



MARINE & GENERAL
BERHAD

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

INTERIM RESULT FOR THE PERIOD ENDED
30 APRIL 2023 (Q4 2023)

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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 2023

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Notes	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30-Apr-23 RM'000	Preceding Year Corresponding Quarter 30-Apr-22 RM'000	Current Year To Date 30-Apr-23 RM'000	Preceding Year Corresponding Quarter 30-Apr-22 RM'000
Revenue		76,064	63,199	307,183	219,596
Direct costs		(62,295)	(63,481)	(232,484)	(225,760)
Gross profit		13,769	(282)	74,699	(6,164)
Other income		51,113	29,185	52,802	30,950
Other item of expenses:					
Administrative expenses		(6,259)	(8,681)	(22,316)	(23,276)
Other expenses		(2,878)	(8,446)	(2,878)	(8,571)
EBIT		55,745	11,776	102,307	(7,061)
Finance income	A7	110	325	382	557
Finance cost	A7	(8,801)	(6,208)	(34,420)	(30,089)
Net finance cost		(8,691)	(5,883)	(34,038)	(29,532)
Profit/(Loss) before taxation		47,054	5,893	68,269	(36,593)
Taxation	A8	(505)	388	(598)	382
Profit/(Loss) after taxation		46,549	6,281	67,671	(36,211)
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		5,338	6,392	2,645	6,696
Total comprehensive income/(expense) for the period		51,887	12,673	70,316	(29,515)

MARINE & GENERAL BERHAD (Registration No. 199601033543 (405897-V))
(Incorporated in Malaysia)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2023
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Notes	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30-Apr-23 RM'000	Preceding Year Corresponding Quarter 30-Apr-22 RM'000	Current Year To Date 30-Apr-23 RM'000	Preceding Year Corresponding Quarter 30-Apr-22 RM'000
Net profit/(loss) attributable to:					
Owners of the parent		31,663	4,437	46,476	(28,810)
Non-controlling interests		14,886	1,844	21,195	(7,401)
		<u>46,549</u>	<u>6,281</u>	<u>67,671</u>	<u>(36,211)</u>
Total comprehensive income/(expense) attributable to:					
Owners of the parent		36,104	11,879	48,673	(23,322)
Non-controlling interests		15,783	794	21,643	(6,193)
		<u>51,887</u>	<u>12,673</u>	<u>70,316</u>	<u>(29,515)</u>
Profit/(Loss) per share (sen)					
- basic	A9	<u>1.42</u>	<u>0.20</u>	<u>2.09</u>	<u>(1.30)</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 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 30 APRIL 2023**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Notes	30-Apr-23 RM'000	Audited 30-Apr-22 RM'000
Assets			
Non-current assets			
Property, vessels and equipment		743,484	719,148
Right-of-use assets		1,444	2,175
		<u>744,928</u>	<u>721,323</u>
Current assets			
Inventories		15,542	12,592
Other investments	A11	8,324	12,734
Trade and other receivables	A12	66,909	54,150
Current tax assets		1,692	1,573
Cash and bank balances	A13	22,851	23,724
		<u>115,318</u>	<u>104,773</u>
Total assets		<u>860,246</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		6,225	4,028
Accumulated losses		(106,489)	(152,965)
Total equity attributable to equity holders of the Company		<u>76,948</u>	<u>28,275</u>
Preference shares of a subsidiary		70,129	70,129
Non-controlling interests		(63,837)	(85,480)
Total equity		<u>83,240</u>	<u>12,924</u>
Non-current liabilities			
Loans and borrowings	A15	620,099	679,124
Lease liabilities		778	1,350
Deferred tax liabilities		5,065	4,988
		<u>625,942</u>	<u>685,462</u>
Current liabilities			
Loans and borrowings	A15	68,354	59,410
Lease liabilities		679	1,014
Trade and other payables	A16	81,465	67,203
Current tax liabilities		566	83
		<u>151,064</u>	<u>127,710</u>
Total liabilities		<u>777,006</u>	<u>813,172</u>
Total equity and liabilities		<u>860,246</u>	<u>826,096</u>
Net assets per share attributable to equity holders of the Company (sen)			
		<u>10.63</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 30 APRIL 2023

