</u>	<u>(453)</u>	<u>(319)</u>	<u>472</u>
Profit for the period	<u><u>73,306</u></u>	<u><u>178,217</u></u>	<u><u>143,695</u></u>	<u><u>543,018</u></u>
Attributable to:				
Equity holders of the parent	70,328	174,233	137,788	536,269
Minority interests	<u>2,978</u>	<u>3,984</u>	<u>5,907</u>	<u>6,749</u>
	<u><u>73,306</u></u>	<u><u>178,217</u></u>	<u><u>143,695</u></u>	<u><u>543,018</u></u>
Earnings per share attributable to equity holders of the parent (sen)				
- Basic	8.79	21.78	17.22	67.03

Please refer to Note B13 for number of shares

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2006

	UNAUDITED	AUDITED
	AS AT END OF CURRENT QUARTER 30-Jun-06 RM '000	AS AT PRECEDING FINANCIAL YEAR END 31-Dec-05 RM '000
ASSETS		
Non-current assets		
Fixed assets	1,019,427	972,324
Investments in associates	28,975	25,461
	<u>1,048,402</u>	<u>997,785</u>
Current Assets		
Consumable stores	5,036	7,882
Trade receivables	28,988	27,327
Other receivables and prepayments	50,720	23,892
Financial assets (including quoted investments)	154,733	150,338
Short term deposits	633,554	772,310
Cash and bank balances	4,774	2,783
	<u>877,805</u>	<u>984,532</u>
TOTAL ASSETS	<u><u>1,926,207</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	1,233,301	1,264,080
	<u>1,433,301</u>	<u>1,464,080</u>
Minority interest	49,700	45,082
Total equity	<u>1,483,001</u>	<u>1,509,162</u>
Non-current liabilities		
Bank and other borrowings	383,981	389,540
Deferred taxation	74	74
	<u>384,055</u>	<u>389,614</u>
Current liabilities		
Bank and other borrowings	23,568	23,201
Other payables	35,238	60,238
Provision for Taxation	345	102
	<u>59,151</u>	<u>83,541</u>
Total liabilities	<u>443,206</u>	<u>473,155</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,926,207</u></u>	<u><u>1,982,317</u></u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2006

	CUMULATIVE	
	CURRENT	PRECEDING
	YEAR	YEAR
	30-Jun-06	30-Jun-05
	RM '000	RM '000
Cash Flow From Operating Activities		
Profit before taxation	144,014	542,546
Adjustments for:		
Depreciation	18,960	16,030
Amortisation of deferred credit	-	(1,273)
Gain on disposal of fixed assets	-	(118,148)
(Gain) / loss on disposal of quoted investments	(1,107)	192
Gain on disposal of subsidiaries / vessels	-	(294,068)
Share of results of associate	(7,722)	-
Unrealised loss / (gain) on quoted investments	2,037	2,373
Dividend income	(741)	(556)
Movement in foreign exchange translation	(5,836)	(96)
Interest income	(19,087)	(4,528)
Interest expense	7,941	5,144
Operating profit before working capital changes	<u>138,459</u>	<u>147,616</u>
Working capital changes:		
Consumable stores	2,846	(1,380)
Receivables	(25,775)	(7,058)
Payables	<u>(27,235)</u>	<u>(9,128)</u>
Cash generated from operating activities	88,295	130,050
Tax (paid)/recovered	<u>(553)</u>	<u>(373)</u>
Net cash generated from operating activities	<u>87,742</u>	<u>129,677</u>
Cash Flows From Investing Activities		
Construction / purchase cost incurred for fixed assets	(81,888)	(204,856)
Purchase of new equipment and capitalisation of dry docking cost	(1,039)	-
Purchase of other fixed assets	(252)	(458)
Purchase of quoted investments	(24,553)	(18,114)
Dividend received	741	556
Interest received	19,087	4,528
Proceeds from disposal of quoted investments	15,032	13,180
Proceeds from disposal of fixed assets	-	323,557
Proceeds from disposal of subsidiaries	-	185,864
Loan to associate company	-	(4,785)
Loan repayment from associate company	<u>3,754</u>	<u>-</u>
Net cash generated from/(used in) investing activities	<u>(69,118)</u>	<u>299,472</u>
Cash Flows From Financing Activities		
Interest paid	(7,941)	(5,144)
Redemption of redeemable preference shares	-	(150,000)
Proceeds from issuance of share to minority shareholder of subsidiary company	-	1,520
Repayment of loans	(11,448)	(111,847)
Dividend paid to shareholders	(136,000)	(96,000)
Drawdown of loans	-	141,732
Net cash generated from/(used in) financing activities	<u>(155,389)</u>	<u>(219,739)</u>
Net Change in Cash & Cash Equivalents	(136,765)	209,410
Cash & Cash Equivalents at the beginning of the period	775,093	56,091
Cash & Cash Equivalents at the end of the period	<u>638,328</u>	<u>265,501</u>
Cash & Cash equivalents comprise:		
Short term deposits	633,554	258,386
Cash and bank balances	<u>4,774</u>	<u>7,115</u>
	<u>638,328</u>	<u>265,501</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2006

