



MARINE & GENERAL  
BERHAD

**EMBARGO**  
**NOT FOR PUBLICATION OR**  
**BROADCAST UNTIL 2.30PM,**  
**May 30, 2018**

**MARINE & GENERAL BERHAD (405897-V)**  
*(formerly known as SILK HOLDINGS BERHAD)*

## ***NEWS RELEASE (Final)***

### **MARINE & GENERAL BHD SUCCESSFULLY CONCLUDES ITS 21<sup>st</sup> ANNUAL GENERAL MEETING**

**KUALA LUMPUR, 30 May 2018** – Marine & General Berhad (“M&G” or “the Company”) successfully concluded its 21<sup>st</sup> Annual General Meetings (“AGM”) today, where all nine (9) ordinary resolutions presented for the shareholders’ consideration were approved.

#### **Shareholders briefed on Company’s performance**

During the AGM, shareholders were briefed on the Company’s financial performance for the financial year ended 31 December 2017. Shareholders were informed that the Company posted a consolidated revenue of RM 152.1 million for the financial year ended 31 December 2017, reflecting the increasingly competitive and challenging economic landscape and major industry-wide developments that impacted upon the Company’s businesses. The shareholders were also informed that taking into account the lower revenue and a RM 250 million vessel impairment loss during the financial year, the Group recorded RM 368 million loss before taxation for the financial year ended 31 December 2017.

In addition to a briefing on the Company’s financial performance, shareholders were also informed on the Company’s business activities throughout the financial year. It was explained that as a result of cut backs in the oil and gas exploration and production, operating conditions for the Marine Logistics – Upstream Division, spearheaded by Jasa Merin (Malaysia) Sdn Bhd (“JMM”) for the financial year ended 31 December 2018 was challenging. JMM’s vessel utilisation fell from an average of 88% in 2014 to an average of 51% and 48% for 2016 and 2017 respectively.



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Furthermore, the Daily Charter Rate (“DCR”) for its vessels also fell by approximately 38% from 2014.

Shareholders were also briefed on the operating conditions faced by the Marine Logistics – Downstream Division that had its first full financial year. Shareholders were informed that during the financial year, all three (3) vessels operated by the Marine Logistics – Downstream Division were deployed.

**Prospects**

The Company continued by explaining the prospects going forward for both Divisions. With respect to the Marine Logistics - Upstream Division, shareholders were reminded that oil prices have fallen significantly since June 2014 and there is a move towards cost rationalisation within the industry which may result in weaker revenue performance ahead. In addition, it was further elaborated that despite the improvement in world crude oil prices, actual activity remains muted. There are no clear indicators from the major oil producers on increased spending particularly in the upstream business.

Going forward, it was explained that the Company expects revenue performance to continue to be tight. As such, the Company will continue to focus on cost optimisation and stringent cash flow management. With this the Company will be able to offer customers its services at competitive rates. It was further explained that the Company will continue to ensure the safety and quality of its services to ensure the Marine Logistics – Upstream Division spearheaded by JMM remains competitive and preferred by charterers.

Shareholders were also briefed on the prospects of the Marine Logistics - Downstream Division when the Company explained that there is a continuing long-term demand growth for the transportation of liquid bulk petroleum and petrochemical products. This demand for clean petroleum products (CPP) had further increased, especially in



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developing ASEAN countries for general consumption and industrial demand. Correspondingly, the demand for clean petroleum products / chemical tankers, which is a critical logistic component of the petroleum and petrochemical distribution network, is expected to remain robust.

Shareholders were further briefed that in addition to the three (3) vessels currently operated by the Marine Logistics - Downstream Division, it also has acquired a 50% interest in TKH Marine (L) Ltd, which acquired an additional tanker in 2018. This will subsequently be added to the Marine Logistics - Downstream Division's fleet of tankers and further enhance capacity and their ability to compete in the downstream marine logistics business. In addition to the investment above, the Company continues to evaluate other potential investments in the downstream segment to further enhance its competitiveness.

**Concluding remarks**

Speaking at the end of both AGM and EGM, the Company's Executive Chairman, Dato' Mohd Azlan Hashim said, "The Company is pleased with the outcome of today's AGM. It was a good turnout and the Company got a good opportunity to explain its performance for the financial period ended 31 December 2017. The Company is pleased with the positive response from shareholders to the briefing provided. I sincerely hope that the Company's shareholders will continue to support the Board in its objective to take the Company forward."



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Marine & General Berhad (“M&G” or “the Company”) was originally incorporated as SILK Concessionaire Holdings Sdn Bhd on 14 October 1996, and subsequently changed its name to Sunway Infrastructure Berhad on 14 February 2002. It assumed the name SILK Holdings Berhad on 31 October 2008. It assumed its current name on 28 June 2017 after the successful completion of the disposal of the Company’s highway assets.

The Company acquired AQL Aman Sdn Bhd, the holding company of the 70% owned Jasa Merin (Malaysia) Sdn Bhd (“JMM”), as part of its successful regularisation scheme completed on 14 October 2009. The Terengganu State Government holds the remaining 30% of JMM via Terengganu Incorporated Sdn Bhd.

JMM was incorporated in December 1980 as Jackson Marine (Malaysia) Sdn Bhd. It commenced operations in October 1982. In 1986, the company name was subsequently changed to its present name. JMM heads the Company’s Marine Logistics - Upstream Division. JMM charters out offshore support vessels (“OSV”) for use by the oil majors in their exploration and production (“E&P”) activities. The OSVs provide support services to the E&P activities by undertaking anchor handling function (positioning and retrieval of drilling rig anchors), towing activities (repositioning of rigs to other drilling locations), firefighting and recovery support, as well as transporting equipment and cargoes to and from offshore installations.

The Company also owns Jasa Merin Labuan PLC (“JML”). JML is part of the Company’s Marine Logistics - Downstream Division. It charters out liquid bulk carriers (“LBC”) to the petro-chemical and oleo-chemical industries, whereby the vessels are used to transport liquid bulk products in the region.

#### **Forward looking statements**

This release may contain certain forward-looking statements with respect to the financial conditions, results of operations and business of the Group and certain plans and objectives of Marine & General



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Berhad with respect to these items. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

Issued on behalf of: <b>Marine &amp; General Berhad</b>	By: <b>acorn communications sdn bhd</b>
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