

SUMMARY OF KEY FINANCIAL INFORMATION
31-Mar-09

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-Mar-09	31-Mar-08	31-Mar-09	31-Mar-08
	RM'000	RM'000	RM'000	RM'000
1 Revenue	11,992	-	88,035	-
2 Profit/(Loss) before taxation	4,645	-	(8,394)	-
3 Profit/(Loss) for the period	4,635	-	153	-
4 Profit/(Loss) attributable to ordinary equity holders of the parent	4,635	-	153	-
5 Basic earnings/(loss) per share (sen)	2.76	-	0.09	-
			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)			(0.043)	(0.035)
7 Shareholders' equity per share (RM) including Islamic preference shares			0.267	0.272

MALAYSIAN MERCHANT MARINE BHD (259253-X)

Condensed Consolidated Income Statements
For the Period Ended 31 March 2009

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-Mar-09 RM'000	PRECEDING YEAR CORRESPONDING 31-Mar-08 RM'000	CURRENT YEAR TO DATE 31-Mar-09 (19 months) RM'000	PRECEDING YEAR CORRESPONDING 31-Mar-08 RM'000
Continuing operations				
Revenue	11,992	-	88,035	-
Operating expenses	<u>(8,518)</u>	<u>-</u>	<u>(92,413)</u>	<u>-</u>
Gross (loss)/profit	3,474	-	(4,378)	-
Other income	8,260	-	26,857	-
Other expenses	(2,424)	-	(7,636)	-
Administrative expenses	<u>(3,537)</u>	<u>-</u>	<u>(14,821)</u>	<u>-</u>
Profit/(Loss) from continuing operations	5,773	-	22	-
Finance costs	<u>(1,128)</u>	<u>-</u>	<u>(8,416)</u>	<u>-</u>
Profit/(Loss) before taxation	4,645	-	(8,394)	-
Taxation	<u>(10)</u>	<u>-</u>	<u>(10)</u>	<u>-</u>
Profit/(Loss) after taxation from continuing operations	4,635	-	(8,404)	-
Profit for the period from discontinued operations	-	-	8,557	-
Profit/(Loss) for the period	<u>4,635</u>	<u>-</u>	<u>153</u>	<u>-</u>
Attributable to:				
Equity holders of the parent	<u>4,635</u>	<u>-</u>	<u>153</u>	<u>-</u>
Earnings/(Loss) per share attributable to shareholders of the parent:-				
(i) Basic (based on 167,807,003 ordinary shares) (sen)	2.76	-	0.09	-
(ii) Diluted (based on 167,807,003 ordinary shares) sen	N/A	N/A	N/A	N/A

(The Group has changed its financial year end from 31 August to 31 March. The current financial period is from 1 September 2007 to 31 March 2009. The financial period ended 31 March 2009 is a 19 month period. Thus, there are no applicable comparative figures.)

(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 31 March 2009

	UNAUDITED	AUDITED
	As at 31-Mar-09	As at 31-Aug-07
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	41,480	84,081
Current Assets		
Inventories	381	954
Trade debtors	905	1,569
Other debtors, deposits and prepayments	31,310	9,935
Fixed deposits	35,717	78,530
Cash and bank balances	2,293	4,952
	70,606	95,940
Non-current asset held for sale	40,099	30,579
	110,705	126,519
TOTAL ASSETS	152,185	210,600
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	(2,457)	(1,000)
Accumulated losses	(176,758)	(176,911)
Total equity	63,764	65,068
Non-current liabilities		
Long term borrowings	39,581	39,346
Islamic bonds	23,899	49,805
	63,480	89,151
Current Liabilities		
Trade creditors	5,900	2,402
Other creditors and accruals	7,026	12,253
Short term borrowings	-	40,000
Provision for taxation	10	1,726
Bank overdraft	12,005	-
	24,941	56,381
Total liabilities	88,421	145,532
TOTAL EQUITY AND LIABILITIES	152,185	210,600
Net assets per share attributable to ordinary equity holders of the parent (sen)	(4.30)	(3.53)
Shareholders' equity per share (sen) including Islamic Preference Shares	26.70	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 31 March 2009

	<u>Share capital</u>		<u>Non-distributable</u>			Retained profit / Accumulated loss	Total RM'000
	Ordinary shares RM'000	Islamic preference shares RM'000	Treasury shares RM'000	Foreign translation reserve RM'000			
For the 16 months ended 31 December 2008							
At 1 September 2007	175,722	70,988	(3,731)	(1,000)	(176,911)	65,068	
Currency translation differences	-	-	-	(1,457)	-	(1,457)	
Profit for the period	-	-	-	-	153	153	
At 31 March 2009	175,722	70,988	(3,731)	(2,457)	(176,758)	63,764	

(The Group has changed its financial year end from 31 August to 31 March. The current financial period shall be from 1 September 2007 to 31 March 2009. The financial period ended 31 December 2008 is a 16 month periods. Thus, there are no applicable comparative figures.)