	← Attributable to Equity Holders of the Parent →						Minority Interest	Total Equity		
	Non-distributable					Distributable			RM '000	RM '000
	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				
6 MONTHS ENDED 30 JUNE 2005										
At 1 January 2005	200,000	98,791	34,159	25,000	2,172	555,953	916,075	32,553	948,628	
Subscription of shares issued by a subsidiary	-	-	-	-	-	-	-	1,520	1,520	
Transfer to Capital Redemption Reserve upon redemption of RPS	-	-	-	15,000	-	(15,000)	-	-	-	
Currency translation differences	-	-	-	-	447	-	447	-	447	
Profit for the period	-	-	-	-	-	536,269	536,269	6,749	543,018	
Dividends	-	-	-	-	-	(96,000)	(96,000)	-	(96,000)	
At 30 June 2005	200,000	98,791	34,159	40,000	2,619	981,222	1,356,791	40,822	1,397,613	
6 MONTHS ENDED 30 JUNE 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	-	-	-	-	(32,567)	-	(32,567)	(1,289)	(33,856)	
Profit for the period	-	-	-	-	-	137,788	137,788	5,907	143,695	
Dividends	-	-	-	-	-	(136,000)	(136,000)	-	(136,000)	
At 30 June 2006	200,000	98,791	34,159	40,000	(31,094)	1,091,445	1,433,301	49,700	1,483,001	

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. 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 and financial year-to-date ended 30 June 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 declared for the current quarter and financial year-to-date ended 30 June 2006.

In respect of financial year ended 31 December 2005, a first and final dividend of 12 sen per share and a special dividend of 5 sen per share, tax exempt, amounting to RM136 million was paid on 5 May 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	169,184	44,662	1,881	-	215,727
Inter-segment sales	(855)	-	1,646	(791)	-
Total revenue	<u>168,329</u>	<u>44,662</u>	<u>3,527</u>	<u>(791)</u>	<u>215,727</u>
Segment results	104,057	21,983	(624)	(270)	125,146
Interest income					19,087
Finance cost					(7,941)
Share of results of associate					7,722
Taxation					(319)
Profit for the period					<u>143,695</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 30 June 2006 up to the date of this report.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

On 19 April 2006, New Johnson Holdings Limited acquired the entire issued share capital of 1 ordinary share of USD1 each in Springbright Holdings Limited and Crestbright Holdings Limited, companies incorporated in the British Virgin Islands, for a consideration of USD1 each.

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 2006 amounted to RM215.7 million, an increase of 8% over the RM200.1 million posted for the comparative period in 2005. This was due to the Group's chartered-in activities, as well as the increased hire days following the delivery of the 5 post panamax dry bulk carriers which were delivered at various dates in 2005.

On the tanker side, the Group took delivery of the first of its medium range tankers, MT Alam Cantik in the second quarter of 2006. The lower hire days for the first half of 2006 for the tanker segment, was principally due to the dry-docking of two of the Group's MR tankers.

	Ave. TCE/Day		Hire Days	
	June 06 (USD)	June 05 (USD)	June 06 (Day)	June 05 (Day)
Dry Bulk	17,742	19,240	2,579	1,933
Product Tankers	22,423	26,742	552	576
Total Fleet	18,568	20,961	3,131	2,509

On balance, despite the average time charter equivalent (TCE) rates for the dry bulk & tanker sectors declining by 8% and 16% respectively over the comparative period for 2005, the Group's financial performance had been well cushioned by its increased dry bulk fleet and chartering activities.

