



**MARINE & GENERAL**  
BERHAD

**MARINE & GENERAL BERHAD**  
(Registration No. 199601033545 (405897-V))

**INTERIM RESULT FOR THE PERIOD ENDED**  
**30 APRIL 2021 (Q4 2021)**

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**MARINE & GENERAL BERHAD (Registration No. 199601033543 (405897-V))**

**(Incorporated in Malaysia)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2021**

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Notes	Individual Quarter		Cumulative Quarter	
		Current Year	Preceding Year	Current Year	Preceding Year
		Quarter	Corresponding	To Date	Corresponding
		30-Apr-21	Quarter	30-Apr-21	Period
		30-Apr-20		30-Apr-20	
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>		<b>41,645</b>	54,912	<b>183,395</b>	213,598
Direct costs		<b>(60,084)</b>	(60,069)	<b>(231,670)</b>	(211,343)
Gross (loss)/profit		<b>(18,439)</b>	(5,157)	<b>(48,275)</b>	2,255
Other income		<b>1,188</b>	2,566	<b>3,556</b>	3,541
Other item of expenses:					
Administrative expenses		<b>(5,314)</b>	(6,144)	<b>(20,346)</b>	(22,835)
Other expenses	A7	<b>4,203</b>	(681)	<b>4,059</b>	(681)
		<b>(1,111)</b>	(6,825)	<b>(16,287)</b>	(23,516)
<b>EBIT</b>		<b>(18,362)</b>	(9,416)	<b>(61,006)</b>	(17,720)
Finance income	A7	<b>135</b>	601	<b>779</b>	3,051
Finance cost	A7	<b>(4,943)</b>	(14,963)	<b>(33,934)</b>	(50,856)
Net finance cost		<b>(4,808)</b>	(14,362)	<b>(33,155)</b>	(47,805)
<b>Loss from operation</b>		<b>(23,170)</b>	(23,778)	<b>(94,161)</b>	(65,525)
Gain on restructuring of debts	A8	19,871	-	126,700	-
<b>(Loss)/Profit before taxation</b>		<b>(3,299)</b>	(23,778)	<b>32,539</b>	(65,525)
Taxation	A9	<b>(6,510)</b>	(255)	<b>(6,750)</b>	(839)
<b>(Loss)/Profit after taxation</b>		<b>(9,809)</b>	(24,033)	<b>25,789</b>	(66,364)

**MARINE & GENERAL BERHAD (Registration No. 199601033543 (405897-V))**  
**(Incorporated in Malaysia)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2021**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Notes	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30-Apr-21 RM'000	Preceding Year Corresponding Quarter 30-Apr-20 RM'000	Current Year To Date 30-Apr-21 RM'000	Preceding Year Corresponding Period 30-Apr-20 RM'000
<b>Other comprehensive income, net of tax Items that are or may be reclassified subsequently to profit or loss</b>					
Foreign currency translation differences for foreign operations		<u>(2,010)</u>	<u>(2,030)</u>	<u>(250)</u>	<u>(1)</u>
<b>Total comprehensive (expenses)/income for the period</b>		<u>(11,819)</u>	<u>(26,063)</u>	<u>25,539</u>	<u>(66,365)</u>
<b>Net (loss)/income attributable to:</b>					
Owners of the parent		<u>(9,725)</u>	<u>(18,011)</u>	<u>10,156</u>	<u>(49,632)</u>
Non-controlling interests		<u>(84)</u>	<u>(6,022)</u>	<u>15,633</u>	<u>(16,732)</u>
		<u>(9,809)</u>	<u>(24,033)</u>	<u>25,789</u>	<u>(66,364)</u>
<b>Total comprehensive (expenses)/income attributable to:</b>					
Owners of the parent		<u>(11,735)</u>	<u>(19,991)</u>	<u>9,906</u>	<u>(49,583)</u>
Non-controlling interests		<u>(84)</u>	<u>(6,072)</u>	<u>15,633</u>	<u>(16,782)</u>
		<u>(11,819)</u>	<u>(26,063)</u>	<u>25,539</u>	<u>(66,365)</u>
<b>(Loss)/Earnings per share (sen)</b>					
- basic	A10	<u>(1.34)</u>	<u>(2.49)</u>	<u>1.40</u>	<u>(6.86)</u>

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 April 2020 and the accompanying explanatory notes attached to the interim financial statements.

