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

## ***NEWS RELEASE***

### **MARINE & GENERAL RECORDS RM17.5 MILLION PRE-TAX PROFIT FOR QUARTER ENDED 31 JULY 2024**

**KUALA LUMPUR, 27 September 2024** – Marine & General Berhad (“M&G” or “the Group”) announced its results for the quarter ended 31 July 2024 today, reporting a revenue of RM91.2 million, representing a 7.8% improvement compared to the revenue recorded in the preceding year corresponding quarter. This growth was mainly driven by higher charter rates for the offshore support vessels (“OSV”), in line with the sustained rise in oil drilling activities and the general economic recovery in the region.

Fleet utilisation for Upstream and Downstream Divisions was 77% and 91% respectively as compared to 78% and 85% respectively recorded in the preceding year corresponding quarter.

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

In line with the higher revenue, the Group recorded a profit before taxation of RM17.5 million, representing a RM6.1 million increase from the RM11.4 million profit recorded in the preceding year corresponding quarter.

#### Marine Logistics – Upstream Division

The Upstream Division recorded a revenue of RM70.4 million in the current quarter, representing a 11.2% higher revenue than the preceding year corresponding quarter. The increase was mainly due to higher charter rates, especially in the 70M AHTS vessel segment, during the current period in line with the sustained rise in oil drilling activities and the general economic recovery in the region.



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

In line with higher revenue, the Division recorded RM15.9 million profit before taxation in the current quarter, representing a 28% increase over profit of RM12.4 million recorded in the preceding year corresponding quarter.

Marine Logistics – Downstream Division

The Downstream Division recorded revenue of RM20.8 million in the current quarter, marginally lower than the RM21.3 million profit recorded in the preceding year corresponding quarter. The decrease was mainly due to the disposal of two (2) tankers in Q3 2024 and Q4 2024.

Despite operating fewer vessels during the current quarter, the Division recorded a profit before taxation of RM2.7 million, a significant improvement compared to the RM57k loss recorded in the preceding year corresponding quarter. This turnaround was largely driven by lower operating expenses incurred during the current period following the disposal of two (2) vessels in the preceding financial year while maintaining the revenue level as vessel utilisation increased from 85% to 91% in the current period.

Current year prospects

Domestic economic fundamentals are expected to improve, and analysts are positive on the medium-term prospects for the Malaysian oil and gas sector. It is also expected that the budgeted capital spending by PETRONAS will proceed as planned. In its recent Activity Outlook, PETRONAS outlined its plan to grow and sustain the country's production of oil and gas of 2 million barrels of oil and gas equivalent per day by 2025 and beyond.

In line with this, PETRONAS expects to ramp up its exploration activities and forecasts that more than 25 wells will be drilled in the next 3 years. Although the administration of oil and gas activities in Sarawak may change with the involvement of PETROS, the Group remains confident and expect minimal impact as the



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

requirement for vessels will remain intact. Accordingly, the Upstream Division looks forward to a more active year ahead.

In relation to the Downstream Division, the Division expects the charter operations to continue to be active during the current financial year, buoyed by the sustained economic activities and national economic growth that is expected to surpass 2023's performance.

Despite the reduced number of vessels after the disposal of two (2) out of its' eight (8) vessels in the preceding financial year, the commercial prospects over the medium term remain positive given the Division's excellent operating standards that will ensure continued commercial competitiveness, as well as the demand for Malaysian-flagged tankers in the market. The Downstream Division remains committed to its long-term growth plan with fleet expansion being continuously considered based on market demand and strategic opportunities.

Nevertheless, the Board is also cautious about the potential economic disruption brought about by the continued geo-political instability in the Middle East and Europe, and the outcome of the United States Presidential election which could give rise to policy changes that could affect global and domestic economic climate. In view of the foregoing, the Board remains cautiously optimistic on the current financial year prospects.



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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 SOC's under the Downstream Division charter out liquid bulk carriers ("LBC") to the petro-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.

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