Profit attributable to shareholders for the period ended June 2006 is RM137.8 million. The 74% decline from the preceding year 6 months profit of RM536.3 million is because the preceding year's results included a capital gain of RM413.5 million. On a comparable activity basis (i.e. excluding the capital gain in 2005), the current half year's profit attributable to shareholders is in fact 12% higher than the preceding year. This, as explained above, is due to the Group's increased dry bulk fleet and chartering activities, and higher interest and investment income.

Vessel operating expenses were higher due the larger fleet size. In addition, certain costs such as dry docking, crewing expenses and insurance premiums have generally increased.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

Second quarter 2006's operating profit of RM66.0 million is marginally higher than that of first quarter 2006's results of RM65.0 million.

Quarter-on-quarter, the average TCE for the dry bulk segment is marginally up at 7% whilst the tanker segment reported a 11% decline. However, both the dry bulk and tanker segments reported increased hire days, thus keeping 2006's second quarter profits just ahead of the first quarter. Net of other operating income and administrative expenses, second quarter 2006's profit attributable to shareholders of RM70.3 million is a 4% improvement on first quarter's results.

B3. PROSPECTS

At the close of the first quarter of 2006, the Baltic Dry Index (BDI) stood at 2521 and has since been strengthening into the third quarter, closing at 3824 on 15th August. All dry bulk markets strengthened although improvement was strongest in the Capesize sector.

On the tanker segment, the Baltic Clean Tanker Index (BCTI) was similarly weak at the end of the first quarter of 2006 at 832, but has since strengthened, going into the third quarter, closing at 1377 on 15th August, a gain of 66%.

The US Federal Reserve's anti-inflationary measures appeared to have achieved some success; hence the recent pause in its relentless interest rate hikes. China's economy, the world's fourth largest, expanded 11% in the second quarter, which should see continued strength for its economy and for shipping going into the rest of 2006. Other global economies still appear on course for a healthy 2006.

Whilst the general health of the global economies have so far been encouraging, the recent geopolitical uncertainties in the Middle East could push oil prices to surge higher with consequential negative impact on world trade and shipping. Thus, while the remaining months of 2006 look positive, your Board is mindful that events beyond the Company's control may affect this positive outlook.

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	200	313
-prior year	182	6
	<u>382</u>	<u>319</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	15,408	24,553
Sale proceeds	7,424	15,032
Profit/(loss) on disposal of quoted securities	654	1,107

ii) Details of investments in quoted securities:

	As at 30-Jun-06 RM '000
Marketable securities	
At cost	124,250
At book value	154,733
At market value	170,127

B8. STATUS OF CORPORATE PROPOSALS

There were no outstanding corporate proposals submitted by the Group as at 30 June 2006.

B9. GROUP BORROWINGS

i) The Group borrowings as at 30 June 2006 are as follows:

	Currency	Current RM '000	Non-current RM '000
Secured loans	GBP	10,682	264,674
Unsecured loan	USD	-	9,103
Unsecured loan	RM	-	544
Finance lease payables	USD	12,886	109,660
		<u>23,568</u>	<u>383,981</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 30 June 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 30-Jun-06	PRECEDING YEAR QUARTER 30-Jun-05	CURRENT YEAR TO DATE 30-Jun-06	PRECEDING YEAR TO DATE 30-Jun-05
Profit attributable to ordinary equity holders of the parent (RM'000)	70,328	174,233	137,788	536,269
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>8.79</u>	<u>21.78</u>	<u>17.22</u>	<u>67.03</u>

B14. COMMITMENTS

Commitments as at 30 June 2006, in foreign currency and its equivalent in RM are as follows:

Approved and contracted for	'000	RM'000
Capital commitments - new shipbuildings	USD 68,530	250,340
Bareboat charter commitments in Japanese Yen	JPY 4,657,150	<u>149,588</u>
		<u>399,928</u>

B15. COMPARATIVE FIGURES

Foreign currency translation has been reclassified from administrative expenses to other operating income for presentation purposes.