



MARINE & GENERAL
BERHAD

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

INTERIM RESULT FOR THE PERIOD ENDED
31 JULY 2022 (Q1 2023)

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MARINE & GENERAL BERHAD (Registration No. 199601033543 (405897-V))**(Incorporated in Malaysia)****UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2022****CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

		Current Year	Preceding Year
	Notes	Quarter	Corresponding
		31-Jul-22	31-Jul-21
		RM'000	RM'000
Revenue		75,334	44,657
Direct costs		(63,484)	(55,413)
Gross profit/(loss)		11,850	(10,756)
Other income		418	288
Other item of expenses:			
Administrative expenses		(5,129)	(4,563)
EBIT		7,139	(15,031)
Finance income	A7	22	88
Finance cost	A7	(8,147)	(8,042)
Net finance cost		(8,125)	(7,954)
Loss before taxation		(986)	(22,985)
Taxation	A8	(76)	77
Loss after taxation		(1,062)	(22,908)
Other comprehensive income, net of tax			
Items that are or may be reclassified			
 subsequently to profit or loss			
Foreign currency translation differences for foreign operations		2,219	(199)
Total comprehensive income/(expense) for the period		1,157	(23,107)
Net loss attributable to:			
Owners of the parent		(947)	(17,175)
Non-controlling interests		(115)	(5,733)
		(1,062)	(22,908)
Total comprehensive income/(expense) attributable to:			
Owners of the parent		872	(17,374)
Non-controlling interests		285	(5,733)
		1,157	(23,107)
Loss per share (sen)			
- basic	A9	(0.04)	(0.77)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 April 2022 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 31 JULY 2022
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		31-Jul-22	Audited 30-Apr-22
	Notes	RM'000	RM'000
Assets			
Non-current assets			
Property, vessels and equipment		703,096	719,148
Right-of-use assets		1,909	2,175
		<u>705,005</u>	<u>721,323</u>
Current assets			
Inventories		15,241	12,592
Other investments	A11	11,937	12,734
Trade and other receivables	A12	63,714	54,150
Current tax assets		1,560	1,573
Cash and bank balances	A13	16,321	23,724
		<u>108,773</u>	<u>104,773</u>
Total assets		<u>813,778</u>	<u>826,096</u>
Equity and liabilities			
Equity attributable to equity holders of the Company			
Share capital	A14	270,003	270,003
Reverse acquisition deficit		(92,791)	(92,791)
Foreign currency translation reserve		5,847	4,028
Accumulated losses		<u>(153,912)</u>	<u>(152,965)</u>
Total equity attributable to equity holders of the Company		29,147	28,275
Preference shares of a subsidiary		70,129	70,129
Non-controlling interests		<u>(85,195)</u>	<u>(85,480)</u>
Total equity		<u>14,081</u>	<u>12,924</u>

MARINE & GENERAL BERHAD (Registration No. 199601033543 (405897-V))
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2022
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		31-Jul-22	Audited 30-Apr-22
	Notes	RM'000	RM'000
Non-current liabilities			
Loans and borrowings	A15	670,647	679,124
Lease liabilities		1,273	1,350
Deferred tax liabilities		6,199	4,988
		<u>678,119</u>	<u>685,462</u>
Current liabilities			
Loans and borrowings	A15	57,715	59,410
Lease liabilities		824	1,014
Trade and other payables	A16	62,955	67,203
Current tax liabilities		84	83
		<u>121,578</u>	<u>127,710</u>
Total liabilities		<u>799,697</u>	<u>813,172</u>
Total equity and liabilities		<u>813,778</u>	<u>826,096</u>
Net assets per share attributable to equity holders of the Company (sen)		<u>4.03</u>	<u>3.91</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 April 2022 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 31 JULY 2022
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	← Attributable to equity holders of the Company →						
	← Non-distributable →			Distributable			
	Share capital RM'000	Reverse acquisition deficit RM'000	Foreign currency translation reserve RM'000	Accumulated losses RM'000	Preference shares of a subsidiary RM'000	Non- controlling interests RM'000	Total RM'000
At 1 May 2022	270,003	(92,791)	4,028	(152,965)	70,129	(85,480)	12,924
Loss for the period	-	-	-	(947)	-	(115)	(1,062)
Foreign currency translation differences for foreign operations	-	-	1,819	-	-	400	2,219
Total comprehensive income/(expense) for the period	-	-	1,819	(947)	-	285	1,157
At 31 July 2022	270,003	(92,791)	5,847	(153,912)	70,129	(85,195)	14,081
At 1 May 2021	270,003	(92,791)	(1,460)	(124,155)	70,129	(82,057)	39,669
Loss for the period	-	-	-	(28,810)	-	(7,401)	(36,211)
Foreign currency translation differences for foreign operations	-	-	5,488	-	-	1,208	6,696
Total comprehensive income/(expense) for the year	-	-	5,488	(28,810)	-	(6,193)	(29,515)
Issuance of preference shares of a subsidiary	-	-	-	-	-	2,770	2,770
Total transactions with owners of the Company	-	-	-	-	-	2,770	2,770
At 30 April 2022	270,003	(92,791)	4,028	(152,965)	70,129	(85,480)	12,924