(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 Period Ended 31 March 2009**

	19 months ended 31-Mar-09 RM'000	31-Mar-08 RM'000
Cash Flows From Operating Activities		
Receipts from customers	133,655	-
Payment to suppliers	(122,799)	-
Payment for operating expenses	(17,768)	-
Other receipts	2,353	-
Net cash used in operation	<u>(4,559)</u>	<u>-</u>
Interest received	4,041	-
Tax refund	17	-
Tax paid	(3,088)	-
Net cash used in operating activities	<u>(3,589)</u>	<u>-</u>
Cash Flows From Investing Activities		
Acquisition of property, plant and equipment	(21,662)	-
Deposit paid for acquisition of a ship	(20,514)	-
Deposit received for disposal of a ship	4,550	-
Proceeds from sale of property, plant and equipment	59,062	-
Acquisition of other investment	-	-
Proceeds from disposal of other investment	-	-
Net cash generated from investing activities	<u>21,436</u>	<u>-</u>
Cash Flows From Financing Activities		
Advances to associates	(130)	-
Upliftment of deposits	50,256	-
Drawdown of bank borrowings	-	-
Repayment of bank borrowings	(66,000)	-
Interest paid	(8,890)	-
Net cash used in financing activities	<u>(24,764)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	(6,917)	-
Effects of exchange rate changes	(305)	-
Cash and cash equivalents at beginning of period	14,856	-
Cash and cash equivalents at end of period *	<u>7,634</u>	<u>-</u>
* This comprises		
Cash and bank balances	2,293	-
Fixed deposits and other investment	35,717	-
Bank Overdraft	(12,005)	-
	<u>26,005</u>	<u>-</u>
Less fixed deposit pledged as security for credit facility	(18,371)	-
	<u>7,634</u>	<u>-</u>

(The Group has changed its financial year end from 31 August to 31 March. The current financial period shall be from 1 September 2007 to 31 March 2009. The financial period ended 31 March is a 19 month periods. Thus, there are no applicable comparative figures.)

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

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2009

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 except for the adoption of the following new/revised FRSs:

FRS 6	Exploration for and Evaluation of Mineral Resources
FRS 107	Cash flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 117	Leases
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 124	Related Party Disclosures
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121:	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation

The adoption of the new/revised FRSs and amendment to FRS does not have significant impact on the Group.

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 have been significantly affected by the present slump in the shipping industry coupled with the world-wide recession. Further explanations are provided in table B3.

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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
Gain on disposal of vessels	-	4,289
Foreign exchange gain	5,787	4,274
Net loss on disposal of associated company	-	(1,695)
Net impairment gain	-	1,942

The above foreign exchange gain in this quarter arose due to the appreciation of the US Dollar against Malaysia Ringgit.

A5. Changes in Accounting Estimates

There were no changes in the basis of accounting estimates for the quarter ended 31 March 2009.

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.

MALAYSIAN MERCHANT MARINE BERHAD (259253-X)

A8. Segmental Reporting

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

	Discontinued Operations	Bulkers	Tankers	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
External customers	37,263	61,650	26,385	-	-	125,298
Results						
Segment results	9,989	(2,546)	42,955	543	(43,807)	7,134
Interest income	44	-	53	2,824	-	2,921
Finance cost	-	-	-	(8,416)	-	(8,416)
Income tax expense	(1,476)	-	(10)	-	-	(1,486)
Profit for the year						153
Other in formation						
Segment assets	-	-	88,528	180,116	(116,459)	152,185
Segment liabilities	-	-	116,768	99,498	(127,846)	88,420

A9. Valuations of Property, Plant and Equipment

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

A10. Subsequent Events

None.

A11. Changes in the Composition of the Group

i) Sale of MMM Ventures Ltd

On 15 January 2008, the Company disposed 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 Company does not have any interest whatsoever in Quayside Enterprise Pte Ltd nor in its operations. The profit of RM13.2 million arising from this disposal was recognised in the quarter ended 31 May 2008.

The Company disposed the charter brokering business when the Dry Baltic Rate ("DBR") index was at 7,336. The DBR has collapsed to 800 currently.