**MARINE & GENERAL BERHAD (Registration No. 199601033543 (405897-V))**

**(Incorporated in Malaysia)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2021**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

		<b>30-Apr-21</b>	<b>Audited</b>
	<b>Notes</b>	<b>RM'000</b>	<b>30-Apr-20</b>
			<b>RM'000</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, vessels and equipment		<b>756,529</b>	829,139
Right-of-use assets		<b>3,141</b>	4,135
		<b><u>759,670</u></b>	<b><u>833,274</u></b>
<b>Current assets</b>			
Inventories		<b>7,148</b>	7,043
Other investments	A12	<b>20,035</b>	38,683
Trade and other receivables	A13	<b>39,641</b>	40,474
Tax recoverable		<b>1,470</b>	1,442
Cash and bank balances	A14	<b>19,379</b>	38,662
		<b><u>87,673</u></b>	<u>126,304</u>
<b>Total assets</b>		<b><u>847,343</u></b>	<b><u>959,578</u></b>
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	A15	<b>270,003</b>	270,003
Reverse acquisition deficit		<b>(92,791)</b>	(92,791)
Translation reserve		<b>(2,424)</b>	(2,174)
Accumulated losses		<b>(123,063)</b>	(133,219)
<b>Total equity attributable to equity holders of the Company</b>		<b>51,725</b>	41,819
Other equity		<b>70,129</b>	-
Non-controlling interests		<b>(82,538)</b>	(117,077)
<b>Total equity</b>		<b><u>39,316</u></b>	<b><u>(75,258)</u></b>
<b>Non-current liabilities</b>			
Loans and borrowings	A16	<b>694,283</b>	16,994
Lease liabilities		<b>2,282</b>	3,085
Deferred tax liability		<b>6,503</b>	253
		<b><u>703,068</u></b>	<b><u>20,332</u></b>

**MARINE & GENERAL BERHAD (Registration No. 199601033543 (405897-V))**

**(Incorporated in Malaysia)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2021**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

		<b>30-Apr-21</b>	<b>Audited 30-Apr-20</b>
	<b>Notes</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Current liabilities</b>			
Loans and borrowings	A16	<b>59,128</b>	943,476
Lease liabilities		<b>1,074</b>	1,004
Trade and other payables	A17	<b>44,456</b>	69,748
Provision for taxation		<b>301</b>	276
		<b>104,959</b>	1,014,504
<b>Total liabilities</b>		<b>808,027</b>	1,034,836
<b>Total equity and liabilities</b>		<b>847,343</b>	959,578
<b>Net assets per share attributable to equity holders of the Company (sen)</b>		<b>7.15</b>	5.78

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 April 2020 and the accompanying explanatory notes attached to the interim financial statements.

**MARINE & GENERAL BERHAD (Registration No. 199601033543 (405897-V))**

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2021**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	← Attributable to equity holders of the Company →						Total RM'000
	← Non-distributable →			Distributable			
	Share capital RM'000	Reverse acquisition deficit RM'000	Translation reserve RM'000	Accumulated losses RM'000	Other equity RM'000	Non- Controlling interests RM'000	
<b>At 1 May 2020</b>	270,003	(92,791)	(2,174)	(133,219)	-	(117,077)	(75,258)
Foreign currency translation differences for foreign operations	-	-	(250)	-	-	-	(250)
Profit for the period	-	-	-	10,156	-	15,633	25,789
Total comprehensive income for the period	-	-	(250)	10,156	-	15,633	25,539
Changes in ownership interests in a subsidiary	-	-	-	-	-	(2,935)	(2,935)
Deemed disposal of subsidiary	-	-	-	-	-	21,841	21,841
Other equity	-	-	-	-	70,129	-	70,129
<b>At 30 April 2021</b>	270,003	(92,791)	(2,424)	(123,063)	70,129	(82,538)	39,316
<b>At 1 May 2019</b>	270,003	(92,791)	(2,223)	(83,587)	-	(100,295)	(8,893)
Foreign currency translation differences for foreign operations	-	-	49	-	-	(50)	(1)
Loss for the period	-	-	-	(49,632)	-	(16,732)	(66,364)
Total comprehensive income/(expenses) for the year	-	-	49	(49,632)	-	(16,782)	(66,365)
<b>At 30 April 2020</b>	270,003	(92,791)	(2,174)	(133,219)	-	(117,077)	(75,258)

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 April 2020 and the accompanying explanatory notes attached to the interim financial statements.

**MARINE & GENERAL BERHAD (Registration No. 199601033543 (405897-V))**  
**(Incorporated in Malaysia)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2021**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	30-Apr-21 RM'000	30-Apr-20 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Collection of revenue	186,729	214,273
Collection of other income	2,986	800
	<u>189,715</u>	<u>215,073</u>
Payment of expenses	(173,079)	(142,628)
Net tax (paid)/recovered	(377)	1,959
Net cash generated from operating activities	<u>16,259</u>	<u>74,404</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Redemption of deposit and cash management fund	18,648	75,640
Acquisition of non-controlling interest	(3,376)	-
Purchase of property, vessels and equipment	(5,749)	(49,538)
Net cash generated from investing activities	<u>9,523</u>	<u>26,102</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contribution by non-controlling interest	2,770	-
Drawdown of borrowings	-	-
Repayment of borrowings	(10,680)	(35,508)
Payment of finance costs	(36,662)	(50,856)
Payment of leases	(493)	(877)
Net cash used in financing activities	<u>(45,065)</u>	<u>(87,241)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(19,283)</b>	<b>13,265</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<b><u>38,662</u></b>	<b><u>25,397</u></b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>(a) <u>19,379</u></b>	<b><u>38,662</u></b>

**(a) Cash and cash equivalents**

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

		30-Apr-21 RM'000	30-Apr-20 RM'000
Cash and bank balances	A14	11,513	30,905
Deposits with licensed financial institutions	A14	7,866	7,757
		<u>19,379</u>	<u>38,662</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 April 2020 and the accompanying explanatory notes attached to the interim financial statements.

