



MARINE & GENERAL
BERHAD

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

INTERIM RESULT FOR THE PERIOD ENDED
31 JANUARY 2024 (Q3 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 JANUARY 2024

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Notes	Individual Quarter		Cumulative Quarter	
		Current Year 31-Jan-24 RM'000	Preceding Year Corresponding Quarter 31-Jan-23 RM'000	Current Year To Date 31-Jan-24 RM'000	Preceding Year Corresponding Quarter 31-Jan-23 RM'000
Revenue		88,404	73,694	264,861	231,119
Direct costs		(61,332)	(60,184)	(187,818)	(170,189)
Gross profit		27,072	13,510	77,043	60,930
Other income		10,658	282	12,391	1,689
Other item of expenses:					
Administrative expenses		(10,178)	(6,371)	(21,919)	(16,057)
EBIT		27,552	7,421	67,515	46,562
Finance income	A7	99	107	295	272
Finance cost	A7	(9,506)	(8,903)	(26,299)	(25,619)
Net finance cost		(9,407)	(8,796)	(26,004)	(25,347)
Profit/(Loss) before taxation		18,145	(1,375)	41,511	21,215
Taxation	A8	(241)	71	(390)	(92)
Profit/(Loss) after taxation		17,904	(1,304)	41,121	21,123
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		(1,200)	(15,024)	8,658	(2,693)
Total comprehensive income/(expense) for the period		16,704	(16,328)	49,779	18,430

MARINE & GENERAL BERHAD (Registration No. 199601033543 (405897-V))
(Incorporated in Malaysia)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2024
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Notes	Individual Quarter		Cumulative Quarter	
		Current Year 31-Jan-24 RM'000	Preceding Year Corresponding Quarter 31-Jan-23 RM'000	Current Year To Date 31-Jan-24 RM'000	Preceding Year Corresponding Quarter 31-Jan-23 RM'000
Net profit/(loss) attributable to:					
Owners of the parent		13,281	(905)	28,914	14,814
Non-controlling interests		4,623	(399)	12,207	6,309
		<u>17,904</u>	<u>(1,304)</u>	<u>41,121</u>	<u>21,123</u>
Total comprehensive income/(expense) attributable to:					
Owners of the parent		12,235	(13,621)	36,289	13,161
Non-controlling interests		4,469	(2,707)	13,490	5,269
		<u>16,704</u>	<u>(16,328)</u>	<u>49,779</u>	<u>18,430</u>
Profit/(Loss) per share (sen)					
- basic	A9	<u>0.60</u>	<u>(0.04)</u>	<u>1.30</u>	<u>0.67</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 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 JANUARY 2024**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

		31-Jan-24	Audited 30-Apr-23
	Notes	RM'000	RM'000
Assets			
Non-current assets			
Property, vessels and equipment		700,621	743,345
Right-of-use assets		1,258	1,501
		<u>701,879</u>	<u>744,846</u>
Current assets			
Inventories		15,979	15,431
Other investments	A11	5,401	8,324
Trade and other receivables	A12	83,528	65,325
Current tax assets		865	1,692
Cash and bank balances	A13	44,567	24,423
		<u>150,340</u>	<u>115,195</u>
Total assets		<u>852,219</u>	<u>860,041</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		13,379	6,004
Accumulated losses		(75,965)	(104,879)
Total equity attributable to equity holders of the Company		<u>114,626</u>	<u>78,337</u>
Preference shares of a subsidiary		70,129	70,129
Non-controlling interests		(50,515)	(64,005)
Total equity		<u>134,240</u>	<u>84,461</u>
Non-current liabilities			
Loans and borrowings	A15	559,807	618,096
Lease liabilities		277	765
Deferred tax liabilities		5,335	5,103
		<u>565,419</u>	<u>623,964</u>
Current liabilities			
Loans and borrowings	A15	83,027	70,358
Lease liabilities		1,109	1,022
Trade and other payables	A16	67,689	79,650
Current tax liabilities		735	586
		<u>152,560</u>	<u>151,616</u>
Total liabilities		<u>717,979</u>	<u>775,580</u>
Total equity and liabilities		<u>852,219</u>	<u>860,041</u>
Net assets per share attributable to equity holders of the Company (sen)			
		<u>15.83</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 JANUARY 2024

