

## SUMMARY OF KEY FINANCIAL INFORMATION

30-Jun-09

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING	TO DATE	CORRESPONDING
	30-Jun-09	QUARTER 30-Jun-08	30-Jun-09	PERIOD 30-Jun-08
	RM'000	RM'000	RM'000	RM'000
1 Revenue	9,770	-	9,770	-
2 Loss before taxation	(5,968)	-	(5,968)	-
3 Loss for the period	(5,968)	-	(5,968)	-
4 Loss attributable to ordinary equity holders of the parent	(5,968)	-	(5,968)	-
5 Basic loss per share (sen)	(3.56)	-	(3.56)	-
			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)			(0.095)	(0.043)
7 Shareholders' equity per share (RM) including Islamic preference shares			0.231	0.267

**MALAYSIAN MERCHANT MARINE BHD (259253-X)**

**Condensed Consolidated Income Statements  
For the Period Ended 30 June 2009**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-Jun-09 RM'000	PRECEDING YEAR CORRESPONDING 30-Jun-08 RM'000	CURRENT YEAR TO DATE 30-Jun-09 (3 months) RM'000	PRECEDING YEAR CORRESPONDING 30-Jun-08 RM'000
Revenue	9,770	-	9,770	-
Operating expenses	(12,728)	-	(12,728)	-
<b>Gross loss</b>	<b>(2,958)</b>	<b>-</b>	<b>(2,958)</b>	<b>-</b>
Other income	159	-	159	-
Other expenses	(336)	-	(336)	-
Administrative expenses	(1,676)	-	(1,676)	-
<b>Loss from operations</b>	<b>(4,811)</b>	<b>-</b>	<b>(4,811)</b>	<b>-</b>
Finance costs	(1,157)	-	(1,157)	-
<b>Loss before taxation</b>	<b>(5,968)</b>	<b>-</b>	<b>(5,968)</b>	<b>-</b>
Taxation	-	-	-	-
<b>Loss for the period</b>	<b>(5,968)</b>	<b>-</b>	<b>(5,968)</b>	<b>-</b>
Attributable to:				
Equity holders of the parent	(5,968)	-	(5,968)	-
Loss per share attributable to shareholders of the parent:-				
(i) Basic (based on 167,807,003 ordinary shares) (sen)	(3.56)	-	(3.56)	-
(ii) Diluted (based on 167,807,003 ordinary shares) sen	N/A	N/A	N/A	N/A

(The Group in the previous year had changed its financial year end from 31 August 2007 to 31 March 2009. The financial period ended 31 March 2009 is a 19 month period. In the previous year, a quarterly announcement was made in June 2008, however that announcement was made only for a month performance. 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 March 2009)

**MALAYSIAN MERCHANT MARINE BHD (259253-X)**

**Condensed Consolidated Balance Sheets**  
As at 30 June 2009

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As at</b>	<b>As at</b>
	<b>30-Jun-09</b>	<b>31-Mar-09</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	38,898	41,480
<b>Current Assets</b>		
Inventories	555	381
Trade debtors	938	905
Other debtors, deposits and prepayments	31,526	31,394
Fixed deposits	29,893	35,717
Cash and bank balances	3,219	2,293
	66,131	70,690
Non-current asset held for sale	38,668	40,099
	104,799	110,789
<b>TOTAL ASSETS</b>	<b>143,697</b>	<b>152,269</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital		
Ordinary shares	175,722	175,722
Islamic Preference shares	70,988	70,988
Treasury shares	(3,731)	(3,731)
Foreign translation reserve	(5,204)	(2,457)
Accumulated losses	(182,726)	(176,758)
Total equity	55,049	63,764
<b>Non-current liabilities</b>		
Long term borrowings	39,581	39,581
Islamic bonds	23,900	23,900
	63,481	63,481
<b>Current Liabilities</b>		
Trade creditors	5,300	5,899
Other creditors and accruals	7,850	7,110
Provision for taxation	12	10
Bank overdraft	12,005	12,005
	25,167	25,024
<b>Total liabilities</b>	<b>88,648</b>	<b>88,505</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>143,697</b>	<b>152,269</b>
Net assets per share attributable to ordinary equity holders of the parent (sen)	(9.50)	(4.30)
Shareholders' equity per share (sen) including Islamic Preference Shares	23.05	26.70

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2009)

MALAYSIAN MERCHANT MARINE BHD (259253-X)

Condensed Consolidated Statement of Changes in Equity for the Period Ended 30 June 2009