## **PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

### **A1. BASIS OF PREPARATION**

The unaudited condensed consolidated financial statements have been prepared in accordance with MFRS 134 Interim Financial Reporting and IAS 34 Interim Financial Reporting.

The condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the period ended 30 April 2020.

The accounting policies adopted are consistent with those of the previous financial period except for the adoption of new and amended standards as set out below:

#### **a. New and amended standards adopted by the Group**

A number of new and amended standards have become applicable for the current reporting period. However, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

#### **b. Standards issued but not yet effective**

At the date of authorisation of this financial statement, the following MFRS and Amendments to MFRSs were issued but not yet effective and have not been applied by the Group:

<b>MFRSs, Interpretations and amendments to MFRS</b>	<b>Effective date</b>
▪ Amendments to MFRS 1, <i>First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)</i>	1 January 2022
▪ Amendments to MFRS 3, <i>Business Combinations – Reference to the Conceptual Framework</i>	1 January 2022
▪ Amendments to MFRS 9, <i>Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)</i>	1 January 2022
▪ Amendments to Illustrative Examples accompanying MFRS 16, <i>Leases (Annual Improvements to MFRS Standards 2018-2020)</i>	1 January 2022
▪ Amendments to MFRS 116, <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022



## A1. BASIS OF PREPARATION (CONTINUED)

### b. Standards issued but not yet effective (continued)

MFRSs, Interpretations and amendments to MFRS	Effective date
▪ Amendments to MFRS 137, <i>Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
▪ MFRS 17, <i>Insurance Contracts</i>	1 January 2023
▪ Amendments to MFRS 101, <i>Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies</i>	1 January 2023
▪ Amendments to MFRS 108, <i>Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates</i>	1 January 2023
▪ Amendments to MFRS 10, <i>Consolidated Financial Statements</i> and MFRS 128, <i>Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be confirmed

The Group is expected to apply the above pronouncements beginning from the immediate financial year after the respective dates the pronouncements become effective. The Group is currently assessing the impact of adopting the pronouncements.

## A2. CORPORATE INFORMATION

Marine & General Berhad is a public limited liability company incorporated and domiciled in Malaysia and is listed on Bursa Malaysia Securities Berhad.

These condensed consolidated interim financial statements were approved by the Board of Directors on 30 July 2021.

## A3. CHANGES IN ESTIMATES

There were no changes in estimates of amounts that would have material effect in the current period.

## A4. CHANGES IN THE COMPOSITION OF THE GROUP

There has been no material change in total assets and no differences in the basis of segmentation or in the basis of measurement of segment profit or loss as compared to the last annual financial statements.

## A5. SEGMENT INFORMATION

	Marine Logistics - Upstream		Marine Logistics - Downstream		Investment Holding and Others		Adjustments		Total	
	30-Apr-21 RM'000	30-Apr-20 RM'000	30-Apr-21 RM'000	30-Apr-20 RM'000	30-Apr-21 RM'000	30-Apr-20 RM'000	30-Apr-21 RM'000	30-Apr-20 RM'000	30-Apr-21 RM'000	30-Apr-20 RM'000
<b>3-month results</b>										
<b>Revenue</b>										
External customers	25,595	40,970	16,050	13,942	-	-	-	-	41,645	54,912
Inter-segment	-	-	-	-	43	43	(43)	(43)	-	-
Total revenue	<b>25,595</b>	<b>40,970</b>	<b>16,050</b>	<b>13,942</b>	<b>43</b>	<b>43</b>	<b>(43)</b>	<b>(43)</b>	<b>41,645</b>	<b>54,912</b>
<b>Segment profit/(loss)</b>										
before taxation	<b>8,431</b>	<b>(21,039)</b>	<b>(14,993)</b>	<b>(1,861)</b>	<b>(1,000)</b>	<b>(73,071)</b>	<b>4,263</b>	<b>72,193</b>	<b>(3,299)</b>	<b>(23,778)</b>
<b>12-month results</b>										
<b>Revenue</b>										
External customers	122,977	161,567	60,418	52,031	-	-	-	-	183,395	213,598
Inter-segment	-	-	-	-	164	121	(164)	(121)	-	-
Total revenue	<b>122,977</b>	<b>161,567</b>	<b>60,418</b>	<b>52,031</b>	<b>164</b>	<b>121</b>	<b>(164)</b>	<b>(121)</b>	<b>183,395</b>	<b>213,598</b>
<b>Segment profit/(loss)</b>										
before taxation	<b>69,050</b>	<b>(56,693)</b>	<b>(37,016)</b>	<b>(6,003)</b>	<b>(3,844)</b>	<b>(75,096)</b>	<b>4,349</b>	<b>72,267</b>	<b>32,539</b>	<b>(65,525)</b>
<b>Segment assets</b>										
	<b>633,694</b>	<b>706,597</b>	<b>186,901</b>	<b>209,689</b>	<b>182,102</b>	<b>189,251</b>	<b>(155,354)</b>	<b>(145,959)</b>	<b>847,343</b>	<b>959,578</b>
<b>Segment liabilities</b>										
	<b>882,895</b>	<b>1,107,271</b>	<b>221,279</b>	<b>219,165</b>	<b>1,235</b>	<b>4,492</b>	<b>(297,382)</b>	<b>(296,092)</b>	<b>808,027</b>	<b>1,034,836</b>