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
Profit for the period	-	-	-	46,476	-	21,195	67,671
Foreign currency translation differences for foreign operations	-	-	2,197	-	-	448	2,645
Total comprehensive income for the period	-	-	2,197	46,476	-	21,643	70,316
At 30 April 2023	270,003	(92,791)	6,225	(106,489)	70,129	(63,837)	83,240
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))

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2023**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	30-Apr-23	30-Apr-22
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection of revenue	295,568	203,757
Collection of other income	638	4,266
	<u>296,206</u>	<u>208,023</u>
Payment of expenses	(167,367)	(145,419)
Net tax paid	(280)	(169)
Net cash generated from operating activities	<u>128,559</u>	<u>62,435</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of other investments	4,410	7,301
Proceed from disposal of property, vessels and equipment	-	202
Purchase of property, vessels and equipment	(47,511)	(20,180)
Net cash generated from investing activities	<u>(43,101)</u>	<u>(12,677)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(50,557)	(14,389)
Payment of finance costs	(34,399)	(30,089)
Payment of leases	(1,375)	(935)
Net cash used in financing activities	<u>(86,331)</u>	<u>(45,413)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(873)	4,345
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	<u>23,724</u>	<u>19,379</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	(a) <u>22,851</u>	<u>23,724</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:

		30-Apr-23	30-Apr-22
		RM'000	RM'000
Cash and bank balances	A13	15,475	14,900
Deposits with licensed financial institutions	A13	7,376	8,824
		<u>22,851</u>	<u>23,724</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 28 June 2023.

A3. CHANGES IN ESTIMATES

During the financial period, the Group has increased the estimated economic useful life of the offshore support vessels (“OSV”) from 15 years to 20 years to be more aligned with the industry practice and in line with PETRONAS’ extension of such vessels’ service life for the same 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-23 RM'000	30-Apr-22 RM'000	30-Apr-23 RM'000	30-Apr-22 RM'000	30-Apr-23 RM'000	30-Apr-22 RM'000	30-Apr-23 RM'000	30-Apr-22 RM'000	30-Apr-23 RM'000	30-Apr-22 RM'000
3-month results										
Revenue										
External customers	56,557	48,348	19,507	14,851	-	-	-	-	76,064	63,199
Inter-segment	-	-	-	-	43	44	(43)	(44)	-	-
Total revenue	56,557	48,348	19,507	14,851	43	44	(43)	(44)	76,064	63,199
Segment profit/(loss)										
before taxation	48,056	14,531	60	(7,762)	(1,098)	(12,978)	36	12,102	47,054	5,893
12-month results										
Revenue										
External customers	225,126	160,246	82,057	59,350	-	-	-	-	307,183	219,596
Inter-segment	-	-	-	-	175	175	(175)	(175)	-	-
Total revenue	225,126	160,246	82,057	59,350	175	175	(175)	(175)	307,183	219,596
Segment profit/(loss)										
before taxation	67,216	(18,741)	4,940	(13,985)	(4,021)	(15,394)	134	11,527	68,269	(36,593)
Segment assets	659,326	625,377	186,402	181,515	131,294	125,908	(116,776)	(106,704)	860,246	826,096
Segment liabilities	736,077	768,815	49,732	52,716	114,807	114,961	(123,610)	(123,320)	777,006	813,172

A6. SEASONAL OR CYCLICAL FACTORS

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

A7. PROFIT/(LOSS) BEFORE TAX

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

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30-Apr-23 RM'000	30-Apr-22 RM'000	30-Apr-23 RM'000	30-Apr-22 RM'000
Finance income	110	325	382	557
Finance costs	(8,801)	(6,208)	(34,420)	(30,089)
Impairment loss on property, vessels, and equipment	(2,922)	(5,841)	(2,908)	(5,841)
Reversal of impairment loss of vessels	45,360	28,808	45,514	28,808
Bad debt written-off	(3)	(36)	(40)	(36)
Depreciation of property, vessels and equipment	(12,099)	(19,856)	(48,533)	(81,543)
Depreciaton of right-of-use assets	(407)	(249)	(1,256)	(1,109)
Amortisation of vessels dry-docking	(5,921)	(3,626)	(21,409)	(14,409)
Net foreign exchange loss	(141)	(450)	(678)	(1,154)