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	← Attributable to equity holders of the Group →				Preference shares of a subsidiary RM'000	Non-controlling interests RM'000	Total RM'000
	Share capital RM'000	Reverse acquisition deficit RM'000	Foreign currency translation reserve RM'000	Accumulated losses RM'000			
At 1 May 2023	270,003	(92,791)	6,004	(104,879)	70,129	(64,005)	84,461
Profit for the period	-	-	-	28,914	-	12,207	41,121
Foreign currency translation differences for foreign operations	-	-	7,375	-	-	1,283	8,658
Total comprehensive income for the period	-	-	7,375	28,914	-	13,490	49,779
At 31 January 2024	270,003	(92,791)	13,379	(75,965)	70,129	(50,515)	134,240
At 1 May 2022	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
At 30 April 2023	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 JANUARY 2024**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	31-Jan-24	31-Jan-23
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection of revenue	245,687	224,734
Collection of other income	1,458	375
	<u>247,145</u>	<u>225,109</u>
Payment of expenses	(161,427)	(124,155)
Net tax refund/(paid)	625	(191)
Net cash generated from operating activities	<u>86,343</u>	<u>100,763</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of other investments	2,923	2,893
Proceed from disposal of property, vessels and equipment	24,779	-
Purchase of property, vessels and equipment	(21,275)	(38,548)
Net cash generated from investing activities	<u>6,427</u>	<u>(35,655)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(45,089)	(36,446)
Payment of finance costs	(26,875)	(25,900)
Payment of leases	(662)	(1,044)
Net cash used in financing activities	<u>(72,626)</u>	<u>(63,390)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	20,144	1,718
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	<u>24,423</u>	<u>23,724</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	(a) 44,567	<u>25,442</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-Jan-24	31-Jan-23
		RM'000	RM'000
Cash and bank balances	A13	24,201	13,048
Deposits with licensed financial institutions	A13	20,366	12,394
		<u>44,567</u>	<u>25,442</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:

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 21 March 2024.

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-Jan-24 RM'000	31-Jan-23 RM'000	31-Jan-24 RM'000	31-Jan-23 RM'000	31-Jan-24 RM'000	31-Jan-23 RM'000	31-Jan-24 RM'000	31-Jan-23 RM'000	31-Jan-24 RM'000	31-Jan-23 RM'000
3-month results										
Revenue										
External customers	68,247	51,047	20,157	22,647	-	-	-	-	88,404	73,694
Inter-segment	-	-	-	-	44	44	(44)	(44)	-	-
Total revenue	68,247	51,047	20,157	22,647	44	44	(44)	(44)	88,404	73,694
Segment profit/(loss)										
before taxation	12,390	(1,933)	7,025	1,540	(1,303)	(1,016)	33	34	18,145	(1,375)
9-month results										
Revenue										
External customers	199,803	168,569	65,058	62,550	-	-	-	-	264,861	231,119
Inter-segment	-	-	-	-	132	135	(132)	(135)	-	-
Total revenue	199,803	168,569	65,058	62,550	132	135	(132)	(135)	264,861	231,119
Segment profit/(loss)										
before taxation	36,684	19,158	8,172	4,880	(3,448)	(2,922)	103	99	41,511	21,215
Segment assets	641,698	615,317	199,755	182,738	132,796	132,421	(122,030)	(116,656)	852,219	813,820
Segment liabilities	682,013	739,595	46,056	51,944	114,769	114,832	(124,859)	(123,905)	717,979	782,466

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 before tax are the following items:

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	31-Jan-24 RM'000	31-Jan-23 RM'000	31-Jan-24 RM'000	31-Jan-23 RM'000
Finance income	99	107	295	272
Finance costs	(9,506)	(8,903)	(26,299)	(25,619)
Gain on disposal of property, vessels and equipment	9,690	-	9,690	-
Depreciation of property, vessels and equipment	(13,290)	(2,657)	(40,030)	(24,228)
Depreciation of right-of-use assets	(130)	(263)	(469)	(550)
Amortisation of vessels dry-docking	(6,567)	(3,537)	(19,424)	(10,003)
Net foreign exchange (gain)/loss	1,214	(679)	(102)	(1,314)

A8. INCOME TAX

	Current Year	Preceding Year	Cumulative Quarter	
	Quarter	Corresponding	9 months ended	
	31-Jan-24	31-Jan-23	31-Jan-24	31-Jan-23
	RM'000	RM'000	RM'000	RM'000
Current period tax charge:				
Malaysian				
- current period	241	(71)	390	92

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 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 (9 months)
31 January 2024		
Basic profit per share:		
Profit net of tax attributable to owners of the parent (RM'000)	13,281	28,914
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)	<u>0.60</u>	<u>1.30</u>
31 January 2023		
Basic profit per share:		
(Loss)/Profit net of tax attributable to owners of the parent (RM'000)	(905)	14,814
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 (loss)/profit per share (sen)	<u>(0.04)</u>	<u>0.67</u>

A9. PROFIT PER SHARE (CONT'D)

