

FOX GROUP BERHAD (23568-II)
Quarterly Report on Consolidated Results
For The Third Financial Quarter Ended 30 June 2003

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 30.06.2003 RM '000	Quarter Ended 30.06.2002 RM '000	Year to Date Ended 30.06.2003 RM '000	Year to Date Ended 30.06.2002 RM '000
Revenue	88,325	98,228	254,679	269,211
Operating Expenses	(80,500)	(90,578)	(231,943)	(244,063)
Other Operating Income	53	253	100	718
Profit from Operations	7,878	7,903	22,836	25,866
Finance Cost	(2,554)	(2,763)	(7,609)	(9,818)
Profit before tax	5,324	5,140	15,227	16,048
Taxation	1,044	134	1,622	421
Profit after tax	4,280	5,006	13,605	15,627
Minority Interest	(224)	(1,094)	(2,042)	(2,568)
Net Profit for the year	4,056	3,912	11,563	13,059
Earnings per share (sen)				
Basic	3.12	3.05	8.89	10.72
Diluted	2.96	2.89	8.56	10.70

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 September 2002)

EOX GROUP BERHAD (23568-H)
 Quarterly Report on Consolidated Results
 For The Third Financial Quarter Ended 30 June 2003

CONDENSED CONSOLIDATED BALANCE SHEET

	AS AT END OF CURRENT QUARTER 30.06.2003 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 30.09.2002 RM'000
Property, Plant and Equipment	294,931	312,162
Goodwill on Consolidation	69,411	69,411
Intangible assets	1,434	865
Investment in Associated Company	24,976	0
	390,752	382,438
Current Assets		
Inventories	10,242	9,850
Trade receivables	66,236	57,941
Other receivables	10,871	11,431
Cash and bank balances	14,477	27,911
	101,826	107,133
Current Liabilities		
Short term borrowings	37,523	38,002
Trade payables	19,525	20,471
Other payables	26,605	22,312
Taxation	495	2,950
	84,148	83,736
Net Current Assets	17,678	23,398
	408,430	405,836
Shareholders' funds		
Share capital	130,170	128,920
Reserve	91,835	79,455
	222,005	208,375
Minority Interests	17,758	17,186
Long Term Borrowings	146,711	157,026
Loan Stocks	17,977	19,977
Deferred Taxation	3,979	3,272
	408,430	405,836
Net tangible assets per share(RM)	1.16	1.07

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 September 2002)

EOX GROUP BERHAD (23568-II)
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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	YEAR TO DATE ENDED 30.06.2003 RM'000
Profit before taxation	15,227
Adjustments for :-	
Non-cash items	22,779
Non-operating items	(11)
Interest expenses	7,383
Interest income	(142)
Operating profit before working capital changes	
Net change in current assets	(8,347)
Net change in current liabilities	3,192
Tax paid	(3,368)
Interest paid	(7,383)
Net cash from operating activities	<u>29,330</u>
Investing activities	
Proceeds from disposal of property, plant and equipment	258
Purchase of property, plant and equipment	(5,989)
Interest received	142
Investment in Associated Company	(24,976)
Net cash used in investing activities	<u>(30,565)</u>
Financing activities	
Bank borrowings	(14,261)
Debt securities issued	5,000
Dividend paid to minority shareholders of a subsidiary	(1,470)
Net cash used in financing activities	<u>(10,731)</u>
Net changes in cash and cash equivalents	(11,966)
Cash and cash equivalents at beginning of financial year	24,097
Effect of exchange rate changes	67
Cash and cash equivalents at end of the financial period	<u>12,198</u>

Note : There are no comparative figures as this is the first 3rd Quarter interim financial report prepared in accordance with MASB 26 Interim Financial Reporting

(The Condensed Consolidated Cash Flow statements should be read in conjunction with the Annual Financial Report for the year ended 30 September 2002)

EOX GROUP BERHAD (23568-II)
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Translation reserve RM'000	Retained profit RM'000	Total RM'000
At 01.10.2002	128,920	42,871	688	(36)	36,125	208,568
Prior year adjustment-due to MASB 25	-	-	(193)	-	-	(193)
Special Bumiputera issue Conversion of ICULs	1,250	750	-	-	-	2,000
Net loss not recognized in the income statement	-	-	-	67	-	67
Net profit for the year	-	-	-	-	11,563	11,563
At 30.06.2003	130,170	43,621	496	31	47,688	222,005

Note : There are no comparative figures as this is the first 3rd Quarter interim financial report prepared in accordance with MASB 26 Interim Financial Reporting

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 September 2002)

EOX GROUP BERHAD (23568-H)
Quarterly Report on Consolidated Results
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NOTES TO THE INTERIM FINANCIAL REPORT – MASB 26

A1. Accounting policies

The interim financial report has been prepared in accordance with MASB 26 Interim Financial Reporting and Chapter 9 Appendix 9B of the Listing Requirements of Kuala Lumpur Stock Exchange. The interim financial report should be read in conjunction with the audited financial statement of the Group for the year ended 30 September, 2002.