A8. INCOME TAX

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30-Apr-23 RM'000	30-Apr-22 RM'000	30-Apr-23 RM'000	30-Apr-22 RM'000
Current tax expense				
Malaysian				
- current year	505	(388)	598	22
- prior year	-	-	-	18
	<u>505</u>	<u>(388)</u>	<u>598</u>	<u>40</u>
Deferred tax expense				
- origination and reversal of temporary differences	-	-	-	(1,668)
- under provision in prior year	-	-	-	1,246
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(422)</u>
Total income tax expense	<u>505</u>	<u>(388)</u>	<u>598</u>	<u>(382)</u>

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. Certain subsidiaries of the Company being Malaysian tax residents incorporated in Labuan under the Offshore Companies Act, 1990 are taxed at 3% of profit before tax in accordance with the Labuan Offshore Business Activity Tax Act, 1990.

A9. PROFIT/(LOSS) PER SHARE

Basic profit/(loss) per share

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

	Quarter (3 months)	Cumulative period (12 months)
30 April 2023		
Basic profit per share:		
(Loss)/Profit net of tax attributable to owners of the parent (RM'000)	31,663	46,476
Weighted average number of ordinary shares in issue ('000)	723,879	723,879
Effect of conversion of preference shares of a subsidiary ('000)	1,500,000	1,500,000
Weighted average number of ordinary shares ('000)	2,223,879	2,223,879
Basic profit per share (sen)	1.42	2.09
30 April 2022		
Basic profit/(loss) per share:		
Profit/(Loss) net of tax attributable to owners of the parent (RM'000)	4,437	(28,810)
Weighted average number of ordinary shares in issue ('000)	723,879	723,879
Effect of conversion of preference shares of a subsidiary ('000)	1,500,000	1,500,000
Weighted average number of ordinary shares ('000)	2,223,879	2,223,879
Basic profit/(loss) per share (sen)	0.20	(1.30)

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 profit/(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

	30-Apr-23	30-Apr-22
	RM'000	RM'000
Financial assets at fair value through profit or loss	<u>8,324</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

	30-Apr-23	30-Apr-22
	RM'000	RM'000
Trade receivables	50,121	40,863
Other receivables	<u>16,788</u>	<u>13,287</u>
	<u>66,909</u>	<u>54,150</u>

The ageing analysis of the trade receivables is as follows:

	30-Apr-23	30-Apr-22
	RM'000	RM'000
Current (not past due)	26,997	40,772
1 - 30 days past due	12,399	-
31 - 90 days past due	5,389	67
Past due more than 90 days	<u>9,605</u>	<u>4,342</u>
	54,390	45,181
Allowance for impairment loss	<u>(4,269)</u>	<u>(4,318)</u>
	<u>50,121</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:

	30-Apr-23	30-Apr-22
	RM'000	RM'000
Cash and bank balances	15,475	14,900
Deposits placed with licensed bank	<u>7,376</u>	<u>8,824</u>
Total cash and cash equivalents	<u>22,851</u>	<u>23,724</u>

Included in the deposits placed with licensed financial institutions is RM1,676,000 (30 April 2022: RM1,676,000) 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:

	30-Apr-23	30-Apr-22
	RM'000	RM'000
Secured short-term borrowings:		
Term loans	57,772	46,881
Revolving credits	10,550	12,500
Bank overdraft	-	5
Hire purchase	32	24
Total short term borrowings	<u>68,354</u>	<u>59,410</u>
Secured long-term borrowings:		
Term loans	620,055	679,120
Hire purchase	44	4
Total long term borrowings	<u>620,099</u>	<u>679,124</u>
Total borrowings	<u>688,453</u>	<u>738,534</u>

A16. TRADE AND OTHER PAYABLES

	30-Apr-23	30-Apr-22
	RM'000	RM'000
Trade payables	50,510	39,032
Accruals and other payables	30,955	28,171
	<u>81,465</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

	30-Apr-23	30-Apr-22
	RM'000	RM'000
Capital expenditure		
Approved and contracted for:		
Property, vessel and equipment	<u>2,055</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.

