

SUMMARY OF KEY FINANCIAL INFORMATION
30-Sep-09

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING	TO DATE	CORRESPONDING
	30-Sep-09	QUARTER 30-Sep-08	30-Sep-09	PERIOD 30-Sep-08
	RM'000	RM'000	RM'000	RM'000
1 Revenue	14,593	20,131	24,363	66,043
2 Loss before taxation	(5,797)	(284)	(11,765)	(12,630)
3 Loss for the period	(5,797)	(284)	(11,765)	(12,629)
4 Loss attributable to ordinary equity holders of the parent	(5,797)	(438)	(11,765)	(4,241)
5 Basic loss per share (sen)	(3.45)	(0.26)	(7.01)	(2.53)
			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)			(0.136)	(0.043)
7 Shareholders' equity per share (RM) including Islamic preference shares			0.201	0.267

MALAYSIAN MERCHANT MARINE BHD (259253-X)

Condensed Consolidated Income Statements
For the Period Ended 30 September 2009

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30-Sep-09 RM'000	PRECEDING YEAR CORRESPONDING 30-Sep-08 RM'000	CURRENT YEAR TO DATE 30-Sep-09 (6 months) RM'000	PRECEDING YEAR CORRESPONDING 30-Sep-08 RM'000
Continuing operations				
Revenue	14,593	20,131	24,363	66,043
Operating expenses	(17,164)	(21,698)	(29,891)	(72,668)
Gross loss	(2,571)	(1,567)	(5,528)	(6,625)
Other income	137	687	296	17,975
Other expenses	(321)	(2,461)	(658)	(10,301)
Administrative expenses	(1,892)	4,117	(3,568)	(7,492)
(Loss)/Profit from operations	(4,647)	776	(9,458)	(6,443)
Finance costs	(1,150)	(1,060)	(2,307)	(6,187)
Loss before taxation	(5,797)	(284)	(11,765)	(12,630)
Taxation	-	-	-	1
Loss after taxation from continuing operations	(5,797)	(284)	(11,765)	(12,629)
Profit for the period from discontinued operations	-	(154)	-	8,388
	<u>(5,797)</u>	<u>(438)</u>	<u>(11,765)</u>	<u>(4,241)</u>
Attributable to: Equity holders of the parent	<u>(5,797)</u>	<u>(438)</u>	<u>(11,765)</u>	<u>(4,241)</u>
Loss per share attributable to shareholders of the parent:-				
(i) Basic (based on 167,807,003 ordinary shares) (sen)	(3.45)	(0.26)	(7.01)	(2.53)
(ii) Diluted (based on 167,807,003 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 period ended 31 March 2009)

MALAYSIAN MERCHANT MARINE BHD (259253-X)

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

	UNAUDITED As at 30-Sep-09 RM'000	AUDITED As at 31-Mar-09 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	36,597	41,480
Current Assets		
Inventories	588	381
Trade debtors	2,623	905
Other debtors, deposits and prepayments	33,181	31,394
Fixed deposits	18,555	35,717
Cash and bank balances	6,609	2,293
	61,555	70,690
Non-current asset held for sale	38,070	40,099
	99,625	110,789
TOTAL ASSETS	136,222	152,269
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	(6,350)	(2,457)
Accumulated losses	(188,523)	(176,758)
Total equity	48,106	63,764
Non-current liabilities		
Long term borrowings	39,581	39,581
Islamic bonds	23,900	23,900
	63,481	63,481
Current Liabilities		
Trade creditors	5,777	5,899
Other creditors and accruals	6,828	7,110
Provision for taxation	12	10
Bank overdraft	12,019	12,005
	24,636	25,024
Total liabilities	88,117	88,505
TOTAL EQUITY AND LIABILITIES	136,222	152,269
Net assets per share attributable to ordinary equity holders of the parent (sen)	(13.64)	(4.30)
Shareholders' equity per share (sen) including Islamic Preference Shares	20.15	26.70

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

MALAYSIAN MERCHANT MARINE BHD (259253-X)

Condensed Consolidated Statement of Changes in Equity for the Period Ended 30 September 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	
For the 6 months ended 30 June 2009						
At 1 April 2009	175,722	70,988	(3,731)	(2,457)	(176,758)	63,764
Currency translation differences	-	-	-	(3,893)	-	(3,893)
Loss for the period	-	-	-	-	(11,765)	(11,765)
At 30 Sept 2009	175,722	70,988	(3,731)	(6,350)	(188,523)	48,106

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the period ended 31 March 2009.)