	<u>Share capital</u>		<u>Non-distributable</u>			Total RM'000
	Ordinary shares RM'000	Islamic preference shares RM'000	Treasury shares RM'000	Foreign translation reserve RM'000	Accumulated loss RM'000	
<b>For the 3 months ended 30 June 2009</b>						
At 1 April 2009	175,722	70,988	(3,731)	(2,457)	(176,758)	63,764
Currency translation differences	-	-	-	(2,747)	-	(2,747)
Loss for the period	-	-	-	-	(5,968)	(5,968)
<b>At 30 June 2009</b>	<b>175,722</b>	<b>70,988</b>	<b>(3,731)</b>	<b>(5,204)</b>	<b>(182,726)</b>	<b>55,049</b>

(The Group in the previous year had changed its financial year end from 31 August 2007 to 31 March 2009. The financial period ended 31 March 2009 is a 19 month period. In the previous year, a quarterly announcement was made in June 2008, however that announcement was made only for a month performance. 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 March 2009 )

**MALAYSIAN MERCHANT MARINE BHD (259253-X)**

**Condensed Consolidated Cash Flow Statement  
For the Period Ended 30 June 2009**

	<b>3 Months ended 30-Jun-09 RM'000</b>	<b>30-Jun-08 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Receipts from customers	9,521	-
Payment to suppliers	(12,246)	-
Payment for operating expenses	(1,991)	-
Other receipts	-	-
Net cash used in operation	<u>(4,716)</u>	<u>-</u>
Interest received	159	-
Tax refund	-	-
Tax paid	-	-
Net cash used in operating activities	<u>(4,557)</u>	<u>-</u>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property, plant and equipment	-	-
Deposit paid for acquisition of a ship	-	-
Deposit received for disposal of a ship	-	-
Proceeds from sale of property, plant and equipment	-	-
Acquisition of other investment	-	-
Proceeds from disposal of other investment	-	-
Net cash generated from investing activities	<u>-</u>	<u>-</u>
<b>Cash Flows From Financing Activities</b>		
Advances to associates	-	-
Upliftment of deposits	-	-
Drawdown of bank borrowings	-	-
Repayment of bank borrowings	-	-
Interest paid	(702)	-
Net cash used in financing activities	<u>(702)</u>	<u>-</u>
Net decrease in cash and cash equivalents	(5,259)	-
Effects of exchange rate changes	321	-
Cash and cash equivalents at beginning of period	7,634	-
Cash and cash equivalents at end of period *	<u>2,696</u>	<u>-</u>
* This comprises		
Cash and bank balances	3,219	-
Fixed deposits and other investment	29,893	-
Bank Overdraft	(12,005)	-
	<u>21,107</u>	<u>-</u>
Less fixed deposit pledged as security for credit facility	(18,411)	-
	<u>2,696</u>	<u>-</u>

(The Group in the previous year had changed its financial year end from 31 August 2007 to 31 March 2009. The financial period ended 31 March 2009 is a 19 month period. In the previous year, a quarterly announcement was made in June 2008, however that announcement was made only for a month performance. 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 March 2009)

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30<sup>TH</sup>  
JUNE 2009**

**A1. Basis of Preparation**

The interim financial report has 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. The accounting policies and methods of computation adopted by the Group in this report are consistent with those adopted in the financial statements for the period ended 31 March 2009 with the exception for FRS 139, whereby unrealised gains on quoted investments are not recognised in the financial statements until year end. Unrealised losses on quoted investments are recognised immediately whilst unrealised gains will only be recognised at the year end.

This interim financial report should be read in conjunction with the audited financial statements of the Group for the period ended 31 March 2009.

**A2. Audit Report of Preceding Annual Financial Statements**

The financial statements for the period ended 31 March 2009 were unqualified.

**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.

**A4. Nature and Amounts 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.

**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. Debt and Equity Securities**

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

## MALAYSIAN MERCHANT MARINE BERHAD (259253-X)

### A7. Dividends Paid

No dividends have been paid or declared for the quarter under review.

### A8. Segment Report

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

	<b>Bulkers</b>	<b>Tankers</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>Revenue</b>					
External customers	7,252	2,352	166	-	9,770
<b>Results</b>					
Segment results	617	(7,512)	(1,971)	3,895	(4,971)
Interest income	-	-	159	-	159
Finance cost	-	-	(1,157)	-	(1,157)
Income tax expense	-	-	-	-	-
Loss from the period	-	-	-	-	<u>(5,969)</u>
<b>Other information</b>					
Segment assets	-	85,487	178,808	-	264,295
Segment liabilities	-	120,160	100,474	-	220,634

### 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 2009 up to the date of this report.

### A11. Changes in the Composition of the Group

There were no change in the Group composition.