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 2022 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 31 JULY 2022**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	31-Jul-22	31-Jul-21
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection of revenue	58,069	43,620
Collection of other income	214	387
	<u>58,283</u>	<u>44,007</u>
Payment of expenses	(38,806)	(28,783)
Net tax paid	(27)	(20)
Net cash generated from operating activities	<u>19,450</u>	<u>15,204</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of other investments	797	1,225
Purchase of property, vessels and equipment	(8,520)	(1,120)
Net cash generated from investing activities	<u>(7,723)</u>	<u>105</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(10,597)	(11,530)
Payment of finance costs	(8,256)	(9,513)
Payment of leases	(277)	(127)
Net cash used in financing activities	<u>(19,130)</u>	<u>(21,170)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(7,403)	(5,861)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	<u>23,724</u>	<u>19,379</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	(a) 16,321	<u>13,518</u>

(a) Cash and cash equivalents

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

		31-Jul-22	31-Jul-21
		RM'000	RM'000
Cash and bank balances	A13	7,519	6,735
Deposits with licensed financial institutions	A13	8,802	6,783
		<u>16,321</u>	<u>13,518</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 2022 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 2022.

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:

MFRSs, Interpretations and amendments to MFRS	Effective date
▪ MFRS 17, <i>Insurance Contracts</i>	1 January 2023
▪ Amendments to MFRS 17, <i>Insurance Contracts</i> – <i>Initial application of MFRS 17 and MFRS 9 – Comparative Information</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 112, <i>Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

A1. BASIS OF PREPARATION (CONTINUED)

b. Standards issued but not yet effective (continued)

MFRSs, Interpretations and amendments to MFRS	Effective date
▪ 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 26 September 2022.

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	
	31-Jul-22	31-Jul-21	31-Jul-22	31-Jul-21	31-Jul-22	31-Jul-21	31-Jul-22	31-Jul-21	31-Jul-22	31-Jul-21
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3-month results										
Revenue										
External customers	56,559	30,201	18,775	14,456	-	-	-	-	75,334	44,657
Inter-segment	-	-	-	-	44	43	(44)	(43)	-	-
Total revenue	56,559	30,201	18,775	14,456	44	43	(44)	(43)	75,334	44,657
Segment (loss)/profit										
before taxation	(1,078)	(18,934)	1,094	(4,626)	(1,036)	(954)	34	1,529	(986)	(22,985)
Segment assets										
Segment assets	611,880	564,651	183,899	171,282	134,422	155,562	(116,423)	(73,091)	813,778	818,404
Segment liabilities										
Segment liabilities	756,396	880,765	51,973	52,167	114,933	1,212	(123,605)	(131,949)	799,697	802,195

A6. SEASONAL OR CYCLICAL FACTORS

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

A7. LOSS BEFORE TAX

Included in the loss before tax are the following items:

	Current Year Quarter 31-Jul-22 RM'000	Preceding Year Corresponding Quarter 31-Jul-21 RM'000
Finance income	22	88
Finance costs	(8,147)	(8,042)
Depreciation of property, vessels and equipment	(21,572)	(19,847)
Depreciation of right-of-use assets	(286)	(281)
Amortisation of vessels dry-docking	(6,466)	(3,545)
Net foreign exchange loss	<u>(290)</u>	<u>(24)</u>

A8. INCOME TAX

	Current Year Quarter 31-Jul-22 RM'000	Preceding Year Corresponding Quarter 31-Jul-21 RM'000
Current tax expense		
Malaysian		
- current year	<u>76</u>	<u>1</u>
Deferred tax expense		
- origination and reversal of temporary differences	<u>-</u>	<u>(78)</u>
Total income expense	<u>76</u>	<u>(77)</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.

A9. LOSS PER SHARE

Basic loss per share

Basic loss per share amounts is calculated by dividing loss 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 and share data used in the computation of basic loss per share:

	Quarter (3 months)
31 July 2022	
Basic loss per share:	
Loss net of tax attributable to owners of the parent (RM'000)	(947)
Weighted average number of ordinary shares in issue ('000)	723,879
Effect of conversion of preference shares of a subsidiary ('000)	1,500,000
Weighted average number of ordinary shares ('000)	2,223,879
Basic loss per share (sen)	(0.04)
31 July 2021	
Basic loss per share:	
Loss net of tax attributable to owners of the parent (RM'000)	(17,175)
Weighted average number of ordinary shares in issue ('000)	723,879
Effect of conversion of preference shares of a subsidiary ('000)	1,500,000
Weighted average number of ordinary shares ('000)	2,223,879
Basic loss per share (sen)	(0.77)

On 13 August 2020, Jasa Merin (Malaysia) Sdn Bhd ("JMM") issued 150,000,000 convertible preference shares ("JMM PS") to its bankers as part of its debt restructuring. The JMM PS is non-redeemable but is mandatorily exchangeable with the ordinary shares of the Company at the rate of 10 new ordinary shares for every one JMM PS. Pursuant to MFRS 133, *Earnings per Share*, the number of shares issuable on exchange of JMM PS has been included in the calculation of basic earnings per share. Hence, during the period under review, there is no dilution in the loss per share.

A10. 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.

A11. OTHER INVESTMENTS

	31-Jul-22	30-Apr-21
	RM'000	RM'000
Financial assets at fair value through profit or loss	<u>11,937</u>	<u>12,734</u>

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

A12. TRADE AND OTHER RECEIVABLES

	31-Jul-22	30-Apr-21
	RM'000	RM'000
Trade receivables	54,286	40,863
Other receivables	9,428	13,287
	<u>63,714</u>	<u>54,150</u>

The ageing analysis of the trade receivables is as follows:

	31-Jul-22	30-Apr-21
	RM'000	RM'000
Current (not past due)	32,802	40,772
1 - 30 days past due	10,055	-
31 - 90 days past due	9,789	67
Past due more than 90 days	5,958	4,342
	<u>58,604</u>	<u>45,181</u>
Allowance for impairment loss	<u>(4,318)</u>	<u>(4,318)</u>
	<u>54,286</u>	<u>40,863</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.

A13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprised the following amounts:

	31-Jul-22	30-Apr-21
	RM'000	RM'000
Cash and bank balances	7,519	14,900
Deposits placed with licensed bank	8,802	8,824
Total cash and cash equivalents	<u>16,321</u>	<u>23,724</u>

Included in the deposits placed with licensed financial institutions is RM1,814,000 (30 April 2022: RM1,814,000) deposit pledged for banking facilities granted to subsidiaries.

A14. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

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

A15. GROUP BORROWINGS AND DEBT SECURITIES

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

	31-Jul-22	30-Apr-21
	RM'000	RM'000
Secured short-term borrowings:		
Term loans	47,656	46,881
Revolving credits	10,000	12,500
Bank overdraft	-	5
Hire purchase	59	24
Total short term borrowings	<u>57,715</u>	<u>59,410</u>
Secured long-term borrowings:		
Term loans	669,585	679,120
Revolving credits	1,000	-
Hire purchase	62	4
Total long term borrowings	<u>670,647</u>	<u>679,124</u>
Total borrowings	<u>728,362</u>	<u>738,534</u>

A16. TRADE AND OTHER PAYABLES

	31-Jul-22	30-Apr-21
	RM'000	RM'000
Trade payables	37,575	39,032
Accruals and other payables	25,380	28,171
	<u>62,955</u>	<u>67,203</u>

A17. DEBT AND EQUITY SECURITIES

During the current period under review, the Group did not undertake any issuance, cancellation, repurchase, resale and repayment of debt and equity securities.