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 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-Jan-24	30-Apr-23
	RM'000	RM'000
Financial assets at fair value through profit or loss	<u>5,401</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

	31-Jan-24	30-Apr-23
	RM'000	RM'000
Trade receivables	71,657	50,121
Other receivables	<u>11,871</u>	<u>15,204</u>
	<u>83,528</u>	<u>65,325</u>

The ageing analysis of the trade receivables is as follows:

	31-Jan-24	30-Apr-23
	RM'000	RM'000
Current (not past due)	65,944	26,999
1 - 30 days past due	337	12,399
31 - 90 days past due	3,737	5,389
Past due more than 90 days	<u>5,185</u>	<u>8,880</u>
	75,203	53,667
Allowance for impairment loss	<u>(3,546)</u>	<u>(3,546)</u>
	<u>71,657</u>	<u>50,121</u>

A12. TRADE AND OTHER RECEIVABLES

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-Jan-24	30-Apr-23
	RM'000	RM'000
Cash and bank balances	24,201	15,430
Deposits placed with licensed bank	20,366	8,993
Total cash and cash equivalents	<u>44,567</u>	<u>24,423</u>

Included in the deposits placed with licensed financial institutions is RM5,297,000 (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:

	31-Jan-24	30-Apr-23
	RM'000	RM'000
Secured short-term borrowings:		
Term loans	74,368	59,772
Revolving credits	8,650	10,550
Hire purchase	9	36
Total short term borrowings	<u>83,027</u>	<u>70,358</u>
Secured long-term borrowings:		
Term loans	559,771	618,057
Hire purchase	36	39
Total long term borrowings	<u>559,807</u>	<u>618,096</u>
Total borrowings	<u>642,834</u>	<u>688,454</u>

A16. TRADE AND OTHER PAYABLES

	31-Jan-24	30-Apr-23
	RM'000	RM'000
Trade payables	36,572	49,829
Accruals and other payables	31,117	29,821
	<u>67,689</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

	31-Jan-24	30-Apr-23
	RM'000	RM'000
Capital expenditure		
Approved and contracted for:		
Property, vessel and equipment	<u>2,545</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.

A20. CONTINGENT LIABILITIES AND CONTINGENT ASSETS (CONT'D)

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

	3 Months Ended				9 Months Ended			
	31-Jan-24 RM'000	31-Jan-23 RM'000	Variances RM'000	Change %	31-Jan-24 RM'000	31-Jan-23 RM'000	Variances RM'000	Change %
Revenue	88,404	73,694	14,710	20.0%	264,861	231,119	33,742	14.6%
Profit/(loss) before taxation	18,145	(1,375)	19,520	*	41,511	21,215	20,296	95.7%
Profit/(loss) after taxation	17,904	(1,304)	19,208	*	41,121	21,123	19,998	94.7%
Profit/(loss) attributable to ordinary equity holders of the parent	13,281	(905)	14,186	*	28,914	14,814	14,100	95.2%

Fleet utilisation:

Marine Logistics - Upstream Division	77%	69%	75%	74%
Marine Logistics - Downstream Division	78%	92%	85%	89%

** not meaningful*

During the period under review, the Group recorded a revenue of RM88.4 million and RM264.9 million in the current quarter and the 9 months period respectively, representing 20% and 14.6% higher revenue than the preceding year corresponding periods. The increase was mainly due to higher fleet utilisation and charter rates for the offshore vessels (“OSV”) in line with the continued increase in oil drilling activities and the general economic recovery in the region.

	Revenue contribution							
	3 Months Ended				9 Months Ended			
	31-Jan-24		31-Jan-23		31-Jan-24		31-Jan-23	
Upstream	68,247	77%	51,047	69%	199,803	75%	168,569	73%
Downstream	20,157	23%	22,647	31%	65,058	25%	62,550	27%
	88,404	100%	73,694	100%	264,861	100%	231,119	100%

B1. REVIEW OF PERFORMANCE (CONT'D)

The Upstream Division continued as the main revenue contributor, generating 77% of the Group revenue in the current quarter and 73% for the 9 months period, while the Downstream Division contributed the remaining 23% and 27% of the Group revenue in the current quarter and 9 months period respectively.

During the current quarter, the Group disposed one (1) tanker under the Downstream Division and recognised a gain of RM9.7 million. Taking into account higher revenue earned and gain from disposal of a tanker, the Group recorded profit before taxation of RM18.1 million and RM41.5 million respectively in the current quarter and 9 months period, compared to RM1.4 million loss before taxation in the preceding year corresponding quarter and RM21.2 million profit before taxation in the preceding year corresponding 9-months period.

