



**MARINE & GENERAL**  
BERHAD

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

**INTERIM RESULT FOR THE PERIOD ENDED**  
**31 JULY 2023 (Q1 2024)**

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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 2023****CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Notes	Individual Quarter	
		Current Year	Preceding Year
		Quarter 31-Jul-23 RM'000	Corresponding Quarter 31-Jul-22 RM'000
<b>Revenue</b>		<b>84,628</b>	75,334
Direct costs		<b>(59,211)</b>	(63,484)
<b>Gross profit</b>		<b>25,417</b>	11,850
Other income		<b>494</b>	418
Other item of expenses:			
Administrative expenses		<b>(6,205)</b>	(5,129)
<b>EBIT</b>		<b>19,706</b>	7,139
Finance income	A7	<b>95</b>	22
Finance cost	A7	<b>(8,430)</b>	(8,147)
<b>Net finance cost</b>		<b>(8,335)</b>	(8,125)
<b>Profit/(Loss) before taxation</b>		<b>11,371</b>	(986)
Taxation	A8	<b>(68)</b>	(76)
<b>Profit/(Loss) after taxation</b>		<b>11,303</b>	(1,062)
<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		1,297	2,219
<b>Total comprehensive income for the period</b>		<b>12,600</b>	1,157
<b>Net profit/(loss) attributable to:</b>			
Owners of the parent		<b>7,411</b>	(947)
Non-controlling interests		<b>3,892</b>	(115)
		<b>11,303</b>	(1,062)
<b>Total comprehensive income attributable to:</b>			
Owners of the parent		<b>8,504</b>	872
Non-controlling interests		<b>4,096</b>	285
		<b>12,600</b>	1,157
<b>Profit/(Loss) per share (sen)</b>			
- basic	A9	<b>0.33</b>	(0.04)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 April 2023 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 2023****CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

		31-Jul-23	Audited 30-Apr-23
	Notes	RM'000	RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, vessels and equipment		730,142	743,345
Right-of-use assets		1,267	1,501
		<u>731,409</u>	<u>744,846</u>
<b>Current assets</b>			
Inventories		14,988	15,431
Other investments	A11	7,542	8,324
Trade and other receivables	A12	86,043	65,325
Current tax assets		1,656	1,692
Cash and bank balances	A13	19,561	24,423
		<u>129,790</u>	<u>115,195</u>
<b>Total assets</b>		<u>861,199</u>	<u>860,041</u>
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	A14	270,003	270,003
Reverse acquisition deficit		(92,791)	(92,791)
Foreign currency translation reserve		7,097	6,004
Accumulated losses		(97,468)	(104,879)
<b>Total equity attributable to equity holders of the Company</b>		<u>86,841</u>	<u>78,337</u>
Preference shares of a subsidiary		70,129	70,129
Non-controlling interests		(59,909)	(64,005)
<b>Total equity</b>		<u>97,061</u>	<u>84,461</u>
<b>Non-current liabilities</b>			
Loans and borrowings	A15	599,910	618,096
Lease liabilities		540	765
Deferred tax liabilities		5,078	5,103
		<u>605,528</u>	<u>623,964</u>
<b>Current liabilities</b>			
Loans and borrowings	A15	73,732	70,358
Lease liabilities		723	1,022
Trade and other payables	A16	83,644	79,650
Current tax liabilities		511	586
		<u>158,610</u>	<u>151,616</u>
<b>Total liabilities</b>		<u>764,138</u>	<u>775,580</u>
<b>Total equity and liabilities</b>		<u>861,199</u>	<u>860,041</u>
<b>Net assets per share attributable to equity holders of the Company (sen)</b>			
		<u>12.00</u>	<u>10.82</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 2023 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 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
<b>At 1 May 2023</b>	270,003	(92,791)	6,004	(104,879)	70,129	(64,005)	84,461
Profit for the period	-	-	-	7,411	-	3,892	11,303
Foreign currency translation differences for foreign operations	-	-	1,093	-	-	204	1,297
Total comprehensive income for the period	-	-	1,093	7,411	-	4,096	12,600
<b>At 31 July 2023</b>	270,003	(92,791)	7,097	(97,468)	70,129	(59,909)	97,061
<b>At 1 May 2022</b>	270,003	(92,791)	4,028	(152,965)	70,129	(85,480)	12,924
Profit for the period	-	-	-	48,086	-	21,034	69,120
Foreign currency translation differences for foreign operations	-	-	1,976	-	-	441	2,417
Total comprehensive income for the year	-	-	1,976	48,086	-	21,475	71,537
<b>At 30 April 2023</b>	270,003	(92,791)	6,004	(104,879)	70,129	(64,005)	84,461