MALAYSIAN MERCHANT MARINE BHD (259253-X)

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

	6 Months ended 30-Sep-09 RM'000	30-Sep-08 RM'000
Cash Flows From Operating Activities		
Receipts from customers	23,455	102,666
Payment to suppliers	(29,755)	(105,327)
Payment for operating expenses	(4,194)	(15,036)
Other receipts	-	2,052
Net cash used in operation	<u>(10,494)</u>	<u>(15,645)</u>
Interest received	296	3,408
Tax refund	-	17
Tax paid	-	(3,090)
Net cash used in operating activities	<u>(10,198)</u>	<u>(15,310)</u>
Cash Flows From Investing Activities		
Acquisition of property, plant and equipment	(12)	(21,027)
Deposit paid for acquisition of a ship	-	-
Deposit received for disposal of a ship	-	4,550
Proceeds from sale of property, plant and equipment	-	59,044
Proceeds from disposal of subsidiary company	-	12,166
Acquisition of other investment	-	1,640
Net cash generated from investing activities	<u>(12)</u>	<u>56,373</u>
Cash Flows From Financing Activities		
Advances to associates	-	(130)
Upliftment of deposits	-	65,048
Drawdown of bank borrowings	-	-
Repayment of bank borrowings	-	(66,000)
Interest paid	(2,059)	(6,675)
Net cash used in financing activities	<u>(2,059)</u>	<u>(7,757)</u>
Net (decrease)/increase in cash and cash equivalents	(12,269)	33,306
Effects of exchange rate changes	(645)	(75)
Cash and cash equivalents at beginning of period	7,634	14,856
Cash and cash equivalents at end of period *	<u>(5,280)</u>	<u>48,087</u>
* This comprises		
Cash and bank balances	6,609	2,105
Fixed deposits and other investment	18,555	49,560
Bank Overdraft	(12,019)	-
	<u>13,145</u>	<u>51,665</u>
Less fixed deposit pledged as security for credit facility	(18,425)	(3,578)
	<u>(5,280)</u>	<u>48,087</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the period ended 31 March 2009)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30TH
SEPTEMBER 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 B2.

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:

	Bulkers	Tankers	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External customers	19,708	4,224	430	-	24,362
Results					
Segment results	1,204	(12,615)	(4,026)	5,683	(9,754)
Interest income	-	-	296	-	296
Finance cost	-	-	(2,307)	-	(2,307)
Income tax expense	-	-	-	-	-
Loss from the period					<u>(11,765)</u>
Other information					
Segment assets	-	84,068	176,323	-	260,391
Segment liabilities	-	123,234	100,421	-	223,655

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 September 2009 up to the date of this report.

A11. Changes in the Composition of the Group

During the period, the following subsidiary companies were incorporated:

<u>Companies</u>	<u>County of incorporation</u>
a) Farmbrand Networks Sdn Bhd	Malaysia
b) Erayear Solutions Sdn Bhd	Malaysia
c) C M Ram Holdings Pte Ltd	Singapore

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 upheaval 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 taken 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 RM5.79 million for the quarter ended 30 September 2009 was derived as follows:

	CURRENT YEAR QUARTER 30-Sep-09 RM' mil	PRECEDING YEAR CORRESPONDING 30-Sep-08 RM' mil	CURRENT YEAR TO DATE 30-Sep-09 RM' mil (6 months)	PRECEDING YEAR TO DATE 30-Sep-08 RM' mil
Operating loss	(4.63)	(3.70)	(9.46)	(20.34)
Gain on disposal of subsidiary company	-	-	-	13.24
Gain from disposal of vessels	-	-	-	4.29
Net loss on disposal of associated company	-	-	-	(1.70)
Foreign exchange gain/(loss)	-	4.32	-	(1.72)
Net impairment	-	-	-	(0.21)
Finance costs	(1.16)	(1.06)	(2.31)	(6.19)
Taxation	-	-	-	-
Net loss from continuing operations	(5.79)	0.44	(11.77)	(12.63)
Net profit from discontinued operations	-	-	-	8.39
Loss for the period	(5.79)	0.44	(11.77)	(4.24)

B2. Prospects for the Current Financial Period

At the 14th Annual General Meeting ("AGM") on 31st 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

MALAYSIAN MERCHANT MARINE BERHAD (259253-X)

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 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 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. The management is currently looking at this Titan deal to evaluate the way forward. In addition, other ship related deals are also being reviewed and appropriate announcements will be made when the details have been finalised.

Cognisant of the fact that the Group's revenue base needs to be expanded to cater for the demanding operating environment, the management is looking at other synergistic areas. One prospect is the oil and gas sector. The Group has made an announcement on 16 November 2009 to participate in an oil producing field with reserves up to 11 million barrels. The Board is in the midst of discussions with the relevant parties and an appropriate announcement will be made when more information is available.

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.

B3. Variance of Profit and Forecast Profit Guarantee

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

B4. 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.

B5. Profits on Sale of Investments and/or Properties

The Group did not engage in any sale.

B6. Purchase or Disposal of Quoted Investments

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

B7. Status of Corporate Proposals

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

B8. Group Borrowings

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

	<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		(519)
		<u>63,481</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 mid 2010, 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.

B9. 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.

B10. Material Litigation

There is no material litigation involving the Group since the last annual balance sheet date to the date of this report.

B11. Dividend

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

B12. Profit Per Share

	Current Year Quarter	Current Year To date
Net loss for the current quarter/year to date in RM'000	(5,797)	(11,765)
Weighted average number of ordinary shares outstanding	167,807,003	167,807,003
Basic profit per share in RM	<u>(0.035)</u>	<u>(0.070)</u>

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

25 November 2009