A18. DIVIDENDS

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

A19. COMMITMENTS

	31-Jul-22	30-Apr-21
	RM'000	RM'000
Capital expenditure		
Approved and contracted for:		
Property, vessel and equipment	<u>17,238</u>	<u>2,450</u>

A20. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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.

From the 240 cases in the SILK's funded stretch, 239 cases have been resolved and 1 case with claims of RM17.8 million remains outstanding.

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.

A20. CONTINGENT LIABILITIES AND CONTINGENT ASSETS (CONTINUED)

The Directors are of the opinion that provision is not required in respect of this 1 remaining claim, as it is not probable that a future outflow of economic benefits will be required.

A21. 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 is as follows:

	Current Year Quarter 31-Jul-22 RM'000	Preceding Year Corresponding Quarter 31-Jul-21 RM'000	Variations RM'000	Change %
Revenue	75,334	44,657	30,677	68.7%
Loss before taxation	(986)	(22,985)	21,999	95.7%
Loss after taxation	(1,062)	(22,908)	21,846	95.4%
Loss attributable to ordinary equity holders of the parent	(947)	(17,175)	16,228	94.5%

Fleet utilisation:

Marine Logistics - Upstream Division	78%	59%
Marine Logistics - Downstream Division	90%	66%

In line with the general economic recovery as the Covid-19 pandemic was brought under control, oil prices started to recover in mid-2021 and have now reached pre-2015 levels. The market is more optimistic, and exploration and drilling activities have resumed in the second half of 2021. Accordingly, the fleet utilisation for both Upstream and Downstream Division increased to 78% and 90% respectively as compared to the preceding year corresponding quarter. In line with the higher operating level, the Group recorded RM75.3 million revenue in the current period, representing 69% higher revenue than the preceding year corresponding quarter.

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

Division	No. of vessels deployed		Revenue contribution			
	Current year quarter 31-Jul-22	Preceding year corresponding quarter 31-Jul-21	Current year quarter 31-Jul-22 RM'000	Preceding year corresponding quarter 31-Jul-21 RM'000	Current year quarter 31-Jul-22 %	Preceding year corresponding quarter 31-Jul-21 %
Upstream	21	15	56,559	30,201	75%	68%
Downstream	8	7	18,775	14,456	25%	32%
	29	22	75,334	44,657	100%	100%

In line with the higher revenue recorded during the quarter, the Group recorded RM1 million loss before taxation, compared to RM23 million loss before taxation, an improvement of RM22 million as compared to preceding year corresponding quarter.

B1. REVIEW OF PERFORMANCE (CONTINUED)

Divisional commentary

i. Marine Logistics – Upstream Division

	Current Year Quarter 31-Jul-22 RM'000	Preceding Year Corresponding Quarter 31-Jul-21 RM'000	Change
Revenue	56,559	30,201	87.3%
Loss before taxation	(1,078)	(18,934)	94.3%
Fleet utilisation	78%	59%	

During the period under review, the Upstream Division recorded a revenue of RM56.6 million, representing a 87% higher revenue than the preceding year corresponding quarter. The increase was in line with the higher charter activity, especially in the 70M AHTS vessel segment during the period since the resumption of drilling activities since late 2021.

The Division recorded RM1.1 million loss before taxation in the current quarter compared to RM18.9 million loss before taxation during the preceding year corresponding quarter in line with higher revenue recorded during the current period.

ii. Marine Logistics – Downstream Division

	Current Year Quarter 31-Jul-22 RM'000	Preceding Year Corresponding Quarter 31-Jul-21 RM'000	Change
Revenue	18,775	14,456	29.9%
Profit/(Loss) before taxation	1,094	(4,626)	n/a
Fleet utilisation	90%	66%	

During the period under review, the Downstream Division recorded a revenue of RM18.8 million representing 30% higher revenue than the preceding year corresponding quarter. The increase was in line with the higher charter activities recorded during the period.