## A6. SEASONAL OR CYCLICAL FACTORS

The Group's operations are not subject to any significant seasonal or cyclical factors.

## A7. (LOSS)/PROFIT BEFORE TAX

Included in the (loss)/profit before tax are the following items:

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30-Apr-21 RM'000	30-Apr-20 RM'000	30-Apr-21 RM'000	30-Apr-20 RM'000
Finance income	135	601	779	3,051
Finance costs	(4,943)	(14,963)	(33,935)	(50,856)
Depreciation of property, vessel and equipment	(19,428)	(17,409)	(76,099)	(72,815)
Depreciation of right-of-use assets	(209)	(980)	(1,150)	(981)
Amortisation of vessels dry-docking	(3,505)	(4,173)	(12,748)	(8,779)
Impairment loss on property, vessels and equipment	(9,930)	-	(9,930)	-
Write-back of impairment on property, vessels and equipment	15,206	-	15,206	-
Net foreign exchange loss	(662)	(585)	(301)	(1,584)

## A8. GAIN ON RESTRUCTURING OF DEBTS

On 13 August 2020, the Group completed a debt restructuring scheme involving its 70% indirect subsidiary, namely Jasa Merin (Malaysia) Sdn Bhd ("JMM"), and its three lenders. Among others, the restructuring involved an extension of the tenure of the existing debts and partial settlement of the existing debts by the issue of preference shares ("PS") by JMM to its lenders.

Following the completion of the debt restructuring scheme, JMM has recognised RM126.7 million gain comprising gain on the de-recognition of pre-existing debts and gain from the issue of JMM PS to the lenders as partial repayment for the pre-existing debts.

**A9. INCOME TAX**

	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>30-Apr-21</b>	<b>30-Apr-20</b>	<b>30-Apr-21</b>	<b>30-Apr-20</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Current tax expense</b>				
Malaysian				
- current year	(349)	(379)	112	205
- prior year	285	381	285	381
	<u>(64)</u>	<u>2</u>	<u>397</u>	<u>586</u>
<b>Deferred tax expense</b>				
- origination and reversal of temporary differences	<u>6,574</u>	<u>253</u>	<u>6,353</u>	<u>253</u>
Total income tax expense	<u>6,510</u>	<u>255</u>	<u>6,750</u>	<u>839</u>

The effective tax rates of certain subsidiaries differ from the Malaysian statutory tax rate as subsidiaries incorporated in Labuan under the Offshore Companies Act, 1990 are taxed at the rate of 3% of their profit before taxation in accordance with the Labuan Offshore Business Activity Tax Act, 1990.

#### A10. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share amounts is calculated by dividing (loss)/profit for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial period, excluding employee trust shares held by the Company.

The following reflect the (loss)/earnings and share data used in the computation of basic (loss)/earnings per share:

	Quarter (3 months)	Cumulative period (12 months)
<b>30 April 2021</b>		
<b>Basic (loss)/earnings per share:</b>		
Loss net of tax attributable to owners of the parent (RM'000)	(9,725)	10,156
Weighted average number of ordinary shares in issue ('000)	723,879	723,879
<b>Basic (loss)/earnings per share (sen)</b>	<u>(1.34)</u>	<u>1.40</u>
<b>30 April 2020</b>		
<b>Basic loss per share:</b>		
Loss net of tax attributable to owners of the parent (RM'000)	(18,011)	(49,632)
Weighted average number of ordinary shares in issue ('000)	723,879	723,879
<b>Basic loss per share (sen)</b>	<u>(2.49)</u>	<u>(6.86)</u>

#### A11. VALUATION OF PROPERTY, VESSELS AND EQUIPMENT

There is no valuation of property, vessels and equipment brought forward from the previous audited financial statements, as the Group does not adopt a revaluation policy on property, vessels and equipment.

#### A12. OTHER INVESTMENTS

	30-Apr-21 RM'000	30-Apr-20 RM'000
Financial assets at fair value through profit or loss	<u>20,035</u>	<u>38,683</u>

The financial assets at fair value through profit or loss represent investments in short-term money market instruments.