Had the Company not have disposed this charter brokering business then, the Company would have suffered a significant loss of about RM16 million. The Company does not engage in this type of business anymore given the weakness of this shipping segment.

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ii) Sale of Aviva Pacific Corporation

On 11 February 2008, the Company announced the disposal of its entire interest in an associate company i.e. Aviva Pacific Marine Corporation (formerly known as Manila Merchant Marine Shipping Corporation Ltd.) for a total cash consideration of RM133,320. The disposal was deemed completed on 6 February 2008. As a result of this disposal, a loss of RM1.7 million was recorded resulting from the writing off of debts which was due from Aviva Pacific Marine Corporation.

A12. Discontinued Operations

- a) Pursuant to the disposal of MMM Ventures Ltd on 15 January 2008, the Group disposed of its entire charter broking business which was previously included in the bulkers segment.
- b) The Group disposed of the remaining two vessels which were included in the RORO business segment

The revenue, results and cash flows from the discontinued operations were as follows:

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-Mar-09	31-Dec-07	31-Mar-09 (19 months)	31-Dec-07
	RM'000	RM'000	RM'000	RM'000
Revenue	-	-	37,263	-
Profit before taxation	-	-	10,033	-
Taxation	-	-	(1,476)	-
Profit for the period from discontinued operations	-	-	8,557	-
Cash flow from operating activities	-	-	(412)	-
Cash flow from investing activities	-	-	35,889	-
Cash flow from financing activities	-	-	(39,224)	-
Total cash flows	-	-	(3,747)	-

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The disposal of MMM Ventures Ltd. had the following effects on the financial position of the Group as follows:

	As at date of disposal RM'000
Net asset disposed	-
Gain on disposal	13,246
Total consideration	<u>13,246</u>
Satisfied by:	
Cash	3,312
Deferred consideration	9,934
Total consideration	<u>13,246</u>
Net cash inflow arising on disposal:	
Cash consideration received	3,312
Cash & cash equivalent disposed of	-
	<u>3,312</u>

The deferred consideration is payable in six equal installments commencing 31 January 2008.

A13. Contingent Liabilities

None.

A14. Capital Commitments

During the financial period, the Company committed to purchase a vessel for an amount of USD41.5 million of which a deposit of USD 3.11 million was paid.

A15. Change of Financial Year End

The Group changed its financial year end from 31 August to 31 March. The current financial period is from 1 September 2007 to 31 March 2009 covering a period of nineteen months.

Explanatory Notes Required by Bursa Malaysia Revised Listing Requirements**B1. Review of Performance**

On a consolidated basis, the net profit of RM0.15 million for the 19 month period ended 31 March 2009 was derived as follows:

	CURRENT YEAR QUARTER 31-Mar-09 RM' mil	PRECEDING YEAR CORRESPONDING 31-Dec-07 RM' mil	CURRENT YEAR TO DATE 31-Mar-09 RM' mil (19 months)	PRECEDING YEAR TO DATE 31-Dec-07 RM' mil
Operating profit/(loss)	1.20	-	(20.92)	-
Gain on disposal of subsidiary company	-	-	13.23	-
Gain/(Loss) from disposal of vessels	-	-	6.19	-
Net loss on disposal of associated company	-	-	(1.70)	-
Provision for doubtful debts	-	-	-	-
Allowance for foreseeable loss	-	-	-	-
Foreign exchange gain/(loss)	5.80	-	4.27	-
Net impairment on vessels	(1.20)	-	(1.06)	-
Finance costs	(1.17)	-	(8.42)	-
Taxation	-	-	-	-
Net profit/(loss) from continuing operations	4.63	-	(8.41)	-
Net profit/(loss) from discontinued operation	-	-	8.56	-
Profit/(loss) for the period	4.63	-	0.15	-

For the 19 month period ended 31 March 2009, the Group recorded a loss before tax of RM8.4 million from continuing operations. In accordance with FRS 5, the charter broking business and the RORO business which recorded a total net profit of RM8.56 million has been shown separately in Note A12.

B2. Comparison of Current Quarter Results Against Immediate Preceding Quarter

There are no comparative figures for the preceding quarter due to the change in financial year end from 31 August to 31 March.