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 2023 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 2023****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	31-Jul-23	31-Jul-22
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Collection of revenue	69,377	58,069
Collection of other income	140	214
	<u>69,517</u>	<u>58,283</u>
Payment of expenses	(47,189)	(38,806)
Net tax paid	(108)	(27)
Net cash generated from operating activities	<u>22,220</u>	<u>19,450</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Disposal of other investments	782	797
Purchase of property, vessels and equipment	(4,403)	(8,520)
Net cash generated from investing activities	<u>(3,621)</u>	<u>(7,723)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(14,776)	(10,597)
Payment of finance costs	(8,423)	(8,256)
Payment of leases	(262)	(277)
Net cash used in financing activities	<u>(23,461)</u>	<u>(19,130)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(4,862)</b>	<b>(7,403)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<u>24,423</u>	<u>23,724</u>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>(a) 19,561</b>	<b>16,321</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:

		31-Jul-23	31-Jul-22
		RM'000	RM'000
Cash and bank balances	A13	11,332	7,519
Deposits with licensed financial institutions	A13	8,229	8,802
		<u>19,561</u>	<u>16,321</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 2023 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 2023.

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>
▪ MFRS 17, <i>Insurance Contracts</i>	1 January 2023
▪ Amendments to 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 16, <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
▪ Amendments to MFRS 101, <i>Non-current Liabilities with Covenants</i>	1 January 2024
▪ 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>	Deferred

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 29 September 2023.

## A3. CHANGES IN ESTIMATES

In the prior year, 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	
	31-Jul-23	31-Jul-22	31-Jul-23	31-Jul-22	31-Jul-23	31-Jul-22	31-Jul-23	31-Jul-22	31-Jul-23	31-Jul-22
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>3-month results</b>										
<b>Revenue</b>										
External customers	63,306	56,559	21,322	18,775	-	-	-	-	84,628	75,334
Inter-segment	-	-	-	-	44	44	(44)	(44)	-	-
<b>Total revenue</b>	<b>63,306</b>	<b>56,559</b>	<b>21,322</b>	<b>18,775</b>	<b>44</b>	<b>44</b>	<b>(44)</b>	<b>(44)</b>	<b>84,628</b>	<b>75,334</b>
<b>Segment profit/(loss)</b>										
<b>before taxation</b>	<b>12,437</b>	<b>(1,078)</b>	<b>(57)</b>	<b>1,094</b>	<b>(1,044)</b>	<b>(1,036)</b>	<b>35</b>	<b>34</b>	<b>11,371</b>	<b>(986)</b>
<b>Segment assets</b>										
<b>Segment liabilities</b>	<b>654,137</b>	<b>611,880</b>	<b>193,637</b>	<b>183,899</b>	<b>135,281</b>	<b>134,422</b>	<b>(121,856)</b>	<b>(116,423)</b>	<b>861,199</b>	<b>813,778</b>
	<b>718,542</b>	<b>756,396</b>	<b>54,918</b>	<b>51,973</b>	<b>114,852</b>	<b>114,933</b>	<b>(124,174)</b>	<b>(123,605)</b>	<b>764,138</b>	<b>799,697</b>



**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:

	<b>Current Year Quarter 31-Jul-23 RM'000</b>	<b>Preceding Year Corresponding Quarter 31-Jul-22 RM'000</b>
Finance income	95	22
Finance costs	(8,430)	(8,147)
Depreciation of property, vessels and equipment	(13,355)	(21,572)
Depreciation of right-of-use assets	(180)	(286)
Amortisation of vessels dry-docking	(6,131)	(6,466)
Net foreign exchange loss	<u>(379)</u>	<u>(290)</u>

**A8. INCOME TAX**

	<b>Current Year Quarter 31-Jul-23 RM'000</b>	<b>Preceding Year Corresponding Quarter 31-Jul-22 RM'000</b>
<b>Current period tax charge:</b>		
Malaysian		
- current period	<u>68</u>	<u>76</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:

	<b>Quarter (3 months)</b>
<b>31 July 2023</b>	
<b>Basic profit per share:</b>	
Profit net of tax attributable to owners of the parent (RM'000)	7,411
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
<b>Basic profit per share (sen)</b>	<u>0.33</u>
<b>31 July 2022</b>	
<b>Basic loss per share:</b>	
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
<b>Basic loss per share (sen)</b>	<u>(0.04)</u>

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**

	<b>31-Jul-23</b>	<b>30-Apr-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Financial assets at fair value through profit or loss	<u>7,542</u>	<u>8,324</u>

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

**A12. TRADE AND OTHER RECEIVABLES**

	<b>31-Jul-23</b>	<b>30-Apr-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Trade receivables	65,790	50,121
Other receivables	<u>20,253</u>	<u>15,204</u>
	<u>86,043</u>	<u>65,325</u>

The ageing analysis of the trade receivables is as follows:

	<b>31-Jul-23</b>	<b>30-Apr-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Current (not past due)	24,238	26,999
1 - 30 days past due	24,003	12,399
31 - 90 days past due	17,795	5,389
Past due more than 90 days	<u>3,300</u>	<u>8,880</u>
	69,336	53,667
Allowance for impairment loss	<u>(3,546)</u>	<u>(3,546)</u>
	<u>65,790</u>	<u>50,121</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:

	<b>31-Jul-23</b>	<b>30-Apr-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	11,332	15,430
Deposits placed with licensed bank	<u>8,229</u>	<u>8,993</u>
Total cash and cash equivalents	<u>19,561</u>	<u>24,423</u>

Included in the deposits placed with licensed financial institutions is RM1,676,000 (30 April 2023: 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:

	<b>31-Jul-23</b>	<b>30-Apr-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Secured short-term borrowings:		
Term loans	63,596	59,772
Revolving credits	10,100	10,550
Hire purchase	36	36
Total short term borrowings	<u>73,732</u>	<u>70,358</u>
Secured long-term borrowings:		
Term loans	599,884	618,057
Hire purchase	26	39
Total long term borrowings	<u>599,910</u>	<u>618,096</u>
<b>Total borrowings</b>	<b><u>673,642</u></b>	<b><u>688,454</u></b>

**A16. TRADE AND OTHER PAYABLES**

	<b>31-Jul-23</b>	<b>30-Apr-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Trade payables	49,697	49,829
Accruals and other payables	33,947	29,821
	<u>83,644</u>	<u>79,650</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

	<b>31-Jul-23</b>	<b>30-Apr-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Capital expenditure</b>		
Approved and contracted for:		
Property, vessel and equipment	<u>20</u>	<u>1,551</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.

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 the SILK's funded stretch, there are 240 cases with claims amounting to RM503.7 million. In prior years, out of the 240 cases, 239 cases have been resolved and 1 case with claims of RM17.8 million had been fixed for hearing at the Court of Appeal ("the Court") on 11 August 2023. On 25 August 2023, the Court ordered that the appeal be allowed and the matter to be remitted back to the High Court for re-assessment.

Notwithstanding the above, the Directors are of the opinion that provision is not required in respect of this matter, 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-23 RM'000	Preceding Year Corresponding Quarter 31-Jul-22 RM'000	Variances RM'000	Change %
Revenue	84,628	75,334	9,294	12.3%
Profit/(Loss) before taxation	11,371	(986)	12,357	*
Profit/(Loss) after taxation	11,303	(1,062)	12,365	*
Profit/(Loss) attributable to ordinary equity holders of the parent	7,411	(947)	8,358	*

**Fleet utilisation:**

Marine Logistics - Upstream Division	78%	78%
Marine Logistics - Downstream Division	85%	90%

\* not meaningful

For the quarter ended 31 July 2023, the Group recorded 12% higher revenue than the preceding year corresponding quarter in line with higher charter rates for both the offshore support vessels (“OSV”) and tankers.

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

Division	No. of vessels deployed		Revenue contribution			
	Preceding		Preceding		Preceding	
	Current year quarter 31-Jul-23	corresponding quarter 31-Jul-22	Current year quarter 31-Jul-23 RM'000	corresponding quarter 31-Jul-22 RM'000	Current year quarter 31-Jul-23 %	corresponding quarter 31-Jul-22 %
Upstream	22	21	63,306	56,559	75%	75%
Downstream	8	8	21,322	18,775	25%	25%
	30	29	84,628	75,334	100%	100%

In line with the higher revenue recorded during the quarter and lower depreciation expenses following the change in the estimated OSV service life in the second quarter of the preceding financial year, the Group recorded RM11.4 million profit before taxation, an improvement of RM12.4 million as compared to the loss before taxation of RM1 million in the preceding year corresponding quarter.

