



MARINE & GENERAL
BERHAD

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

INTERIM RESULT FOR THE PERIOD ENDED
30 APRIL 2024 (Q4 2024)

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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 2024

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Notes	Individual Quarter		Cumulative Quarter	
		Current Year	Preceding Year	Current Year To	Preceding Year
		Quarter	Corresponding	Date	Corresponding
		30-Apr-24	30-Apr-23	30-Apr-24	30-Apr-23
		RM'000	RM'000	RM'000	RM'000
Revenue		83,059	76,165	347,920	307,284
Direct costs		(71,861)	(60,926)	(259,679)	(231,115)
Gross profit		11,198	15,239	88,241	76,169
Other income		34,417	50,318	46,808	52,007
Other item of expenses:					
Administrative expenses		(6,767)	(5,666)	(28,686)	(21,723)
Other expenses		(2,905)	(2,879)	(2,905)	(2,879)
EBIT		35,943	57,012	103,458	103,574
Finance income	A7	158	110	453	382
Finance cost	A7	(8,318)	(8,553)	(34,617)	(34,172)
Net finance cost		(8,160)	(8,443)	(34,164)	(33,790)
Profit before taxation		27,783	48,569	69,294	69,784
Taxation	A8	(14)	(572)	(405)	(664)
Profit after taxation		27,769	47,997	68,889	69,120
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		2,044	5,110	10,104	2,417
Total comprehensive income for the period		29,813	53,107	78,993	71,537

MARINE & GENERAL BERHAD (Registration No. 199601033543 (405897-V))
(Incorporated in Malaysia)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2024
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Notes	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30-Apr-24 RM'000	Preceding Year Corresponding Quarter 30-Apr-23 RM'000	Current Year To Date 30-Apr-24 RM'000	Preceding Year Corresponding Quarter 30-Apr-23 RM'000
Net profit attributable to:					
Owners of the parent		19,463	33,272	48,377	48,086
Non-controlling interests		8,306	14,725	20,512	21,034
		<u>27,769</u>	<u>47,997</u>	<u>68,889</u>	<u>69,120</u>
Total comprehensive income attributable to:					
Owners of the parent		21,305	36,901	56,995	50,062
Non-controlling interests		8,508	16,206	21,998	21,475
		<u>29,813</u>	<u>53,107</u>	<u>78,993</u>	<u>71,537</u>
Profit per share (sen)					
- basic	A9	<u>0.88</u>	1.50	<u>2.18</u>	2.16

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 30 APRIL 2024
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	30-Apr-24 RM'000	Audited 30-Apr-23 RM'000
Assets			
Non-current assets			
Property, vessels and equipment		686,843	743,345
Right-of-use assets		1,770	1,501
		<u>688,613</u>	<u>744,846</u>
Current assets			
Inventories		15,867	15,431
Other investments	A11	8,918	8,324
Trade and other receivables	A12	72,070	65,325
Current tax assets		1,309	1,692
Cash and bank balances	A13	66,670	24,423
		<u>164,834</u>	<u>115,195</u>
Total assets		<u>853,447</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		14,622	6,004
Accumulated losses		(56,502)	(104,879)
Total equity attributable to equity holders of the Company		<u>135,332</u>	<u>78,337</u>
Preference shares of a subsidiary		70,129	70,129
Non-controlling interests		(42,007)	(64,005)
Total equity		<u>163,454</u>	<u>84,461</u>
Non-current liabilities			
Loans and borrowings	A15	551,033	618,096
Lease liabilities		1,061	765
Deferred tax liabilities		5,457	5,103
		<u>557,551</u>	<u>623,964</u>
Current liabilities			
Loans and borrowings	A15	70,872	70,358
Lease liabilities		824	1,022
Trade and other payables	A16	60,212	79,650
Current tax liabilities		534	586
		<u>132,442</u>	<u>151,616</u>
Total liabilities		<u>689,993</u>	<u>775,580</u>
Total equity and liabilities		<u>853,447</u>	<u>860,041</u>
Net assets per share attributable to equity holders of the Company (sen)			
		<u>18.70</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 30 APRIL 2024
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	← Attributable to equity holders of the Group →						Total
	← 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	RM'000
At 1 May 2023	270,003	(92,791)	6,004	(104,879)	70,129	(64,005)	84,461
Profit for the period	-	-	-	48,377	-	20,512	68,889
Foreign currency translation differences for foreign operations	-	-	8,618	-	-	1,486	10,104
Total comprehensive income for the period	-	-	8,618	48,377	-	21,998	78,993
At 30 April 2024	270,003	(92,791)	14,622	(56,502)	70,129	(42,007)	163,454
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 30 APRIL 2024**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	30-Apr-24	30-Apr-23
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection of revenue	329,824	298,798
Collection of other income	1,818	4,944
	<u>331,642</u>	<u>303,742</u>
Payment of expenses	(214,460)	(168,492)
Net tax paid	(34)	(280)
Net cash generated from operating activities	<u>117,148</u>	<u>134,970</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of other investments	(594)	4,410
Proceed from disposal of property, vessels and equipment	50,815	-
Purchase of property, vessels and equipment	(23,099)	(53,635)
Net cash generated from/(used in) investing activities	<u>27,122</u>	<u>(49,225)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(66,630)	(50,292)
Payment of finance costs	(34,568)	(34,172)
Payment of leases	(825)	(577)
Net cash used in financing activities	<u>(102,023)</u>	<u>(85,041)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	42,247	704
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	<u>24,423</u>	<u>23,719</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	(a) 66,670	24,423