Divisional commentary

i. Marine Logistics – Upstream Division

	3 months ended			9 months ended		
	31-Jan-24	31-Jan-23	Change	31-Jan-24	31-Jan-23	Change
	RM'000	RM'000		RM'000	RM'000	
Revenue	68,247	51,047	33.7%	199,803	168,569	18.5%
Profit/(Loss) before taxation	12,390	(1,933)	*	36,684	19,158	91.5%
Fleet utilisation	77%	69%		78%	74%	

* Not meaningful

During the period under review, the Upstream Division recorded a revenue of RM68.2 million and RM199.8 million in the current quarter and the 9-months period respectively. This represents a 33.7% and 18.5% increase compared to the preceding year corresponding periods. The increase was in line with the higher charter activities and charter rates particularly in the 70M AHTS vessels segment, in line with the continued drilling and exploration activities.

The Division recorded profit before taxation of RM12.4 million and RM36.7 million respectively in the current quarter and the 9 months period as compared to RM1.9 million loss before taxation during the preceding year corresponding quarter and RM19.2 million profit before taxation in the preceding year corresponding 9-months period. These results were in line with higher revenue recorded during the respective periods.

B1. REVIEW OF PERFORMANCE (CONTINUED)

ii. Marine Logistics – Downstream Division

	3 months ended			9 months ended		
	31-Jan-24 RM'000	31-Jan-23 RM'000	Change	31-Jan-24 RM'000	31-Jan-23 RM'000	Change
Revenue	20,157	22,647	(11.0%)	65,058	62,550	4.0%
Profit before taxation	7,025	1,540	*	8,172	4,880	67.5%
Fleet utilisation	78%	92%		85%	89%	

* Not meaningful

During the period under review, the Downstream Division recorded marginally lower revenue of RM20.2 million than RM22.6 million recorded in the preceding year corresponding quarter. The decrease in revenue was mainly due to the non-deployment of a tanker for repairs and the disposal of a tanker. However, for the 9-months period, the Division recorded slightly higher revenue of RM65.1 million than RM62.6 million revenue recorded in the preceding year corresponding period mainly due to higher charter rates.

Taking into account the gain from disposal of a tanker amounting to RM9.7 million, the Division recorded higher profit before taxation of RM7 million and RM8.2 million for the current quarter and the 9-months period respectively, compared to RM1.5 million and RM4.9 million profit before taxation in the preceding year corresponding periods.

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

a. Revenue

	Current Quarter	Preceding Quarter	Variances	Change
	31-Jan-24 RM'000	31-Oct-23 RM'000		
Revenue				
Marine Logistics - Upstream Division	68,247	68,249	(2)	(0.0%)
Marine Logistics - Downstream Division	20,157	23,580	(3,423)	(14.5%)
	<u>88,404</u>	<u>91,829</u>	<u>(3,425)</u>	<u>(3.7%)</u>
Fleet utilisation				
Marine Logistics - Upstream Division	77%	81%		
Marine Logistics - Downstream Division	<u>78%</u>	<u>91%</u>		

The Group recorded marginally lower revenue of RM88.4 million for the current quarter compared to the immediate preceding quarter mainly due to the decrease in charter activities of the Downstream Division following the non-deployment of a tanker for repairs and disposal of a tanker during the current period.

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

b. Profit/(loss) before taxation

	Current Quarter 31-Jan-24 RM'000	Preceding Quarter 31-Oct-23 RM'000	Variations RM'000	Change %
Profit/(loss) before taxation				
Marine Logistics - Upstream Division	12,390	11,857	533	(4.5%)
Marine Logistics - Downstream Division	7,025	1,204	5,821	*
Investment holding and others	(1,303)	(1,102)	(201)	(18.2%)
Adjustments	33	35	(2)	*
	<u>18,145</u>	<u>11,994</u>	<u>6,151</u>	<u>51.3%</u>

* Not meaningful

During the current period, the Group recorded a profit before taxation of RM18.1 million, representing an increase of 51.3% compared to the profit recorded in the immediate preceding quarter. The increase was mainly due to the RM9.7 million gain from disposal of a tanker recorded during the current period.

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, all the operating vessels are currently on time-charter contracts. In addition, the Division is looking at fleet optimization measures to achieve better utilisation moving forward.

The Board continues to be cautious about the potential economic disruption brought about by the geo-political instability in Europe and Middle East that could affect the regional and domestic economic climate. In view of the foregoing, the Board is cautiously optimistic about the prospects for the current 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

	31-Jan-24	30-Apr-23
	RM'000	RM'000
Total retained loss of the Company and its subsidiaries:		
- realised loss	(616,263)	(645,040)
Less consolidated adjustment	540,298	540,161
Total Group retained profits as per consolidated accounts	<u>(75,965)</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**