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**BROADCAST UNTIL 5.30PM,**  
**September 29<sup>th</sup>, 2023**

**MARINE & GENERAL BERHAD - [Company No 199601033545]**

## ***NEWS RELEASE***

### **MARINE & GENERAL RECORDS RM11.4 MILLION PRE-TAX PROFIT FOR QUARTER ENDED 31 JULY 2023**

**KUALA LUMPUR, 29 September 2023** – Marine & General Berhad (“M&G” or “the Group”) announced its results for the quarter ended 31 July 2023 today, reporting a revenue of RM84.6 million, representing a 12% improvement compared to the revenue recorded in the preceding year corresponding quarter.

This improvement is in line with an increase in operating level during the current quarter. Accordingly, the fleet utilisation for both Upstream and Downstream Divisions was 78% and 85% respectively as compared to 78% and 90% respectively recorded in the preceding year corresponding quarter.

The Upstream Division continued as the main revenue contributor, generating 75% of the Group’s revenue, while the Downstream Division generated the balance 25%.

M&G had increased the economic useful life of its OSV fleet from 15 years to 20 years effective the second quarter of the preceding financial year to be more aligned with the internal practice within the industry and PETRONAS’ decision to extend service period for such vessels to 20 years. As a result, the Group has incurred lower vessel and equipment depreciation expenses in the current quarter than the preceding year corresponding quarter.

Taking into account higher revenue and lower depreciation expenses, the Group recorded a profit before taxation of RM11.4 million in the current quarter compared to RM1 million loss before taxation during the preceding year corresponding quarter.



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Marine Logistics – Upstream Division

The Upstream Division recorded a revenue of RM63.3 million in the current quarter, representing 12% higher revenue than the preceding year corresponding quarter. The increase was in line with the higher charter activities and higher charter rates, especially in the 70M AHTS vessel segment during the period.

The Division recorded RM12.4 million profit before taxation in the current quarter as compared to RM1.1 million loss before taxation in line with higher revenue recorded and lower depreciation expenses incurred during the current period.

Marine Logistics – Downstream Division

The Downstream Division recorded a revenue of RM21.3 million in the current quarter, representing 14% higher revenue than the preceding year corresponding quarter. The increase was in line with the higher charter activities following the deployment of a third-party tanker on time charter in the second quarter of the preceding year and increase in tanker charter rate.

The Division recorded marginal loss before taxation for the current quarter, as compared to RM1.1 million profit before taxation in the preceding year corresponding quarter mainly due to higher vessel repair and maintenance expenses incurred during the current quarter.

Concluding remarks

The Group's main businesses correlate to and is significantly affected by the outlook of the oil and gas industry, which is expected to continue its recovery.

"The Upstream Division looks forward to an active year in line with PETRONAS' positive outlook for its drilling and exploration activities as highlighted in its Activity Outlook for 2023 – 2025. The Board expects the vessel utilisation and charter rate



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increase to continue in the current financial year, although at a slower rate than the previous financial year”, Executive Chairman, Tan Sri Azlan explained.

“In relation to the Downstream Division, the Division expects the charter operations to continue to experience higher levels of utilisation in the current financial year, given all the vessels are on time-charter contracts”, elaborated Tan Sri Azlan.

“Nevertheless, the Board is also cautious about the potential economic disruption brought about by the geo-political instability in Europe that could affect the regional and domestic economic climate. In view of the foregoing, the Board is cautiously optimistic on the prospects for the rest of the financial year”, Tan Sri Azlan concluded.

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**Marine & General Berhad (“M&G” or “the Company”) was originally incorporated as SILK Concessionaire Holdings Sdn Bhd on 14 October 1996, and subsequently changed its name to Sunway Infrastructure Berhad on 14 February 2002. It assumed the name of SILK Holdings Berhad on 31 October 2008. It assumed its current name on 23 June 2017 after the successful completion of the disposal of the Company’s highway assets.**

**The Company, at present, has two major operating divisions, namely the Marine Logistics - Upstream Division (“Upstream”) spearheaded by Jasa Merin (Malaysia) Sdn Bhd (“JMM”) and the Marine Logistics - Downstream Division (“Downstream”), consisting of several ship owning companies (“SOCs”) including Jasa Merin (Labuan) PLC (“JML”) under M&G Marine Logistics Holdings Sdn Bhd (“MGMLH”).**

**JMM charters out offshore support vessels (“OSV”) for use by the oil majors in their exploration and production activities. On the other hand, the SOCs under the Downstream Division charter out liquid bulk carriers (“LBC”) to the petro-**



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**chemical and oleo-chemical industries, whereby the vessels are used to transport liquid bulk products.**

**Forward looking statements**

This release may contain certain forward-looking statements with respect to the financial conditions, results of operations and business of the Group and certain plans and objectives of Marine & General Berhad with respect to these items. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

Issued on behalf of: **Marine & General Berhad** By: **acorn communications sdn bhd**  
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