The accounting policies and methods of computation adopted in the interim financial statements are consistent with those adopted in the annual financial statements for the year ended 30 September, 2002, except for the adoption in the current period of MASB 25 – Income Taxes. The effect of adoption of MASB 25 is as below :

Impact on Balance Sheet at 30 September 2002	As previously reported RM 000	Prior year adjustment RM 000	As restated RM 000
Deferred tax liabilities	3,078	193	3,272
Revaluation reserve	688	(193)	495

The above restatement of the Group's reserve has no material effect on the net tangible assets per share of the Group as at 30 September 2002.

A2. Qualification of Financial Statements

The audit report of the Group's preceding annual financial statements was not qualified.

A3. Seasonality or cyclicity of operations

The business of the Group was not affected significantly by cyclical factors during the financial period ended 30 June 2003.

A4. Nature and amount of unusual items

There are no unusual items in the quarterly financial statement under review.

A5. Nature and amount of changes in estimates

There was no changes in the estimates of amounts which give a material effect in the current interim period.

A6. Debts and equity securities

There were no issuance and repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasure shares and resale of treasure shares during the financial period ended 30 June 2003.

A7. Dividend

No dividend has been paid during the year.

A8. Segmental Information

Analysis by activity	Revenue	Profit/(loss) before Taxation/Minority interest
	RM '000	RM'000
Shipping	232,601	10,855
Industrial gas operations	22,078	5,937
Investment holding	0	(1,565)

A9. Valuations of property, plant and equipment

The valuations of property, plant and equipment have been brought forward, without amendment from the previous annual financial statements

A10. Material events subsequent to the end of the period

There were no material events subsequent to the end of the current quarter that has not been reflected in the financial statement for the current period.

A11. Changes in composition of the Company

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

A12. Changes in contingent liabilities or contingent assets

The contingent liabilities of the Company are as follows :

	RM'000
Corporate Guarantees given to financial institutions and third parties for credit facilities provide to subsidiaries	63,673

The contingent assets of the Group are as follows :

	RM'000
Claim against an insurance company for breach of obligation to make payment in respect of damage to one of the Group's vessels	4,711
Claim against a shipyard for a breach of the repair contract in respect of repairs to one of the Group's vessels	1,904

B EXPLANATORY NOTES OF KLSE LISTING REQUIREMENTS

B1. Review of performance

For the cumulative nine months financial period ended 30.06.2003, the Group's revenue was around RM 255 million, a decrease of about RM 14 million compared to RM 269 million recorded in the same period last year. Revenue from the shipping division decreased by 16 million while the revenue from the gases division increased by RM 2 million. The drop in shipping revenue was due mainly to rationalization of shipping services through deployment of more vessels in long haul services.

Despite a lower revenue, the Group's per-tax profit decreased only by RM 0.8 million, from RM 15.2 million recorded for the period ended 30.06.2003 as compared to 16 million in the previous year corresponding period. The marginal decline in pre-tax profit was due mainly to the following:-

	As at 30.06.2003	As at 30.06.2002	Increase/(decrease)
	RM '000	RM'000	RM'000
Shipping	10,900	11,200	(300)
Industrial gas operations	5,900	5,800	100
Investment holding	(1,600)	(1,000)	(600)
Total			<u>(800)</u>

The increase in losses incurred by investment holding was due mainly to bond exercise expenses and finance cost.

B2. Material change in profit before tax for current quarter as compared to preceding quarter

Profit before tax for the third quarter was about RM 5.35 million, an increase of RM 1.25 million compared to the per-tax profit of RM 4.1 million in the preceding quarter. The increase was due mainly to increase in pre-tax profit from the shipping division where the per-tax profit for the current quarter was about RM 4.3 million, an increase of about RM 1.2 million as compared to RM 3.1 million recorded in the preceding quarter. The increase in per-tax profit was due to weak second quarter performance as a result of slack period experienced during the festive season while in the third quarter the shipping business has returned to normal operation.

As for the industrial gases division, the pre-tax profit for the third quarter was about RM 1.6 million, a marginal decrease of about RM 0.15 million as compared to the preceding quarter.

At the Company level, the pre-tax loss for the third quarter was RM 0.5 million, a decrease of RM 0.2 million as compared to the preceding quarter.

B3. Prospects – remaining periods or next financial year

Both the industrial gases and shipping operations remains competitive. Although the global economy has shown signs of improvement, the Board is cautiously optimistic that the overall performance of the Group will be satisfactory.

B4. Variance of actual profit from forecast profit and shortfall in profit guarantee

Not applicable as the Group did not issue any profit forecast and /or profit guarantee for the quarter.