#### A13. TRADE AND OTHER RECEIVABLES

	<b>30-Apr-21</b>	<b>30-Apr-20</b>
	<b>RM'000</b>	<b>RM'000</b>
Trade receivables	27,608	26,988
Other receivables	12,033	13,486
	<u>39,641</u>	<u>40,474</u>

The ageing analysis of the trade receivables is as follows:

	<b>30-Apr-21</b>	<b>30-Apr-20</b>
	<b>RM'000</b>	<b>RM'000</b>
Current (not past due)	23,233	17,150
1 - 30 days past due	2,619	8,121
31 - 90 days past due	1,705	803
Past due more than 90 days	1,950	4,223
	<u>29,507</u>	<u>30,297</u>
Allowance for impairment loss	(1,899)	(3,309)
	<u>27,608</u>	<u>26,988</u>

The Group's normal trade credit terms for trade receivables is 30 days. Other credit terms are assessed and approved on case-to-case basis.

#### A14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprised the following amounts:

	<b>30-Apr-21</b>	<b>30-Apr-20</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	11,513	30,905
Deposits placed with licensed bank	7,866	7,757
Total cash and cash equivalents	<u>19,379</u>	<u>38,662</u>

Included in the deposits placed with licensed financial institutions is RM1,751,000 (30 April 2020: RM1,686,000) deposit pledged for banking facilities granted to subsidiaries.

#### A15. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

As stated in note A8, an indirect subsidiary of the Company, Jasa Merin (Malaysia) Sdn. Bhd. ("JMM") issued 10-year RM150 million irredeemable preference shares ("JMM PS") to its lenders at an issue price of RM1 each during the period under review. The JMM PS are exchangeable with the ordinary shares of the Company at the exchange rate of ten (10) new ordinary shares of the Company for every JMM PS during its 10-year tenure.

Except for the above, there was no issuance, cancellation, repurchase, or resale of equity securities during the period under review.

## A16. GROUP BORROWINGS AND DEBT SECURITIES

Group borrowings and debt securities as at the end of the reporting period are as follows:

	<b>30-Apr-21</b>	<b>30-Apr-20</b>
	<b>RM'000</b>	<b>RM'000</b>
Secured short-term borrowings:		
Term loans	43,500	927,905
Revolving credits	15,571	15,571
Hire purchase	57	-
Total short term borrowings	<u>59,128</u>	<u>943,476</u>
Secured long-term borrowings:		
Term loans	694,283	16,994
CNRPS	-	-
Total long term borrowings	<u>694,283</u>	<u>16,994</u>
Total borrowings	<u>753,411</u>	<u>960,470</u>

### Proposed Debt Restructuring Scheme

In the prior year, the Group has reclassified total term loans and borrowings of approximately RM735 million from non-current liabilities to current liabilities pending completion of its restructuring as at 30 April 2020. The total carrying amounts of loans and borrowings was approximately RM891 million.

As stated in Note A8, the Group has completed the debt restructuring with the respective lenders on 13 August 2020.

## A17. TRADE AND OTHER PAYABLES

	<b>30-Apr-21</b>	<b>30-Apr-20</b>
	<b>RM'000</b>	<b>RM'000</b>
Trade payables	26,746	32,165
Accruals and other payables	17,710	37,583
	<u>44,456</u>	<u>69,748</u>

## A18. DEBT AND EQUITY SECURITIES

Except as stated in Note A15, the Group did not undertake any issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current period under review.

**A19. DIVIDENDS**

No dividends have been proposed or paid in the financial period under review.

**A20. COMMITMENTS**

	<b>30-Apr-21</b>	<b>30-Apr-20</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Capital expenditure</b>		
Approved and contracted for:		
Property, vessel and equipment	174	22,667
	<u>          </u>	<u>          </u>
Approved but not contracted for:		
Property, vessels and equipment	26,706	10,264
	<u>          </u>	<u>          </u>

**A21. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Contingent liabilities of the Group comprise the followings:

		<b>30-Apr-21</b>	<b>30-Apr-20</b>
		<b>RM'000</b>	<b>RM'000</b>
Litigation (unsecured)	(a)	-	17,800
		<u>          </u>	<u>          </u>

(a) Pursuant to the disposal of Sistem Lingkaran-Lebuhraya Kajang Sdn Bhd ("SILK") to Permodalan Nasional Berhad ("PNB"), the Company has agreed to indemnify PNB against all losses, costs, expenses, damages, claims and liabilities which may arise from the dispute between SILK and the landowners regarding the quantum of compensation payable for the compulsory acquisition of land falling under the Kajang Traffic Dispersal Ring Road ("Expressway") that was undertaken by SILK pursuant to the Concession Agreement.

In the SILK's funded stretch, there are 240 cases with claims amounting to RM503.7 million. Out of the 240 cases, 239 cases have been resolved and 1 case with claims of RM17.8 million is still pending Court hearing.