(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-24	30-Apr-23
		RM'000	RM'000
Cash and bank balances	A13	45,064	15,430
Deposits with licensed financial institutions	A13	21,606	8,993
		<u>66,670</u>	<u>24,423</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 121, <i>Lack of Exchangeability</i>	1 January 2025
▪ 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 June 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	
	30-Apr-24 RM'000	30-Apr-23 RM'000	30-Apr-24 RM'000	30-Apr-23 RM'000	30-Apr-24 RM'000	30-Apr-23 RM'000	30-Apr-24 RM'000	30-Apr-23 RM'000	30-Apr-24 RM'000	30-Apr-23 RM'000
3-month results										
Revenue										
External customers	66,118	56,557	16,941	19,608	-	-	-	-	83,059	76,165
Inter-segment	-	-	-	-	43	44	(43)	(44)	-	-
Total revenue	66,118	56,557	16,941	19,608	43	44	(43)	(44)	83,059	76,165
Segment profit/(loss)										
before taxation	27,250	48,087	1,709	1,568	(1,210)	3,887	34	(4,973)	27,783	48,569
12-month results										
Revenue										
External customers	265,921	225,126	81,999	82,158	-	-	-	-	347,920	307,284
Inter-segment	-	-	-	-	175	175	(175)	(175)	-	-
Total revenue	265,921	225,126	81,999	82,158	175	175	(175)	(175)	347,920	307,284
Segment profit/(loss)										
before taxation	63,934	67,245	9,882	6,448	(4,659)	965	137	(4,874)	69,294	69,784
Segment assets	674,592	659,153	187,428	186,341	132,053	136,287	(140,626)	(121,740)	853,447	860,041
Segment liabilities	687,671	735,930	30,553	49,133	115,237	114,811	(143,468)	(124,294)	689,993	775,580

A6. SEASONAL OR CYCLICAL FACTORS

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

A7. PROFIT BEFORE TAX

Included in the profit before tax are the following items:

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30-Apr-24 RM'000	30-Apr-23 RM'000	30-Apr-24 RM'000	30-Apr-23 RM'000
Finance income	158	110	453	382
Finance costs	(8,318)	(8,553)	(34,617)	(34,172)
Gain on disposal of property, vessels and equipment	5,413	-	15,103	-
Impairment loss on property, vessels and equipment	(2,232)	(2,878)	(2,232)	(2,878)
Reversal of impairment loss of vessels	28,585	45,256	28,585	45,256
Depreciation of property, vessels and equipment	(12,620)	(12,160)	(52,650)	(48,634)
Depreciaton of right-of-use assets	(181)	(327)	(650)	(1,136)
Amortisation of vessels dry-docking	(7,130)	(5,928)	(26,554)	(21,416)
Net foreign exchange gain/(loss)	74	(386)	(28)	(1,700)

A8. INCOME TAX

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30-Apr-24 RM'000	30-Apr-23 RM'000	30-Apr-24 RM'000	30-Apr-23 RM'000
Current tax expense				
Malaysian				
- current year	14	400	405	492
- prior year	-	57	-	57
	<u>14</u>	<u>457</u>	<u>405</u>	<u>549</u>
Deferred tax expense				
- origination and reversal of temporary differences	-	115	-	115
- under provision in prior year	-	-	-	-
	<u>-</u>	<u>115</u>	<u>-</u>	<u>115</u>
Total income tax expense	<u>14</u>	<u>572</u>	<u>405</u>	<u>664</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 PER SHARE

Basic profit per share

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

The following reflect the profit and share data used in the computation of basic profit per share:

	Quarter (3 months)	Cumulative period (12 months)
30 April 2024		
Basic profit per share:		
Profit net of tax attributable to owners of the parent (RM'000)	19,463	48,377
Weighted average number of ordinary shares outstanding ('000)	2,223,879	2,223,879
Basic profit per share (sen)	<u>0.88</u>	<u>2.18</u>
30 April 2023		
Basic profit per share:		
Profit net of tax attributable to owners of the parent (RM'000)	33,272	48,086
Weighted average number of ordinary shares outstanding ('000)	2,223,879	2,223,879
Basic profit per share (sen)	<u>1.50</u>	<u>2.16</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 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-24	30-Apr-23
	RM'000	RM'000
Financial assets at fair value through profit or loss	<u>8,918</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

	30-Apr-24	30-Apr-23
	RM'000	RM'000
Trade receivables	66,800	50,121
Other receivables	<u>5,270</u>	<u>15,204</u>
	<u>72,070</u>	<u>65,325</u>

The ageing analysis of the trade receivables is as follows:

	30-Apr-24	30-Apr-23
	RM'000	RM'000
Current (not past due)	26,158	26,999
1 - 30 days past due	17,386	12,399
31 - 90 days past due	19,318	5,389
Past due more than 90 days	<u>8,185</u>	<u>8,880</u>
	71,047	53,667
Allowance for impairment loss	<u>(4,247)</u>	<u>(3,546)</u>
	<u>66,800</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:

	30-Apr-24	30-Apr-23
	RM'000	RM'000
Cash and bank balances	45,064	15,430
Deposits placed with licensed bank	21,606	8,993
Total cash and cash equivalents	<u>66,670</u>	<u>24,423</u>

Included in the deposits placed with licensed financial institutions is RM927,000 (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:

	30-Apr-24	30-Apr-23
	RM'000	RM'000
Secured short-term borrowings:		
Term loans	63,122	59,772
Revolving credits	7,750	10,550
Hire purchase	-	36
Total short term borrowings	<u>70,872</u>	<u>70,358</u>
Secured long-term borrowings:		
Term loans	550,997	618,057
Hire purchase	36	39
Total long term borrowings	<u>551,033</u>	<u>618,096</u>
Total borrowings	<u>621,905</u>	<u>688,454</u>

A16. TRADE AND OTHER PAYABLES

	30-Apr-24	30-Apr-23
	RM'000	RM'000
Trade payables	39,733	49,829
Accruals and other payables	20,479	29,821
	<u>60,212</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

	30-Apr-24	30-Apr-23
	RM'000	RM'000
Capital expenditure		
Approved and contracted for:		
Property, vessel and equipment	<u>3,067</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 is still pending. On 25 August 2023, the Court ordered that the landowner's appeal be allowed and the matter to be remitted back to the High Court for re-assessment. Subsequently, SILK has filed an appeal to the Federal Court, which has been fixed for hearing on 22 August 2024.

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				12 Months Ended			
	30-Apr-24	30-Apr-23	Variances	Change	30-Apr-24	30-Apr-23	Variances	Change
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	83,059	76,165	6,894	9.1%	347,920	307,284	40,636	13.2%
Profit before taxation	27,783	48,569	(20,786)	(42.8%)	69,294	69,784	(490)	(0.7%)
Profit after taxation	27,769	47,997	(20,228)	(42.1%)	68,889	69,120	(231)	(0.3%)
Profit attributable to ordinary equity holders of the parent	19,463	33,272	(13,809)	(41.5%)	48,377	48,086	291	0.6%

Fleet utilisation:

Marine Logistics - Upstream Division	77%	73%	78%	73%
Marine Logistics - Downstream Division	75%	84%	84%	88%

During the period under review, the Group recorded a revenue of RM83.1 million and RM347.9 million in the current quarter and the 12 months period respectively, representing 9.1% and 13.2% 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.

	3 Months Ended						12 Months Ended					
	No. of vessels deployed		Revenue contribution		No. of vessels deployed		Revenue contribution		No. of vessels deployed		Revenue contribution	
	30-Apr-24		30-Apr-23		30-Apr-24		30-Apr-23		30-Apr-24		30-Apr-23	
Upstream	22	66,118	80%	22	56,557	74%	22	265,921	76%	23	225,126	73%
Downstream	7	16,941	20%	8	19,608	26%	8	81,999	24%	8	82,158	27%
	29	83,059	100%	30	76,165	100%	30	347,920	100%	31	307,284	100%

B1. REVIEW OF PERFORMANCE (CONT'D)

The Upstream Division continued as the main revenue contributor, generating 80% of the Group revenue in the current quarter and 74% for the 12 months period, while the Downstream Division contributed the remaining 20% and 26% of the Group revenue in the current quarter and 12 months period respectively.

