

SUMMARY OF KEY FINANCIAL INFORMATION

30-Nov-07

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-Nov-07 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Nov-06 RM'000	CURRENT YEAR TO DATE 30-Nov-07 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Nov-06 RM'000
1 Revenue	39,848	26,791	39,848	26,791
2 Loss before tax	(4,088)	(4,916)	(4,088)	(4,916)
3 Loss after tax and minority interest	(5,197)	(4,921)	(5,197)	(4,921)
4 Loss for the period	(5,197)	(4,921)	(5,197)	(4,921)
5 Basic loss per shares (sen)	(3.10)	(2.93)	(3.10)	(2.93)
			AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
6 Net assets per share attributable to ordinary equity holders of the parent (RM)			(0.0627)	(0.0353)
7 Shareholders' equity per share (RM) including Islamic preference share			0.2532	0.2725

MALAYSIAN MERCHANT MARINE BHD (259253-X)

**Condensed Consolidated Income Statements
For the Quarter Ended 30 November 2007**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-Nov-07	PRECEDING YEAR CORRESPONDING 30-Nov-06	CURRENT YEAR TO DATE 30-Nov-07	PRECEDING YEAR CORRESPONDING 30-Nov-06
	RM'000	RM'000	RM'000	RM'000
Revenue	39,848	26,791	39,848	26,791
Operating expenses	<u>(36,237)</u>	<u>(27,120)</u>	<u>(36,237)</u>	<u>(27,120)</u>
Gross profit/(loss)	3,611	(329)	3,611	(329)
Other income	1,010	581	1,010	581
Administrative expenses	(2,029)	(2,802)	(2,029)	(2,802)
Other expenses	<u>(4,745)</u>	<u>(86)</u>	<u>(4,745)</u>	<u>(86)</u>
Loss from operations	(2,153)	(2,636)	(2,153)	(2,636)
Finance costs	<u>(1,935)</u>	<u>(2,280)</u>	<u>(1,935)</u>	<u>(2,280)</u>
Loss before taxation	(4,088)	(4,916)	(4,088)	(4,916)
Taxation	<u>(1,109)</u>	<u>(5)</u>	<u>(1,109)</u>	<u>(5)</u>
Loss after taxation	<u><u>(5,197)</u></u>	<u><u>(4,921)</u></u>	<u><u>(5,197)</u></u>	<u><u>(4,921)</u></u>
Attributable to:				
Equity holders of the parent	<u><u>(5,197)</u></u>	<u><u>(4,921)</u></u>	<u><u>(5,197)</u></u>	<u><u>(4,921)</u></u>
Loss per share attributable to shareholders of the parent:-				
(i) Basic (based on 167,807,203 ordinary shares) (sen)	(3.10)	(2.93)	(3.10)	(2.93)
(ii) Diluted (based on 167,807,203 ordinary shares) sen	N/A	N/A	N/A	N/A

(The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 August 2007)

MALAYSIAN MERCHANT MARINE BHD (259253-X)

**Condensed Consolidated Balance Sheets
As at 30 November 2007**

	UNAUDITED	AUDITED
	As at	As at
	30-Nov-07	31-Aug-07
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	79,069	84,081
Current Assets		
Inventories	605	954
Trade debtors	4,905	1,569
Other debtors, deposits and prepayments	8,867	9,935
Fixed deposits	36,963	78,530
Cash and bank balances	19,386	4,952
	<u>70,726</u>	<u>95,940</u>
Non-current asset held for sale	15,878	30,579
	<u>86,604</u>	<u>126,519</u>
TOTAL ASSETS	<u><u>165,673</u></u>	<u><u>210,600</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital		
Ordinary shares	175,722	175,722
Islamic Preference shares	70,988	70,988
Treasury shares	(3,731)	(3,731)
Foreign translation reserve	(400)	(1,000)
Accumulated losses	(182,108)	(176,911)
Total equity	<u>60,471</u>	<u>65,068</u>
Non-current liabilities		
Long term borrowings	39,383	39,346
Islamic bonds	49,820	49,805
	<u>89,203</u>	<u>89,151</u>
Current Liabilities		
Trade creditors	2,301	2,402
Other creditors and accruals	10,943	12,253
Short term borrowings	-	40,000
Provision for taxation	2,755	1,726
	<u>15,999</u>	<u>56,381</u>
Total liabilities	<u>105,202</u>	<u>145,532</u>
TOTAL EQUITY AND LIABILITIES	<u><u>165,673</u></u>	<u><u>210,600</u></u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	(6.27)	(3.53)
Shareholders' equity per share (sen) including Islamic Preference shares	25.32	27.25