Pursuant to the Turnkey Contract dated 31 July 2001 between SILK and Sunway Construction Sdn. Bhd. ("SCSB"), the amount payable by SILK to SCSB for the land use payments (including expenses and charges incurred by SCSB for the acquisition of land and for removal or resettling of squatters or other occupants on the Expressway) has been contracted at a ceiling amount of RM215 million. Any further amounts that may be awarded by the Court beyond RM215 million will therefore be borne by SCSB.

In relation to the remaining land case, on 13 November 2020, the Federal Court has dismissed the landowner's appeal with cost.



**A22. UNUSUAL ITEMS**

There were no items affecting assets, liabilities, equity, net income, or cash flow that were unusual because of their nature, size and incidence in the current period.

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN BOARD LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. REVIEW OF PERFORMANCE**

The Group performance for the quarter under review and the financial year compared with the corresponding periods of the previous financial year are as follows:

**Quarterly review**

	3 Months Ended		Variances RM'000	Change %
	30-Apr-21 RM'000	30-Apr-20 RM'000		
Revenue	41,645	54,912	(13,267)	(24.2%)
Loss from operation	(23,170)	(23,778)	608	(2.6%)
Gain on restructuring of debts	19,871	-	19,871	*
Loss before taxation	(3,299)	(23,778)	20,479	*
Loss after taxation	(9,809)	(24,033)	14,224	(59.2%)
Loss attributable to ordinary equity holders of the parent	(9,725)	(18,011)	8,286	(46.0%)

**Fleet utilisation:**

Marine Logistics - Upstream Division	50%	72%
Marine Logistics - Downstream Division	67%	71%

During the current quarter, oil and gas industry remained weak due to severe shrinking demand of oil arising from the continuing Covid-19 pandemic. As a result, oil companies have scaled down their drilling activities which consequently affected the demand for offshore support vessel services operated by the Upstream Division. Declining demand for oil and its derivative products also adversely affected the demand for tanker services operated by the Downstream Division of the Group. Consequently, fleet utilisation for both the Upstream Division and the Downstream Division deteriorated to 50% and 67% from their respective levels in the preceding year. In line with the lower operating level, the Group recorded RM41.6 million revenue in the current period, representing 24% lower revenue than the preceding year corresponding quarter.

The Upstream Division continued as the main revenue contributor, generating 62% of the Group revenue, while the Downstream Division generated the balance 38%.

Division	No. of vessels deployed		Revenue contribution			
	Current year quarter	Preceding year corresponding quarter	Current year quarter	Preceding year corresponding quarter	Current year quarter	Preceding year corresponding quarter
	30-Apr-21	30-Apr-20	30-Apr-21	30-Apr-20	30-Apr-21	30-Apr-20
			RM'000	RM'000	%	%
Upstream	17	17	25,515	40,970	62%	75%
Downstream	7	5	15,648	13,942	38%	25%
	24	22	41,163	54,912	100%	100%

## B1. REVIEW OF PERFORMANCE (CONTINUED)

### Quarterly review (continued)

During the current period, the Group recorded loss from operation of RM23.2 million which is in line with the loss recorded in the previous year corresponding quarter of RM23.8 million.

As stated in note A8, the Group has completed a debt restructuring scheme for the Upstream Division during the current financial year, which involved among others, the issuance of RM150 million preference shares by JMM to its lenders (“JMM PS”) as partial settlement of the debts. During the current quarter, the Group engaged an independent party to re-assess the value of JMM PS at their issue date based on applicable preference shares valuation method. Consequent to the re-assessment, the Group has recognized additional RM19.9 million gain on restructuring of debts.

Accordingly, the Group recorded RM3.3 million loss before taxation in the current quarter as compared to loss before taxation of RM23.8 million recorded in the preceding year corresponding quarter.

### Year-to-date review

	12 Months Ended			
	30-Apr-21	30-Apr-20	Variances	Change
	RM'000	RM'000	RM'000	%
Revenue	183,395	213,598	(30,203)	(14.1%)
Loss from operation	(94,161)	(65,525)	(28,636)	43.7%
Gain on restructuring of debts	126,700	-	126,700	*
Profit/(Loss) before taxation	32,539	(65,525)	98,064	*
Profit/(Loss) after taxation	25,789	(66,364)	92,153	*
Profit/(Loss) attributable to ordinary equity holders of the parent	10,156	(49,632)	59,788	(120.5%)

#### **Fleet utilisation:**

Marine Logistics - Upstream Division	58%	66%
Marine Logistics - Downstream Division	62%	69%

For the current 12 months cumulative period, the Group recorded RM183.4 million revenue, representing a 14% decrease from the preceding year corresponding period. The decrease is in line with lower charter activities of both the Upstream Division and the Downstream Division due to the adverse impact of the Covid-19 pandemic which continued to suppress demand for oil and its derivative products.

The Upstream Division continued as the main revenue contributor, generating 67% of the Group revenue, while the Downstream Division generated the balance 33%.

