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MARINE & GENERAL BERHAD - [Company No 199601033545]

NEWS RELEASE

MARINE & GENERAL RECORDS RM18.1 MILLION PRE-TAX PROFIT FOR QUARTER ENDED 31 JANUARY 2024

KUALA LUMPUR, 26 March 2024 – Marine & General Berhad (“M&G” or “the Group”) announced its results for the quarter ended 31 January 2024 today, reporting a revenue of RM88.4 million, representing a 20% 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 77% and 78% respectively as compared to 69% and 92% respectively recorded in the preceding year corresponding quarter.

The Upstream Division continued as the main revenue contributor, generating 77% of the Group’s revenue, while the Downstream Division generated the balance 23%.

During the current quarter, the Group disposed-off one (1) tanker under the Downstream Division and recognised a gain of RM9.7 million. Taking into account higher revenue earned and gain from disposal of a tanker, the Group recorded profit before taxation of RM18.1 million in the current quarter.

For the current 9-month cumulative period, the Group recorded RM264.9 million revenue, reflecting a 14.6% increase over the preceding year corresponding period. The increase was in line with higher charter activities and charter rates for both Upstream and Downstream Divisions.

For the current 9-month cumulative period, the Group, taking into account the higher revenue earned and gain from disposal, recorded a profit before taxation of RM41.5 million, compared to RM21.2 million profit before taxation in the preceding year corresponding 9-months period.



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Marine Logistics – Upstream Division

During the period under review, the Upstream Division recorded a revenue of RM68.2 million and RM199.8 million in the current quarter and the 9-months period respectively. This represents a 33.7% and 18.5% increase compared to the preceding year corresponding periods. The increase was in line with the higher charter activities and charter rates particularly in the 70M AHTS vessels segment, in line with the continued drilling and exploration activities.

The Division recorded profit before taxation of RM12.4 million and RM36.7 million respectively in the current quarter and the 9 months period as compared to RM1.9 million loss before taxation during the preceding year corresponding quarter and RM19.2 million profit before taxation in the preceding year corresponding 9-months period. These results were in line with higher revenue recorded during the respective periods.

Marine Logistics – Downstream Division

The Downstream Division recorded marginally lower revenue of RM20.2 million compared to RM22.6 million recorded in the preceding year corresponding quarter. The decrease in revenue was mainly due to the non-deployment of a tanker for repairs and the disposal of a tanker. However, for the 9-months period, the Division recorded slightly higher revenue of RM65.1 million compared to RM62.6 million revenue recorded in the preceding year corresponding period mainly due to higher charter rates.

Taking into account the gain from disposal of a tanker amounting to RM9.7 million, the Division recorded higher profit before taxation of RM7 million and RM8.2 million for the current quarter and the 9-months period respectively, compared to RM1.5 million and RM4.9 million profit before taxation in the preceding year corresponding periods.



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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 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, all the operating vessels are currently on time-charter contracts. In addition, the Division is looking at fleet optimization measures to achieve better utilisation moving forward", elaborated Tan Sri Azlan.

"Nevertheless, the Board continues to be cautious about the potential economic disruption brought about by the geo-political instability in Europe and the Middle-East 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.

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.



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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 petrochemical 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.

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