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 August 2007)

MALAYSIAN MERCHANT MARINE BHD (259253-X)

Condensed Consolidated Statement of Changes in Equity for the Period Ended 30 November 2007

	<u>Share capital</u>		<u>Non-distributable</u>			Retained profit / Accumulated loss RM'000	Total RM'000
	Ordinary shares RM'000	Islamic preference shares RM'000	Treasury shares RM'000	Foreign translation reserve RM'000			
For the 3 months ended 30 November 2007							
At 1 September 2007	175,722	70,988	(3,731)	(1,000)	(176,911)	65,068	
Currency translation differences	-	-	-	600	-	600	
Loss for the period	-	-	-	-	(5,197)	(5,197)	
At 30 November 2007	175,722	70,988	(3,731)	(400)	(182,108)	60,471	

For the 3 months ended 30 November 2006

At 1 September 2006	175,722	70,988	(3,731)	12	(129,857)	113,134
Foreign currency translation, representing net expense recognised directly in equity	-	-	-	(16)	-	(16)
Loss for the period	-	-	-	-	(4,921)	(4,921)
At 30 November 2006	175,722	70,988	(3,731)	(4)	(134,778)	108,197

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 August 2007)

MALAYSIAN MERCHANT MARINE BHD (259253-X)

**Condensed Consolidated Cash Flow Statement
For the year ended 30 November 2007**

	3 months ended 30-Nov-07 RM'000	3 months ended 30-Nov-06 RM'000
Cash Flows From Operating Activities		
Receipts from customers	37,376	22,573
Payment to suppliers	(36,539)	(24,171)
Payment for operating expenses	(4,459)	(4,442)
Other receipts	1,226	-
Net cash used in operation	<u>(2,396)</u>	<u>(6,040)</u>
Interest received	1,970	425
Tax refund	17	-
Tax paid	(1)	(5)
Net cash used in operating activities	<u>(410)</u>	<u>(5,620)</u>
Cash Flows From Investing Activities		
Acquisition of property, plant and equipment	(4)	(41)
Proceeds from sale of property, plant and equipment	15,967	6,626
Proceeds from disposal of other investment	-	60
Net cash generated from investing activities	<u>15,963</u>	<u>6,645</u>
Cash Flows From Financing Activities		
Upliftment of deposits	36,328	21,357
Repayment of bank borrowings	(40,000)	(26,810)
Interest paid	(2,482)	(4,480)
Net cash used in financing activities	<u>(6,154)</u>	<u>(9,933)</u>
Net increase/(decrease) in cash and cash equivalents	9,399	(8,908)
Effects of exchange rate changes	(204)	(16)
Cash and cash equivalents at beginning of period	14,855	28,020
Cash and cash equivalents at end of period *	<u>24,050</u>	<u>19,096</u>
* This comprises		
Cash and bank balances	19,386	1,635
Fixed deposits and other investment	36,963	23,161
	<u>56,349</u>	<u>24,796</u>
Less fixed deposit pledged as security for credit facility	(32,299)	(5,700)
	<u>24,050</u>	<u>19,096</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 August 2007)

MALAYSIAN MERCHANT MARINE BERHAD (259253-X)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2007

A1. Basis of Preparation

The interim financial report has been prepared under the historical cost convention.

The interim financial report is not audited and has 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. The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those of the audited financial statements for the year ended 31 August 2007.

This interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 August 2007.

A2. Qualification of Auditors' Report

The audited financial statements for the financial year ended 31 August 2007 were not subject to any qualification.

A3. Seasonal or Cyclical Factors

The business operations of the Group are not significantly affected by any seasonal or cyclical factors.

A4. Nature and Amounts of Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

	Current year Quarter RM'000	Current year ToDate RM'000
Foreign exchange loss (net)	4,745	4,745

The above foreign exchange loss arose due to the continued depreciation of the US Dollar versus the Malaysian Ringgit.

A5. Changes in Accounting Estimates

There were no changes in the basis of accounting estimates for the quarter ended 30 November 2007.

MALAYSIAN MERCHANT MARINE BERHAD (259253-X)

A6. Debt and Equity Securities

There were no debt and equity securities issued during the quarter under review.

A7. Dividend

There was no payment of dividend for the quarter under review.

A8. Segmental Reporting

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

	RORO RM'000	Bulkers (including chartered in) RM'000	Tankers RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue						
External customers	689	35,129	4,030	-	-	39,848
Inter-segment	-	-	-	-	-	-
Group total	<u>689</u>	<u>35,129</u>	<u>4,030</u>	<u>-</u>	<u>-</u>	<u>39,848</u>
Results						
Segment results	(997)	4,671	(3,697)	(2,978)	-	(3,001)
Interest income	-	34	51	763	-	848
Finance cost	-	-	-	-	-	(1,935)
Income tax expense	-	-	-	-	-	(1,109)
Loss for the year						<u>(5,197)</u>

A9. Valuations of Property, Plant and Equipment

The fixed assets are stated at cost less accumulated depreciation and impairment losses.

A10. Subsequent Events

- On 22 August 2007, Prestige Splendour Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a Memorandum of Agreement with Star Navigation S.A. for the disposal of its only vessel known as MMM Mersey for a total consideration of USD6.10 million. The disposal was completed on 7 December 2007.
- On 15 January 2008, the Company announced the proposed disposal of the entire issued and paid up capital of its wholly-owned subsidiary i.e. MMM Ventures Ltd to Quayside Enterprise Pte Ltd for a total cash consideration of USD4 million. The disposal was completed on 15 January 2008. The profit from this disposal amounting to RM13.2 million will be recognised in Quarter 2 and bearing any unforeseen circumstances, should provide for the Company's return to profitability.

MALAYSIAN MERCHANT MARINE BERHAD (259253-X)

c) Changes made to the Board of Directors are as follows:

<u>Resignation</u>	<u>Directorate</u>	<u>Date</u>
Dato' Zulkifly @ Sofi bin Haji Mustapha	Non Independent & Non Executive	13 December 2007
Md Nazir bin Md Kassim	Non Independent & Non Executive	13 December 2007
Onn Kien Hoe	Independent & Non Executive	15 January 2008
Fitzgerald Joseph Kilroy Augustin	Independent & Non Executive	17 January 2008
<u>Appointment</u>	<u>Directorate</u>	<u>Date</u>
Kamil bin Abdul Rahman	Independent & Non Executive	16 January 2008
Amarjeet Sigh A/L Wazir Singh	Independent & Non Executive	16 January 2008
<u>Redesignation</u>		
Dato' Ramesh A/L Rajaratnam	Executive (Vice Chairman)	13 December 2007

A11. Changes in the Composition of the Group

There was no change in the composition of the Group during the quarter ended 30 November 2007.

A12. Contingent Liabilities

None.

A13. Capital Commitments

Authorised capital commitment not provided for in the financial statements as at 30 November 2007 are as follows:

	30 November 2007	31 August 2007
	RM'000	RM'000
Property, plant and equipment		
- contracted	21,059	22,059
	<hr/>	<hr/>

The above capital commitment is related to the purchase of a vessel which was subsequently delivered on 21 December 2007.