## B1. REVIEW OF PERFORMANCE (CONTINUED)

### Year-to-date review (continued)

Division	No. of vessels deployed		Revenue contribution			
	Current year	Preceding year	Current year	Preceding year	Current year	Preceding year
	period	corresponding period	period	corresponding period	period	corresponding period
	30-Apr-21	30-Apr-20	30-Apr-21	30-Apr-20	30-Apr-21	30-Apr-20
			RM'000	RM'000	%	%
Upstream	21	21	122,897	161,567	67%	76%
Downstream	7	5	60,016	52,031	33%	24%
	28	26	182,913	213,598	100%	100%

The Group recorded RM94.2 million loss from operation, representing an increase of RM28.6 million from the RM65.5 million loss recorded in the preceding year. In addition to lower contributions from charter operations, the additional depreciation and crewing expenses of the two (2) new tankers subsequent to the preceding year corresponding period had contributed to the higher loss.

Taking into account the RM126.7 million gain on restructuring of debts, the Group recorded RM32.5 million profit before taxation in the current cumulative period as compared to loss before taxation of RM65.5 million recorded in the preceding year corresponding period.

### Divisional commentary

#### i. Marine Logistics – Upstream Division

	3 Months Ended			12 Months Ended		
	30-Apr-21	30-Apr-20	Change	30-Apr-21	30-Apr-20	Change
	RM'000	RM'000		RM'000	RM'000	
Revenue	25,595	40,970	(37.5%)	122,977	161,567	(23.9%)
Loss from operation	(11,440)	(21,039)	(45.6%)	(57,650)	(56,693)	1.7%
Gain on restructuring of debts	19,871	-	*	126,700	-	*
Profit/(Loss) before taxation	8,431	(21,039)	(140.1%)	69,049	(56,693)	*
Fleet utilisation	50%	72%		58%	66%	

During the current periods under review, the Upstream Division recorded lower fleet utilisation given the shrinking demand of oil following the Covid-19 pandemic. Consequently, the Division recorded 38% and 24% lower revenue in the current quarter and the cumulative period respectively.

During the current financial year, the Division has completed a debt restructuring scheme which has reduced its bank borrowings by RM200 million. Taking into account the lower finance costs and reversal of vessel impairment, the Division recorded lower loss from operation of RM11.4 million and RM57.7 million in the current quarter and 12 months cumulative period respectively.

## B1. REVIEW OF PERFORMANCE (CONTINUED)

### Divisional commentary (continued)

#### i. Marine Logistics – Upstream Division (continued)

Taking into account the gain recognised from the restructuring of debts, the Division recorded profit before taxation of RM8.4 million in the current quarter and RM69 million for the 12 months cumulative period.

#### ii. Marine Logistics – Downstream Division

	3 Months Ended			12 Months Ended		
	30-Apr-21 RM'000	30-Apr-20 RM'000	Change	30-Apr-21 RM'000	30-Apr-20 RM'000	Change
Revenue	16,050	13,942	15.1%	60,418	52,031	16.1%
Loss before taxation	(14,993)	(1,861)	*	(37,016)	(6,003)	*
Fleet utilisation	67%	71%		62%	69%	

Similar to the Upstream Division, the Downstream Division was also affected by the Covid-19 pandemic which has shrunk the demand for oil and chemicals, and consequently demand for oil tankers. In line with the lower demand for its tanker services, the Division recorded lower fleet utilisation in the current quarter and the 12 months cumulative period. Further, time charter opportunities in the market have also shrunk due to uncertain market condition.

Notwithstanding the lower fleet utilisation, the Division recorded 15% and 16% higher revenue in the current and the cumulative periods due to the deployment of two additional tankers in the current year periods. Further, 80% of the Division charter activities during the current cumulative period was in the form of voyage charter, up from 40% in the preceding year period. In general, voyage charter rates are higher than time charter rates as the tanker owner bears more expenses / assumes more risks in voyage charter as opposed to a more stable structure of time charter arrangement.

In line with the deployment of two additional vessels and the increase in voyage charter activities in the current year periods under review, the Division has incurred higher direct and maintenance expenses, depreciation and amortization charges in the current year periods.

Consequently, the Division recorded RM15 million and RM37 million losses before taxation in the current quarter and 12 months cumulative period respectively.

## B2. MATERIAL CHANGES IN THE QUARTERLY RESULTS COMPARED TO THE RESULTS OF THE PRECEDING PERIOD

### a. Revenue

	Current Quarter 30-Apr-21 RM'000	Preceding Period 31-Jan-21 RM'000	Variances RM'000	Change %
<b>Revenue</b>				
Marine Logistics - Upstream Division	25,595	24,703	892	3.6%
Marine Logistics - Downstream Division	16,050	14,193	1,857	13.1%
	<u>41,645</u>	<u>38,896</u>	<u>2,749</u>	<u>7.1%</u>
<b>Fleet utilisation</b>				
Marine Logistics - Upstream Division	50%	50%		
Marine Logistics - Downstream Division	<u>67%</u>	<u>63%</u>		

The Group recorded a revenue of RM41.6 million for the quarter ended 30 April 2021 ("Q4 2021"), an increase of 7% from the preceding period ("Q3 2021") mainly due to higher charter activities by the Downstream Division whose fleet utilisation increased from 63% in Q3 2021 to 67% in Q4 2021.

