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**NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULT FOR THE FIRST QUARTER ENDED 30 JUNE 2008**


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**Part A – Notes In Compliance with FRS 134**
**1. Basis of preparation**

The unaudited interim financial statements have been prepared in accordance with the requirements outlined in the Financial Reporting Standards (“FRS”) 134: Interim Financial Reporting and Chapter 9 Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 March 2008.

The accounting policies and methods of computation used in the preparation of the interim financial report are consistent with those adopted in the latest audited financial statements for the financial year ended 31st March 2008, except for the adoption of the following new/revised FRSs (effective for accounting periods beginning on or after 1 July 2007) during the financial year.

The new and revised FRSs which are mandatory are as follows:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendment to FRS 121	The Effects to Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129 <sub>2004</sub> 2004 - Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

The Group and the Company will apply these FRSs from financial years beginning on 1 April 2008. The IC Interpretations are not relevant to the Group's and the Company's operations.

The adoption of the abovementioned new and revised FRSs has no material effect on the result of the Group for the current quarter under review.

- (b) Framework for the Preparation and Presentation of Financial Statements (“Framework”) which is effective for annual periods beginning on or after 1 July 2007

The Framework sets out the concepts that underlie the preparation and presentation of financial statements for external users. It is not an MASB approved accounting standard and hence does not define standards for any particular measurement or disclosure issue. The Group and the Company will apply this Framework for its annual period beginning 1 April 2008.

## **2. Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report on the Group’s financial statements for the financial year ended 31 March 2008 was not subject to any qualification.

## **3. Seasonality or Cyclicity of Operations**

The business operations of the Group are subject to the forces of supply and demand and thus, could display cyclical trends.

## **4. 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.

## **5. Changes in estimates**

There were no changes in the estimates of amounts which give a material effect in the current quarter under review.

## **6. Segmental Information**

The Group’s operations comprise the following business segments:

Marine	:	Provision of marine transportation services
Trading	:	Trading of goods
Logistics	:	Total logistic services provider
Others	:	Lorry and trucking services, trading of freights and investment holding

**The results of the Group for the First Quarter Ended 30.06.2008**

	<b>Marine</b>	<b>Trading</b>	<b>Logistics</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>						
External segment revenue	6,529	14,135	13,687	2,863	-	37,214
Inter-segment revenue	5,258	-	-	475	(5,733)	-
<b>Total Revenue</b>	<b>11,787</b>	<b>14,135</b>	<b>13,687</b>	<b>3,338</b>	<b>(5,733)</b>	<b>37,214</b>
<b>Results</b>						
Segment results	3,657	51	1,150	517	-	5,375
Finance costs						(235)
Interest income						98
Share of results of an associate						(20)
Profit before tax						5,218
Tax expense						(441)
Profit after tax						4,777

**7. Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and other repayments of debt and equity securities during the current quarter.

**8. Dividend**

The Directors had proposed a final tax exempt dividend of 3 sen per share amounting to RM3,600,000 in respect of the financial year ended 31 March 2008, and if approved by members at the forthcoming Annual General Meeting on 5 September 2008 will be paid on 22 September 2008.

**9. Valuation of Property, Plant and Equipment**

There were no valuations on property, plant and equipment in the current quarter under review.

**10. Changes in Composition of the Group**

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

**11. Changes in Contingent Liabilities and Contingent Assets**

There were no material contingent liabilities or contingent assets which, upon being enforceable, might have a material impact on the financial position or business of the Group as at 30 June 2008.

## **12. Subsequent Events**

There were no material events after the period end that had not been reflected in the financial statements for the quarter ended 30 June 2008.

## **Part B – Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad**

## **13. Review of Performance**

For the current quarter ended 30 June 2008, the Group reported a higher revenue of RM37.21 million, an increase of RM7.08 million or 23%, as compared to RM30.13 million in the same quarter of the previous year. The higher revenue is mainly attributable to the increase in revenue for both the total logistics and trading divisions.

Despite the increase in revenue in the current quarter, the Group reported a lower profit after taxation of RM4.78 million, a drop of RM0.16 million, as compared to RM4.94 million in the same quarter of the previous year. The main reason for the lower profit after taxation is a result of a profit margin squeeze for the trading division where it experienced high inflationary cost of trading materials.