B5. Taxation

	Individual Quarter Current Year	Current Year To date
	RM'000	RM'000
Current taxation	336	914
Deferred taxation	708	708
Under provision in prior year	0	0

The effective rate of taxation of the Group is lower than the statutory rate of taxation because the income of the Group derived from the operations of sea-going Malaysian registered vessels is exempted under Section 54A of the Income Tax Act, 1967.

B6. Sales of unquoted investment and/or properties

There are no sales of unquoted investment and/or properties during the current quarter and financial year to date.

B7. Purchase or disposal of quoted securities

Investment in quoted securities as at 30 June 2003 is as follows :-

Securities at cost	quoted on Stock Exchange of Thailand on 10 July 2003	RM 000
		24,976
Market value*		39,886

*(Based on the market price of the said 75,000,000 shares as at the close of 27 August 2003 at Baht 5.85 (approximately RM 0.53) per share.)

B8. Status of corporate proposals

- i) On 12 December, 2002, the Group through its wholly-owned subsidiary, Whittler Company Limited (WCL) entered into a share subscription agreement with Bangpakong Terminal Public Company Limited (BTC) for the proposed subscription of 75,000,000 new ordinary shares of par value Baht 1.00 each in BTC at an issue price of Baht 3.50 for a total subscription price of Baht 262,500,000 (approximately RM 24,306,000). The Proposed Subscription was approved by the shareholders of EOX at an Extraordinary General Meeting held on 22 April 2003. The Proposed Subscription was completed on 9 June 2003. The shares of BTC was listed on the Stock Exchange of Thailand on 10 July 2003.

B9. Group borrowings and debt securities

Details of the Group's borrowings at the end of the reporting period :

	RM'000
Short term borrowings:	
- secured - Revolving credit	8,500
- Term loan	21,999
- Leasing	244
- unsecured - Overdraft	2,280
- revolving credit	4,500
Total	<u>37,523</u>
Long term borrowings :	
- secured - Bonds and commercial papers	117,701
- Term loans	28,859
- Leasing	151
Total	<u>146,711</u>
Loan Stocks - unsecured	
- 4% 2001/2006 Irredeemable Convertible Unsecured Loan Stocks (ICULS)	17,977

B10. Off balance sheet financial instruments

There are no financial instruments with off balance sheet risk at the date of this quarterly report.

B11. Material litigation

- i) The group has on 14.11.2002 announced that its wholly owned subsidiary, Hub Warrior Sdn Bhd has issued a Writ of Summons to QBE insurance(Malaysia) Bhd.(QBE). The claim against QBE is for breach of its obligations to make payment in respect of our claim for the sum of RM 4,911,418,94 less the deductibles of RM 200,000.00 arising from the damage to the vessel known as MV "SAIPAN LEADER" on or about 24.07.2001. The defendant has filed defense on 16 May 2003. Hearing date has not been fixed.
- ii) On 9 December 2002 , Hub Shipping Sdn Bhd., a wholly-owned subsidiary of EOX issued a writ of summons to a shipyard in Thailand, at the South Bangkok Civil Court. The claim was for a breach of the repair contract and in tort for negligence for the sum of USD 501,122.26 arising from the repair to the vessel known as MV Giwin. Hearing is fixed on 18 September 2003.

B12. Dividend declared

No dividend has been declared during the year.

B13. Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 30.06.2003 RM'000	Quarter Ended 30.06.2002 RM'000	Year to Date ended 30.06.2003 RM'000	Year to Date ended 30.06.2002 RM'000
Earnings				
Net profit for the period	4,056	3,912	11,563	13,059
Assumed conversion of loan stock	129	143	387	430
Assumed issue of Special Bumiputera shares	-	-	-	-
	<u>4,185</u>	<u>4,055</u>	<u>11,950</u>	<u>13,489</u>
Basic				
Issued ordinary shares at beginning of the period	130,170	119,058	128,920	117,959
Effect of shares issued	0	9,010	1,072	3,897
Weighted average no. of ordinary shares	<u>130,170</u>	<u>128,068</u>	<u>129,992</u>	<u>121,856</u>
Basic earnings per share (sen)	<u>3.12</u>	<u>3.05</u>	<u>8.89</u>	<u>10.72</u>
Diluted				
Weighted average no. of ordinary shares	130,170	128,068	129,902	121,856
Assumed conversion of loan stock	11,236	12,486	9,631	4,162
Assumed issue of Special Bumiputera shares	-	-	-	-
Weighted average no. of ordinary shares (diluted)	<u>141,406</u>	<u>140,554</u>	<u>139,623</u>	<u>126,018</u>
Diluted earnings per share (sen)	<u>2.96</u>	<u>2.89</u>	<u>8.56</u>	<u>10.70</u>

ON BEHALF OF THE BOARD

RICHARD WEE LIANG CHIAT
(GROUP MANAGING DIRECTOR)

Dated : 28 August 2003