Meanwhile, the Upstream Division recorded marginal increase in revenue as vessel utilisation remained flat due to the effects of the continuing Covid-19 pandemic to the oil and gas industry.

### b. Loss before taxation

	Current Quarter 30-Apr-21 RM'000	Preceding Period 31-Jan-21 RM'000	Variances RM'000	Change %
<b>Loss from operation</b>				
Marine Logistics - Upstream Division	(11,440)	(20,209)	8,769	(43.4%)
Marine Logistics - Downstream Division	(14,993)	(7,575)	(7,418)	97.9%
Investment Holding and Others	(1,000)	(814)	(186)	22.9%
Adjustment	4,263	29	4,234	*
	<u>(23,170)</u>	<u>(28,569)</u>	<u>5,399</u>	
Gain on restructuring of debts	19,871	-	19,871	*
<b>Loss before taxation</b>	<u>(3,299)</u>	<u>(28,569)</u>	<u>25,270</u>	<u>(88.5%)</u>

During the current quarter, the Group recorded RM23.2 million loss from operation, representing RM5.4 million lower loss from RM28.6 million recorded in the preceding period. The improvement was mainly attributable to reversal of vessel impairment loss.

Taking into account RM19.9 million additional gain on restructuring of debts recognised during the current quarter, the Group recorded loss before taxation of RM3.3 million during the quarter as compared to RM28.6 million loss recorded in the preceding quarter.

### **B3. FUTURE PROSPECTS**

The Upstream Marine Logistics Division charters out offshore support vessels (“OSV”) for use by the oil majors in their exploration and production activities whilst the Downstream Marine Logistics Division charters out liquid bulk carriers primarily to the petrochemical industry, and to a lesser extent, to the oleochemical industry.

In view of the above, the Group’s business operations are significantly affected by the outlook of the oil and gas industry, which is expected to continue to be challenging arising from a combination of severe shrinking demand of oil due to the continuing Covid-19 pandemic and the global oil supply glut.

Operationally, the declining demand for oil is expected to persist until the second half of 2021 or until there is sufficient widespread use of the Covid-19 vaccine, as international borders remain subject to severe restrictions and the global economy is still on a weak footing. This is further exacerbated by the uncertain outlook for compliance of Opec+ towards the oil production cut agreement, the threat from resumption of shale oil production activities and the continuing demand for clean energy.

The on-going Covid-19 pandemic remains a key risk to the Group’s outlook for financial year ending 30 April 2022 given the recent resurgence of new cases as well as the re-implementation of travel restriction. The timing of opening of international borders remains uncertain despite the vaccination programs that are rolled out domestically and globally in curbing the COVID- 19 pandemic

However, taking the scenarios of the United States, Europe and China where Covid-19 pandemic has significantly reduced upon achieving herd immunity, and in line with the Government’s aggressive vaccination drive to achieve the same by end 2021, the Board expects the pandemic-induced restrictions to be gradually lifted in 2022, which would enable economic activities to re-commence.

#### **a. Marine Logistics - Upstream Division**

Brent crude oil prices has strengthened at around USD70 per barrel in the past few months on the expected market stability and demand improvement as Covid-19 pandemic subsides in major markets.

Due to the sizable presence in the deep-sea drilling activities, prospects for the Upstream Division are influenced by the level of capital expenditure spending by the Oil Majors which is in line with the volume of exploration and production activities. Based on the recently issued PETRONAS Activity Outlook for 2021-2023, Petronas maintains its prudent view on the industry outlook and will respond with cautious optimism particularly on new capital projects.

In view of the foregoing, the Board remains cautiously optimistic that OSV market, particularly those serving the deep sea activities, will improve in the next financial year.

**B3. FUTURE PROSPECTS (CONTINUED)****b. Marine Logistics - Downstream Division**

Despite the high Covid-19 cases in the region, the vaccination drive offers a positive outlook for the business. The Division looks forward to more active charter operations in the next financial year, having already secured three time-charter contracts that extend into most of the period.

Despite the foregoing, the Board remains cautious on the future prospects of the Group amidst the continuing global economic uncertainty and its impact on the oil and gas industry.

**B4. VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST**

The Group has not issued any profit forecast for the current financial period and therefore, no comparison is available.

**B5. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There were no financial instruments with off balance sheet risks as at the date of issue of the report.

**B6. REALISED AND UNREALISED PROFITS OF THE GROUP**

	<b>30-Apr-21</b>	<b>30-Apr-20</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained loss of the Company and its subsidiaries:		
- realised loss	(445,389)	(451,156)
Less consolidated adjustment	322,326	317,937
Total Group retained profits as per consolidated accounts	<u>(123,063)</u>	<u>(133,219)</u>

**B7. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS**

The audit report on the Group's financial statements for the period ended 30 April 2020 was not subject to any qualification.

**BY ORDER OF THE BOARD  
SECRETARIES**