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 and the financial year to date compared with the corresponding periods of the previous financial year are as follows:

Quarterly review

	3 months ended		Variances RM'000	Change %
	30-Apr-23 RM'000	30-Apr-22 RM'000		
Revenue	76,064	63,199	12,865	20.4%
Profit before taxation	47,054	5,893	41,161	*
Profit after taxation	46,549	6,281	40,268	*
Profit attributable to ordinary equity holders of the parent	31,663	4,437	27,226	n/a

Fleet utilisation:

Marine Logistics - Upstream Division	73%	67%
Marine Logistics - Downstream Division	84%	86%

* not meaningful

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 since the second half of 2021. Accordingly, the fleet utilisation for Upstream Division increased to 73% as compared to 67% in the preceding year corresponding quarter. In line with the higher operating level and higher charter rates, the Group recorded RM76.1 million revenue in the current period, representing 20% higher revenue than the preceding year corresponding quarter revenue of RM63.2 million.

The Upstream Division continued as the main revenue contributor, generating 74% of the Group revenue, while the Downstream Division generated the balance of 26%.

Division	No. of vessels deployed		Revenue contribution			
	Current year quarter 30-Apr-23	Preceding corresponding quarter 30-Apr-22	Current year quarter 30-Apr-23 RM'000	Preceding corresponding quarter 30-Apr-22 RM'000	Current year quarter 30-Apr-23 %	Preceding corresponding quarter 30-Apr-22 %
Upstream	19	19	56,557	48,348	74%	77%
Downstream	8	7	19,507	14,851	26%	23%
	27	26	76,064	63,199	100%	100%

B1. REVIEW OF PERFORMANCE (CONTINUED)

Quarterly review (continued)

The Group recorded profit before taxation of RM47.1 million in the current quarter compared to RM5.9 million during the preceding year corresponding quarter. The improvement was mainly due to:

- higher charter activities and charter rates of 70M AHTS vessel segments during the period since the resumption of drilling activities since late 2021.
- net reversal of vessel impairment amounting to RM42.6 million during the current quarter as compared to RM23 million in the preceding year corresponding quarter.
- RM7.1 million lower depreciation expenses following the extension of vessel service life from 15 to 20 years as mentioned in note A3.

Year-to-date review

	12 Months Ended		Variances RM'000	Change %
	30-Apr-23 RM'000	30-Apr-22 RM'000		
Revenue	307,183	219,596	87,587	39.9%
Profit/(Loss) before taxation	68,269	(36,593)	104,862	n/a
Profit/(Loss) after taxation	67,671	(36,211)	103,882	n/a
Profit/(Loss) attributable to ordinary equity holders of the parent	46,476	(28,810)	75,286	n/a

Fleet utilisation:		
Marine Logistics - Upstream Division	73%	66%
Marine Logistics - Downstream Division	88%	76%

For the current financial year, the Group recorded RM307.2 million revenue, representing a 40% increase over the preceding year. The increase was mainly due to higher charter activities and higher charter rates recorded by both the Upstream and the Downstream Divisions in line with the resumption of the drilling activities.

The Upstream Division continued as the main revenue contributor, generating 73% of the Group revenue, while the Downstream Division generated the balance 27%.

Division	No. of vessels deployed		Revenue contribution			
	Current year- to-date 30-Apr-23	Preceding corresponding quarter 30-Apr-22	Current year- to-date 30-Apr-23 RM'000	Preceding corresponding quarter 30-Apr-22 RM'000	Current year- to-date 30-Apr-23 %	Preceding corresponding quarter 30-Apr-22 %
Upstream	23	20	225,126	160,246	73%	73%
Downstream	8	7	82,057	59,350	27%	27%
	31	27	307,183	219,596	100%	100%

B1. REVIEW OF PERFORMANCE (CONTINUED)

Year-to-date review (continued)

Taking into account higher revenue, higher net reversal of vessel impairment and lower depreciation expenses recorded during the current financial year, the Group recorded RM68.3 million profit before taxation in the current financial year compared to RM36.6 million loss before taxation during the preceding year.

Divisional commentary

i. Marine Logistics – Upstream Division

	3 months ended			12 months ended		
	30-Apr-23 RM'000	30-Apr-22 RM'000	Change	30-Apr-23 RM'000	30-Apr-22 RM'000	Change
Revenue	56,557	48,348	17.0%	225,126	160,246	40.5%
Profit/(Loss) before taxation	48,056	14,531	n/a	67,216	(18,741)	n/a
Fleet utilisation	73%	67%		73%	66%	

The Upstream Division recorded a revenue of RM56.6 million in the current quarter and RM225.1 million in the current financial year respectively, representing 17% and 41% higher revenue than the preceding year corresponding periods. The increase was in line with the higher charter activities and higher charter rates, especially in the 70M AHTS vessel segment during the periods since the resumption of drilling activities since late 2021.