B3. Prospects for the Current Financial Period

On 31 December 2007, at the previous Annual General Meeting (“AGM”), the Board described several initiatives to revamp the Company’s financial status. In that AGM briefing, the Board explained that one of the initiatives was the capital reorganization of the Company to reflect a Balance Sheet that is more acceptable to the lending and investing community, and to enhance shareholder value. Towards this, the Board had commissioned external consultants to review the capital structure and make the necessary recommendations to the Board. Following that exercise, the Board announced its intention to undertake a capital reduction of its issued and paid-up share capital via the cancellation of RM0.65 of the par value of each existing ordinary shares of RM1.00 each and irredeemable non-convertible Islamic preference shares of RM1.00 each (‘Proposed Par Value Reduction’) on 19 January 2009. The capital reorganization proposal is expected to contribute positively to the Company’s efforts to expand as the revised Balance Sheet, post capital reorganization, is expected to eliminate substantially the brought forward losses and to make the Balance Sheet neater.

In addition, the Group is continuously prospecting for strategic businesses and acquisitions especially in areas which have synergistic values with the current business. Towards this, four (4) new vessels have been ordered by the Company and announced. These vessels were expected to come on board in the middle of 2009 but the earthquake in Sichuan province, China, had disrupted the shipbuilder’s operations somewhat. The shipbuilder has advised the Company’s management that the delivery date will be pushed back by a few months as a result of that incident. As a result, the Group’s revenue generation capability will also be deferred somewhat. The management is currently looking at several ship related deals and appropriate announcements will be made when the details have been finalised.

The recent worldwide economic crisis has impacted the Group’s expansion plans significantly in that credit facilities are extremely difficult to obtain anywhere. The Company has applied for facilities in various countries including but not limited to Singapore, Australia, Hong Kong, UAE and the United Kingdom but in almost all these territories, the credit availability was very limited. Nevertheless, with the Company’s positive net tangible assets position, the Group is fairly neutral in its gearing position and will rely on this to continue the search for new facilities to fund its rejuvenation plans.

Although the Company’s expansion plans were revised downwards, the Directors are pleased to report a small profit for the period ended 31 March 2009 that shows the positive effects of management’s turnaround programme.

B4. Variance Between Actual Profit and Forecast Profit

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

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.

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

On 19 January 2009, the Company announced its intention to undertake a proposed capital reduction of its issued and paid-up share capital via the cancellation of RM0.65 of the par value of each existing ordinary shares of RM1.00 each and irredeemable non-convertible Islamic preference shares of RM1.00 each ('Proposed Par Value Reduction').

In order to facilitate the Proposed Par Value Reduction, the Company also proposed to amend its Memorandum and Articles of Association. Towards this, the Company also proposed to increase its authorised share capital from RM500,000,000 divided into 300,000,000 Ordinary Shares of RM1.00 each and 200,000,000 IPS of RM1.00 each to RM700,000,000 divided into 1,200,000,000 Ordinary Shares of RM0.35 each and 800,000,000 IPS of RM0.35 each. The increase in the authorised share capital base was to cater for the said exercise and to accommodate fresh injection of funds into the Company as and when the situation arises.

On 22 May 2009, all the resolutions tabled at the Class Meeting and EGM were not carried through by the members of the Company as during the Class Meeting and EGM, a significant IPS shareholder, who is also a significant ordinary shareholder, requested for a variation of the proposals to allow convertibility of the IPS into ordinary shares in order for them to support the proposals.

In view of the request by the said IPS holder and the outcome of the Class Meeting and EGM, the Board will consider variation to the Proposals. An appropriate announcement will be made in due course.

B9. Group Borrowings and Debt Securities

The Group borrowings as at 31 March 2009 are as follows:

	Note	RM'000
Unsecured term loan	(a)	40,000
Islamic bonds ("BaIDS")	(b)	24,000
		64,000
Less: Arrangement fees paid in advanced		(572)
		63,428

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

(b) The BaIDS of principal sum of RM24.0 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	24,000	28 November 2010

A sum of RM3.6 million fixed deposit has been placed with the Trustee to cover more than 12 months interest.

In February 2008, one vessel was contracted for sale to the amount of USD11 million. The balance of the proceeds from this disposal, expected to be received in late 2009, will be used to settle the BaIDS of RM24 million.

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 confirmed 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 31 March 2009.

MALAYSIAN MERCHANT MARINE BERHAD (259253-X)

B13. Profit Per Share

	Current Year Quarter	Current Year To date
Net profit for the current quarter/year to date in RM'000	4,635	153
Weighted average number of ordinary shares outstanding	167,807,003	167,807,003
Basic profit per share in RM	<u>0.028</u>	<u>0.001</u>

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)
Fam Chai Hing (MAICSA 7025279)
Company Secretaries

28 May 2009