## B1. REVIEW OF PERFORMANCE (CONTINUED)

### Divisional commentary

#### i. Marine Logistics – Upstream Division

	Current Year Quarter 31-Jul-23 RM'000	Preceding Year Corresponding Quarter 31-Jul-22 RM'000	Change
Revenue	63,306	56,559	11.9%
Profit/(Loss) before taxation	12,437	(1,078)	*
Fleet utilisation	78%	78%	

\* Not meaningful

The Upstream Division recorded a revenue of RM63.3 million in the current quarter, representing 12% higher revenue than the preceding year corresponding quarter. The increase was in line with the higher charter activities and higher charter rates, especially in the 70M AHTS vessel segment during the period since the resumption of drilling activities in late 2021.

The Division recorded RM12.4 million profit before taxation in the current quarter as compared to RM1.1 million loss before taxation in line with higher revenue recorded and lower depreciation expenses incurred during the current period.

#### ii. Marine Logistics – Downstream Division

	Current Year Quarter 31-Jul-23 RM'000	Preceding Year Corresponding Quarter 31-Jul-22 RM'000	Change
Revenue	21,322	18,775	13.6%
(Loss)/Profit before taxation	(57)	1,094	*
Fleet utilisation	85%	90%	

\* Not meaningful

The Downstream Division recorded a revenue of RM21.3 million in the current quarter, representing 14% higher revenue than the preceding year corresponding quarter. The increase was in line with the higher charter activities following the deployment of a third-party tanker on time charter in the second quarter of the preceding year and increase in tanker charter rate.

## B1. REVIEW OF PERFORMANCE (CONTINUED)

### Divisional commentary (continued)

#### ii. Marine Logistics – Downstream Division (continued)

The Division recorded marginal loss before taxation for the current quarter, as compared to RM1.1 million profit before taxation in the preceding year corresponding quarter mainly due to higher vessel repair and maintenance expenses incurred during the current quarter.

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

### a. Revenue

	Current Quarter 31-Jul-23 RM'000	Preceding Quarter 30-Apr-23 RM'000	Variances RM'000	Change %
<b>Revenue</b>				
Marine Logistics - Upstream Division	63,306	56,557	6,749	11.9%
Marine Logistics - Downstream Division	21,322	19,608	1,714	8.7%
	<u>84,628</u>	<u>76,165</u>	8,463	11.1%
<b>Fleet utilisation</b>				
Marine Logistics - Upstream Division	78%	73%		
Marine Logistics - Downstream Division	<u>85%</u>	<u>84%</u>		

The Group recorded 11% higher revenue of RM84.6 million for the current quarter compared to the immediate preceding quarter in line with improving vessel utilisation and charter rates.

### b. Profit before taxation

	Current Quarter 31-Jul-23 RM'000	Preceding Quarter 30-Apr-23 RM'000	Variances RM'000	Change %
<b>Profit before taxation</b>				
Marine Logistics - Upstream Division	12,437	48,087	(35,650)	74.1%
Marine Logistics - Downstream Division	(57)	1,568	(1,625)	*
Investment holding and others	(1,044)	3,887	(4,931)	*
Adjustments	35	(4,973)	5,008	*
	<u>11,371</u>	<u>48,569</u>	<u>(37,198)</u>	76.6%

\* Not meaningful

During the current period, the Group recorded RM11.4 million profit before taxation, as compared to RM48.6 million profit recorded in the immediate preceding quarter. The decrease was mainly due to the non-recurring net reversal of vessel impairment loss amounting to RM42.4 million recorded in the preceding quarter.



### **B3. CURRENT YEAR 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 current financial year, although at a slower rate than the preceding financial year.

In relation to the Downstream Division, the Division expects the charter operations to continue to experience high level of utilisation in the current 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**

	<b>31-Jul-23</b>	<b>30-Apr-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained loss of the Company and its subsidiaries:		
- realised loss	(637,674)	(645,040)
Less consolidated adjustment	540,206	540,161
Total Group retained profits as per consolidated accounts	<u>(97,468)</u>	<u>(104,879)</u>

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

The audit report on the Group's financial statements for the period ended 30 April 2023 was not subject to any qualification.

**BY ORDER OF THE BOARD  
SECRETARIES**