The Division recorded RM48.1 million and RM67.2 million profit before taxation in the current quarter and the financial year respectively as compared to RM14.5 million profit before taxation and RM18.7 million loss before taxation during the preceding year corresponding periods in line with higher revenue, higher net reversal of vessel impairment and lower vessel depreciation during the periods.

B1. REVIEW OF PERFORMANCE (CONTINUED)

Divisional commentary (continued)

ii. Marine Logistics – Downstream Division

	3 months ended			12 months ended		
	30-Apr-23 RM'000	30-Apr-22 RM'000	Change	30-Apr-23 RM'000	30-Apr-22 RM'000	Change
Revenue	19,507	14,851	31.4%	82,057	59,350	38.3%
Profit/(Loss) before taxation	60	(7,762)	(100.8%)	4,940	(13,985)	n/a
Fleet utilisation	84%	86%		88%	76%	

The Downstream Division recorded a revenue of RM19.5 million in the current quarter and RM82.1 million in the current financial year, representing 31% and 38% higher revenue than the preceding year corresponding periods. The increase was in line with the higher charter activities following the deployment of a new tanker in the first quarter of the current financial year.

The Division recorded RM0.1 million and RM4.9 million profit before taxation for the current quarter and the financial year respectively, as compared to RM7.8 million and RM14 million loss before taxation in the preceding year corresponding periods mainly due to higher revenue recorded in the current periods in line with higher charter activities and RM2.4 million reversal of vessel impairment during the current periods.

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

a. Revenue

	Current Quarter 30-Apr-23 RM'000	Preceding Quarter 31-Jan-23 RM'000	Variances RM'000	Change %
Revenue				
Marine Logistics - Upstream Division	56,557	51,047	5,510	10.8%
Marine Logistics - Downstream Division	19,507	22,647	(3,140)	(13.9%)
	<u>76,064</u>	<u>73,694</u>	<u>2,370</u>	<u>3.2%</u>
Fleet utilisation				
Marine Logistics - Upstream Division	73%	69%		
Marine Logistics - Downstream Division	<u>84%</u>	<u>92%</u>		

The Group recorded marginally higher revenue of RM76.1 million for the current quarter compared to the immediate preceding quarter. Although the Upstream Division recorded 11% higher revenue in line with higher charter activities and charter rates, the increase was partially offset by a reduction in the revenue recorded by the Downstream Division that recorded lower vessel utilisation during the current quarter due to vessel repairs and dockings.

b. Profit/(Loss) before taxation

	Current Quarter 30-Apr-23 RM'000	Preceding Quarter 31-Jan-23 RM'000	Variances RM'000	Change %
Profit/(Loss) before taxation				
Marine Logistics - Upstream Division	48,056	(1,933)	49,989	n/a
Marine Logistics - Downstream Division	60	1,540	(1,480)	n/a
Investment holding and others	(1,098)	(1,016)	(82)	(8.1%)
Adjustments	36	34	2	(5.9%)
	<u>47,054</u>	<u>(1,375)</u>	<u>48,429</u>	<u>n/a</u>

During the current period, the Group recorded RM47.1 million profit before taxation, as compared to RM1.4 million loss recorded in the immediate preceding quarter. The improvement was mainly due to the recognition of net reversal of vessel impairment of RM42.6 million during the current quarter.

B3. PROSPECTS

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 next financial year, although at a slower rate than the current financial year.

In relation to the Downstream Division, the Division expects the charter operations to continue to be active in the next financial year, given all the vessels are on time-charter contracts.

Nevertheless, the Board is also cautious about the potential economic disruption brought about by the geo-political instability in Europe that could affect the regional and domestic economic climate. In view of the foregoing, the Board is cautiously optimistic on the prospects for the next financial year.

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

	30-Apr-23	30-Apr-22
	RM'000	RM'000
Total retained loss of the Company and its subsidiaries:		
- realised loss	(651,661)	(697,957)
Less consolidated adjustment	545,172	544,992
Total Group retained profits as per consolidated accounts	<u>(106,489)</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**