During the current quarter, the Group disposed another tanker under the Downstream Division and recognised a gain of RM5.4 million. Taking into account higher revenue and gain from disposal of a tanker, the Group recorded RM27.8 million profit before taxation as compared to the profit of RM48.6 million in the preceding year corresponding quarter. This reflects the lower net vessel impairment reversal and higher vessel repairs incurred during the current period.

Although the Group recorded higher revenue during the current 12-months period, the results had been affected by lower net vessel impairment reversal. Consequently, the Group recorded RM69.3 million profit before taxation in line with the profit recorded in the preceding year of RM69.8 million.

Divisional commentary

i. Marine Logistics – Upstream Division

	3 months ended			12 months ended		
	30-Apr-24 RM'000	30-Apr-23 RM'000	Change	30-Apr-24 RM'000	30-Apr-23 RM'000	Change
Revenue	66,118	56,557	16.9%	265,921	225,126	18.1%
Profit before taxation	27,250	48,087	(43.3%)	63,934	67,245	(4.9%)
Fleet utilisation	77%	73%		78%	73%	

During the period under review, the Upstream Division recorded a revenue of RM66.1 million and RM265.9 million in the current quarter and the 12-months period respectively. This represents a 16.9% and 18.1% 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.

During the current quarter and the 12-months period, the Upstream Division recorded lower profit before taxation as compared to the preceding year corresponding periods. Despite recording higher revenue, the results were affected by lower net vessel impairment reversal and higher vessel repairs incurred during the current period.

B1. REVIEW OF PERFORMANCE (CONT'D)

Divisional commentary

ii. Marine Logistics – Downstream Division

	3 months ended		Change	12 months ended		Change
	30-Apr-24	30-Apr-23		30-Apr-24	30-Apr-23	
	RM'000	RM'000		RM'000	RM'000	
Revenue	16,941	19,608	(13.6%)	81,999	82,158	(0.2%)
Profit before taxation	1,709	1,568	9.0%	9,882	6,448	53.3%
Fleet utilisation	75%	84%		84%	88%	

The Downstream Division recorded a revenue of RM16.9 million in the current quarter and RM82 million in the current financial year, representing 13.6% and 0.2% lower revenue than the preceding year corresponding periods. The decrease in revenue is mainly due to the disposal of two (2) tankers in Q3 2024 and Q4 2024.

During the current quarter and the 12-months period, the Division recorded higher profit before taxation than the preceding year corresponding periods mainly due to the recognition of gain from disposal of tankers.

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

a. Revenue

	Current	Preceding	Variances	Change
	Quarter	Quarter		
	30-Apr-24	31-Jan-24	RM'000	%
	RM'000	RM'000		
Revenue				
Marine Logistics - Upstream Division	66,118	68,247	(2,129)	(3.1%)
Marine Logistics - Downstream Division	16,941	20,157	(3,216)	(16.0%)
	83,059	88,404	(5,345)	(6.0%)
Fleet utilisation				
Marine Logistics - Upstream Division	77%	77%		
Marine Logistics - Downstream Division	75%	78%		

The Group recorded marginally lower revenue of RM83.1 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 disposal of a tanker during the current period and non-deployment of a tanker for repairs.

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

b. Profit/(loss) before taxation

	Current Quarter 30-Apr-24 RM'000	Preceding Quarter 31-Jan-24 RM'000	Variiances RM'000	Change %
Profit/(loss) before taxation				
Marine Logistics - Upstream Division	27,250	12,390	14,860	(119.9%)
Marine Logistics - Downstream Division	1,709	7,025	(5,316)	75.7%
Investment holding and others	(1,210)	(1,303)	93	7.1%
Adjustments	34	33	1	(3.0%)
	<u>27,783</u>	<u>18,145</u>	<u>9,638</u>	<u>53.1%</u>

During the current period, the Group recorded a profit before taxation of RM27.8 million, representing an increase of 53.1% compared to the profit recorded in the immediate preceding quarter. The improvement is mainly due to the recognition of net reversal of vessel impairment of RM26.4 million during the current quarter.

B3. FUTURE PROSPECTS

The Upstream Division looks forward to an active year ahead 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 has disposed two aging vessels in the current financial year and is looking at further fleet optimization measures to achieve better utilisation and financial performance 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

	30-Apr-24	30-Apr-23
	RM'000	RM'000
Total retained loss of the Company and its subsidiaries:		
- realised loss	(596,843)	(645,040)
Less consolidated adjustment	<u>540,341</u>	<u>540,161</u>
Total Group retained profits as per consolidated accounts	<u>(56,502)</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**