### A12. Contingent Liabilities

There were no contingent liabilities at the date of this report.

**A13. Capital Commitments**

During the previous financial period, the Company committed to purchase a vessel for an amount of USD 41.5 million of which a deposit of USD 3.11 million was paid. This deposit was paid as there was confirmation of receipt of funding from a consortium of funders, mainly based in the Middle East but led by a Malaysian financial institution ("MFI"). However, given the financial and economic downturn in the Middle East coupled with the uncertainties of the world economy, the consortium of funders failed to deliver on the commitment and the Company has commenced legal action against the MFI.

In the meantime, the Board is pleased to announce that the Company has already obtained funding from another financial institution to fund the purchase of the said vessel. However, the treatment of the deposit paid earlier, is still under discussion with the various parties concerned. When the discussions are finally completed, an appropriate announcement shall be made, if required.



**B1. Review of Performance**

On a consolidated basis, the net loss of RM5.97 million for the 3 month period ended 30 June 2009 was derived as follows:

	<b>CURRENT YEAR QUARTER 30-Jun-09 RM' mil</b>	<b>PRECEDING YEAR CORRESPONDING 30-Jun-08 RM' mil</b>	<b>CURRENT YEAR TO DATE 30-Jun-09 RM' mil (3 months)</b>	<b>PRECEDING YEAR TO DATE 30-Jun-08 RM' mil</b>
Operating loss	(4.81)	-	(4.81)	-
Finance costs	(1.16)	-	(1.16)	-
<b>Net loss for the period</b>	<b>(5.97)</b>	<b>-</b>	<b>(5.97)</b>	<b>-</b>

**B2. Comparison of Current Quarter Results Against Immediate Preceding Quarter**

There are no comparative figures for the preceding quarter due to the change in the previous financial year end from 31 August 2008 to 31 March 2009.

**B3. Prospects for the Current Financial Period**

At the 14th Annual General Meeting (“AGM”) on 31<sup>st</sup> December 2007, 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 was 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. However, this proposal was not approved by the shareholders at the Extraordinary General Meeting held on 22 May

## **MALAYSIAN MERCHANT MARINE BERHAD (259253-X)**

2009. As a result, the Company's efforts to raise new funding continues to be significantly impacted negatively.

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 there have been some delay due disruption of the shipbuilder's operation caused by the earthquake in Sichuan province, China. 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. The management is currently looking at several ship related deals and appropriate announcements will be made when the details have been finalised.

Given that the Board's recommendation for a capital reorganisation to facilitate funding was not approved by the shareholders, and with the ongoing difficulties in this industry as explained above, the Directors remain cautious for the financial year ahead.

### **B4. Variance of Profit and Forecast Profit Guarantee**

There were no profit forecast or profit guarantee for the period under review.

### **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. Profits on Sale of Investments and/or Properties**

The Group did not engage in any sale.

### **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**

There were no other outstanding corporate proposals submitted by the Group as at 30 June 2009.

### **B9. Group Borrowings**

The Group borrowings as at 30 June 2009 are as follows:

**MALAYSIAN MERCHANT MARINE BERHAD (259253-X)**

	<u>Note</u>	<u>RM'000</u>
Unsecured term loan	(a)	40,000
Islamic Bonds ("BaIDS")	(b)	24,000
Less : Arrangement fees paid in advanced		-
		<u>64,000</u>

(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	<u>24,000</u>	28 November 2010

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

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. The buyer of the vessel is still in the process of raising the necessary funds to complete the settlement of the balance due to the Company.

**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. Dividend**

The Directors do not propose any dividend for the current financial quarter ended 30 June 2009.

**MALAYSIAN MERCHANT MARINE BERHAD (259253-X)**

**B13. Profit Per Share**

	<b>Current Year Quarter</b>	<b>Current Year To date</b>
Net loss for the current quarter/year to date in RM'000	(5,968)	(5,968)
Weighted average number of ordinary shares outstanding	167,807,003	167,807,003
Basic profit per share in RM	<u>(0.036)</u>	<u>(0.036)</u>

By order of the Board  
Kuan Hui Fang (MIA 16876)  
Fam Chai Hing (MAICSA 7025279)  
Company Secretaries

27 August 2009