MALAYSIAN MERCHANT MARINE BERHAD (259253-X)

Explanatory Notes Required by Bursa Malaysia Revised Listing Requirements

B1. Review of Performance

For the 3 months period ended 30 November 2007, the Group recorded a loss before tax of RM4.1 million as compared to a loss before tax of RM4.9 million recorded for 3 months period ended 30 November 2006.

The loss in the current quarter is lower due to underperforming vessels which sold during the previous financial year.

Included in this loss is a charge in relation to foreign exchange loss amounting to RM4.75 million that arose due to the continued depreciation of the US Dollar compared to the Malaysian Ringgit. If this exchange loss was not incurred, the Company would have shown a profit before taxation of RM0.66 million compared to a loss of RM4.92 million in the corresponding quarter.

B2. Comparison of Loss Before Taxation with the Immediate Preceding Quarter

The Group registered a loss before taxation of RM4.1 million in the current financial quarter as compared to a loss of RM17.1 million in the preceding quarter.

In the current quarter, the Group recorded a gross profit of RM3.6 million as compared to a gross profit of RM2.4 million in the preceding quarter.

The loss before taxation in the previous quarter was mainly attributable to due to provision for doubtful debts on amount owing by an associated company, additional depreciation due to change in depreciation policies, investment in subordinated bonds written off and net impairment loss on vessels.

B3. Prospects for the Current Financial Year

The Group is on a look-out for strategic businesses and acquisitions especially in areas which have synergistic values with the current business.

Barring any unforeseen circumstances, the Directors are reasonably confident that the Group will turn around in the financial year ending 31 August 2008.

B4. Variance Between Actual Profit and Forecast Profit

Not applicable as the Group did not issue any profit forecast.

MALAYSIAN MERCHANT MARINE BERHAD (259253-X)

B5. Taxation

The income of the Group derived from the operations of sea-going Malaysian registered ships is tax exempt under Section 54A of the Income Tax, 1967. The provision for taxation relates to other income and provision for Malaysian tax on the chartering business and does not contain any deferred tax.

B6. Sale of Unquoted Investments and/or Properties

The Group did not engage in any sale of unquoted investments and/or properties for the current quarter under review.

B7. Purchase or Disposal of Quoted Investments

There was no purchase or disposal of quoted investments for the quarter under review.

B8. Status of Corporate Proposals

No corporate exercise was undertaken by the Company during the reporting quarter.

B9. Group Borrowings and Debt Securities

The Group borrowings as at 30 November 2007 are as follows:

	Note	RM'000
Unsecured term loan	(a)	40,000
Islamic bonds	(b)	50,000
		<hr/>
		90,000
Less: Arrangement fees paid in advanced		(797)
		<hr/>
		<u>89,203</u>

(a) An unsecured fixed rate term loan of RM40.0 million which is payable in January 2012.

MALAYSIAN MERCHANT MARINE BERHAD (259253-X)

(b) The BaIDS of principal sum of RM50.0 million. The BaIDS are repayable as follows:

<u>Tenure (Years)</u>	<u>Profit Rate (%)</u>	<u>Face Amount (RM'000)</u>	<u>Maturity Date</u>
7	5.85	<u>50,000</u>	28 November 2010

A sum of RM4.1 million fixed deposit has been placed with the trustee to cover more than 12 months interest.

B10. Off Balance Sheet Financial Instruments

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

B11. Material Litigation

There is no material litigation against the Group which is not in the ordinary course of business as at the date of this report.

B12. Dividend

The Board does not propose any dividend for the quarter ended 30 November 2007.

B13. Loss Per Share

	Current Year Quarter	Current Year To date
Net loss for the current quarter/year to date in RM'000	(5,197)	(5,197)
Weighted average number of ordinary shares outstanding	167,807,203	167,807,203
Basic loss per share in RM	(0.031)	(0.031)

No adjustment has been made to the weighted average number of ordinary shares in issue in the calculation of diluted earnings per share for the reporting period due to the anti-dilutive effect of warrants.

By order of the Board
Kuan Hui Fang (MIA 16876)
Tham Wai Ying (MAICSA 7016123)
Company Secretaries

25 January 2008