## **14. Comparison with immediate preceding quarter**

The total revenue of the Group, as compared to the immediate preceding quarter of RM31.17 million showed an increased by RM6.04 million or 19% to RM37.21 million in the current quarter. The main contributor to the increase in the revenue is the total logistics division and trading division.

In line with the increase in the total revenue, the profit after taxation of the Group increased by RM1.36 million, from RM3.42 million to RM4.78 million. The increase in the profit after taxation is attributed to improvement in all segments except the trading division which faced profit margin squeeze for the said period.

## **15. Prospects**

The Group will continue its focus on the expansion of the shipping and trading services to the island nations of the South West Indian Ocean. Barring any unforeseen circumstances, the Board of Directors is optimistic of the Group's future outlook and prospect.

## **16. Variance on Profit Forecast/Guarantee**

The Group did not issue any profit forecast for the year and there is no profit guarantee issued by the Group.

## 17. Income Tax Expense

	Current Quarter		Cumulative Quarters	
	30.06.2008	30.06.2007	30.06.2008	30.06.2007
	RM'000	RM'000	RM'000	RM'000
Current tax	441	441	441	441

The effective tax rate of the Group for the quarter under review is lower than the statutory tax rate mainly due to the exemption from tax on income from the operations of sea going Malaysian registered vessels pursuant to Section 54A of the Income Tax Act, 1967.

The current tax is in respect of the income derived mainly from total logistic services and trading of freight.

## 18. Sales of Unquoted Investments and Properties

There were no sales of unquoted investments and properties for the current quarter ended 30 June 2008.

## 19. Quoted Securities

There was no purchase or disposal of quoted securities for the current quarter ended 30 June 2008. The Group did not hold any investments in quoted securities as at 30 June 2008.

## 20. Status of Corporate Proposals

(a) There are no corporate proposals announced during the current quarter under review.

(b) Utilization of IPO Proceeds

Purpose	Proposed Utilization	Actual Utilization As At 30 June 2008	Intended Timeframe for Utilization	Deviation		Remark
	RM'000	RM'000		RM'000	%	
Part finance purchase of vessel	5,000	5,000	12 months from listing date	-	0%	
Working capital	5,000	5,325	12 months from listing date	(325)	-7%	
Listing expenses	2,000	1,675	6 months from listing date	325	16%	Note (i)

Note (i) The saving of RM325,000 on listing expenses has been utilized as working capital of the Group.

## 21. Group Borrowings

	Group 30.06.2008 RM'000	
Current		
Term loans, secured		4,003
Bank overdraft		5
		<u>4,008</u>
Non-Current		
Term loan, secured		10,490
		<u>14,498</u>

## 22. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments at the date of issue of this quarterly report.

## 23. Material Litigation

There was no pending material litigation as at the date of issue of this quarterly report, which in the opinion of the directors would have a material adverse effect on the financial results of the Group.

## 24. Earnings per Share

The basic earnings per share for the current quarter and cumulative quarters have been calculated based on the Group's profit after taxation divided by the weighted average number of ordinary shares outstanding (based on ordinary shares of RM0.50 each) after taking into consideration the effect of the bonus issue.

	Current Quarter		Cumulative Quarters	
	30.06.08	30.06.07	30.06.08	30.06.07
Net profit for the period (RM'00)	4,777	4,936	4,777	4,936
Weighted average number of ordinary shares in issue ('000)	120,000	108,000	120,000	108,000
Basic earnings per share (sen)	3.98	4.57	3.98	4.57

Diluted earnings per share was not computed as the Company did not have any convertible financial instruments as at 30 June 2008.

**25. Net Assets**

Net assets per share as at 30 June 2008 is arrived at based on the Group's Net Assets of RM96.998 million over the number of ordinary share of 120,000,000 shares of RM0.50 each. Net assets per share as at 31 March 2008 was arrived at based on the Group's Net Assets of RM92.218 million over the number of ordinary shares of 120,000,000 shares of RM0.50 each.

**26. Authorization for Issue**

These unaudited interim financial statements were authorized for release by the Company in accordance with a resolution of the Directors dated 29 August 2008.