The Division recorded RM1.1 million profit before taxation for the current quarter, as compared to RM4.6 million loss before taxation in the preceding year corresponding quarter mainly due to:

B1. REVIEW OF PERFORMANCE (CONTINUED)

Divisional commentary (continued)

ii. Marine Logistics – Downstream Division (continued)

- higher revenue recorded in the current quarter in line with higher charter activities; and
- lower operating expenditures incurred mainly due to the deployment of seven (7) vessels on time charter contract in the current quarter as compared to three (3) vessels in the preceding year corresponding quarter.

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

a. Revenue

	Current Quarter 31-Jul-22 RM'000	Preceding Quarter 30-Apr-22 RM'000	Variances RM'000	Change %
Revenue				
Marine Logistics - Upstream Division	56,559	48,349	8,210	17.0%
Marine Logistics - Downstream Division	18,775	14,851	3,924	26.4%
	<u>75,334</u>	<u>63,200</u>	<u>12,134</u>	<u>19.2%</u>
Fleet utilisation				
Marine Logistics - Upstream Division	78%	67%		
Marine Logistics - Downstream Division	<u>90%</u>	<u>86%</u>		

The Group recorded 19% higher revenue of RM75.3 million for the current quarter compared to the immediate preceding quarter in line with improving vessel utilisation and charter rates.

b. (Loss)/Profit before taxation

	Current Quarter 31-Jul-22 RM'000	Preceding Quarter 30-Apr-22 RM'000	Variances RM'000	Change %
(Loss)/Profit before taxation				
Marine Logistics - Upstream Division	(1,078)	14,532	(15,610)	n/a
Marine Logistics - Downstream Division	1,094	(7,933)	9,027	n/a
Investment holding and others	(1,036)	(12,977)	11,941	92.0%
Adjustments	34	12,273	(12,239)	(99.7%)
	<u>(986)</u>	<u>5,895</u>	<u>(6,881)</u>	<u>n/a</u>

During the current period, the Group recorded RM1 million loss before taxation, as compared to RM5.9 million profit recorded in the immediate preceding quarter.

B2. MATERIAL CHANGES IN THE QUARTERLY RESULTS COMPARED TO THE RESULTS OF THE PRECEDING PERIOD (CONTINUED)

b. (Loss)/Profit before taxation (continued)

The Upstream Division recorded a loss before taxation of RM1.1 million in the current quarter as compared to profit before taxation of RM14.5 million in the preceding quarter. The variance of RM15.6 million is mainly due to the non-recurring reversal of vessel impairment loss amounting to RM28.8 million recorded in the preceding quarter.

However, the Downstream Division recorded profit before taxation of RM1.1 million in the current quarter as compared to RM7.9 million loss before taxation in the preceding quarter mainly due to higher revenue in the current quarter and the non-recurring vessel impairment loss of RM5.5 million recognised in the preceding quarter.

B3. CURRENT YEAR PROSPECTS

The Upstream Division looks forward to an active year in line with Petronas' positive outlook in its drilling and exploration activities as highlighted in its Activity Outlook for 2022 – 2024. Further, in line with the positive outlook of the economy, which is recovering from the effects of the Covid-19 pandemic, the Downstream Division looks forward to a more active charter operations in the current financial year, having already secured time-charter contracts for all of its vessels.

In view of the foregoing, the Board is cautiously optimistic on the prospects for the current financial year and expects further improvement in vessel utilisation and charter rates.

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

	31-Jul-22	30-Apr-21
	RM'000	RM'000
Total retained loss of the Company and its subsidiaries:		
- realised loss	(698,948)	(697,957)
Less consolidated adjustment	545,036	544,992
Total Group retained profits as per consolidated accounts	<u>(153,912)</u>	<u>(152,965)</u>

B7. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report on the Group's financial statements for the period ended 30 April 2022 was not subject to any qualification.

**BY ORDER OF THE BOARD
SECRETARIES**