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MARINE & GENERAL BERHAD - [Company No 199601033545]

NEWS RELEASE

MARINE & GENERAL RECORDS RM18.3 MILLION PRE-TAX PROFIT FOR QUARTER ENDED 31 OCTOBER 2024

KUALA LUMPUR, 16 December 2024 – Marine & General Berhad (“M&G” or “the Group”) announced its results for the quarter ended 31 October 2024 today, reporting a revenue of RM93.1 million, representing a 1.3% improvement compared to the revenue recorded in the preceding year corresponding quarter. The Group recorded a revenue of RM184.3 million for the cumulative 6-month period, a 4.4% improvement over the RM176.5 million revenue recorded during the previous corresponding 6-month period.

Fleet utilisation for Upstream and Downstream Divisions during the quarter was 75% and 77% respectively as compared to 81% and 91% respectively recorded in the preceding year corresponding quarter. The Upstream Division continued as the main revenue contributor, generating 84% of the Group’s revenue for the quarter, while the Downstream Division generated the balance 16%. In line with the improved revenue, the Group recorded a profit before taxation of RM18.3 million, representing a 52.4% increase from the RM12 million profit recorded in the preceding year corresponding quarter.

For the cumulative 6-month period, fleet utilisation for Upstream and Downstream Divisions during the quarter was 76% and 84% respectively as compared to 79% and 88% respectively recorded in the preceding year corresponding period. The Upstream Division remained as the main revenue contributor, generating 81% of the Group’s revenue for the cumulative 6-month period, while the Downstream Division generated the balance 19%. The Group recorded a profit before taxation of RM35.8 million for the cumulative 6-month period, representing a 53% increase from the RM23.4 million profit recorded in the preceding year corresponding period.



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Marine Logistics – Upstream Division

The Upstream Division recorded a revenue of RM78 million and RM148.4 million in the current quarter and 6-month period respectively, representing 14.3% and 12.8% higher revenue than the preceding year corresponding periods. 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.

In line with higher revenue, the Division recorded RM20.2 million and RM36.1 million profit before taxation in the current quarter and the 6-month period respectively compared to RM11.9 million and RM24.3 million profit before taxation in the preceding year corresponding periods.

Marine Logistics – Downstream Division

The Downstream Division recorded revenue of RM15.1 million for the current quarter and RM35.8 million for the 6-month period, representing 36.1% and 20.2% lower revenue respectively. The decrease was in line with operating fewer vessels subsequent to the disposal of two (2) vessels in the preceding year and lower vessel utilisation arising from scheduled docking for a vessel and a vessel off-hire for engine repairs.

During the current quarter, the Division recorded loss before taxation of RM564,000 in line with lower revenue and higher repair and maintenance expenses incurred.

For the 6-month period, the Division recorded a profit before taxation of RM2.2 million, an improvement compared to the RM1.1 million profit recorded in the preceding year corresponding period. Although the Division recorded lower revenue and therefore lower gross profit, the Division recorded RM1 million higher profit before taxation in the current cumulative period as a result of the ongoing fleet optimisation.



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Current year prospects

Malaysia's economic growth is forecasted to accelerate to 4.9% in 2024, reflecting positive momentum. The continued resilience shown by domestic economic fundamentals is supported by robust private consumption. However, challenges remain, not least due to external geopolitical tensions, a potential global economic slowdown, and domestic structural issues.

The evolving regulatory framework for the oil and gas sector remains an area of concern and continues to be closely monitored. Nevertheless, the Group remains confident that vessel requirements and overall activity levels will remain robust, ensuring the Upstream Division is well-positioned for an active financial year ahead.

In the Downstream Division, operational activity is expected to remain steady, supported by strong demand for Malaysian-flagged tankers and ongoing national economic recovery. Despite the disposal of two vessels last year, the division's excellent operational standards ensure its competitiveness in a tightening market. Plans for fleet expansion are being carefully evaluated in response to market demand and strategic growth opportunities.

While the Board remains optimistic about the sector's growth potential, it remains cautious about external risks, including geopolitical instability in the Middle East and Europe, and potential shifts in the global economic environment due to U.S. policy changes following the presidential election. PETRONAS' emphasis on safety and good operational track record positions the Group well to navigate these uncertainties and maintain resilience.

Consequently, the Board maintains a cautiously optimistic outlook for the current financial year, underpinned by PETRONAS' strong pipeline of projects and Malaysia's improving economic fundamentals



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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-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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