



MARINE & GENERAL
BERHAD

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MARINE & GENERAL BERHAD - [Company No 199601033545 (405897-V)]

NEWS RELEASE

MARINE & GENERAL RECORDS RM 15.5 MILLION PRE-TAX LOSS FOR QUARTER ENDED 31 OCTOBER 2019.

KUALA LUMPUR, 31 December 2019 – Marine & General Berhad (“M&G” or “the Group”) announced its results for the quarter ended 31 October 2019, reporting a revenue of RM 54.8 million and a consolidated loss before tax of RM 15.5 million.

On a 6-months year-to-date (“YTD”) basis, the Group recorded a revenue of RM 109.4 million and loss before tax of RM 28.4 million.

Note: The current financial period under review covers three (3) months period from 1 August 2019 to 31 October 2019 and represents the second period subsequent to the change of the Group’s financial year end. Accordingly, no comparative results will be presented.

Marine Logistics – Upstream Division

During the quarter, the Marine Logistics – Upstream Division’s deployed a total of 21 vessels, recording a utilization rate of 73%. Whilst the charter activities have gradually increased, vessel charter rates have remained at a relatively low level as a result of continuing market oversupply of offshore support vessels. In line with this, the Division managed to record revenue of RM 43.8 million for the quarter. Notwithstanding this, the Division recorded RM 10.7 million loss before taxation during the current period.

On a YTD basis, the Marine Logistics – Upstream Division recorded a cumulative revenue of RM 84.2 million and a loss before tax of RM 25 million. This is in line with the level of operations recorded in the two cumulative quarters.



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Marine Logistics - Downstream Division

The Marine Logistics – Downstream Division benefited from its acquisition of three product tankers in the prior year. The Division, which deployed all 5 available tankers, recorded a vessel utilization rate of 70%, despite having 2 of its vessels undergoing scheduled docking and one still undergoing initial repairs prior to deployment. During the current period, the Division recorded revenue of RM 11 million and loss before taxation of RM 4.2 million. The loss incurred in the current quarter is mainly due to a higher than expected fuel cost in relation to vessels deployed on voyage charters.

For the YTD period, the Marine Logistics – Downstream Division recorded a cumulative revenue of RM 24.1 million and loss before tax of RM 2.4 million.

Concluding remarks

Dato' Mohd Azlan commented, The Board takes note of the losses incurred by both Divisions during the quarter ended 31 October 2019, but it is encouraged at the level of operations, particularly at the Marine Logistics – Upstream Division, which continues to show signs of improvement.”

“Moving forward and with the successful conclusion of the Company’s Extraordinary General Meeting (“EGM”) earlier today whereby all resolutions presented for consideration were approved thus allowing for the Group to proceed with the debt restructuring, the focus will continue to be on streamlining the operations at both Divisions. This is to ensure that they continue to be competitive in the long run. The Board is fully aware of the challenges but remains confident in the medium to long-term prospects of both operating divisions,” concluded Dato’ Mohd Azlan.



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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 of SILK Holdings Berhad on 31 October 2008. It assumed its current name on 23 June 2017 after the successful completion of the disposal of the Company’s highway assets.

The Company, at present, has two major operating divisions, namely the Marine Logistics - Upstream Division (“Upstream”) spearheaded by Jasa Merin (Malaysia) Sdn Bhd (“JMM”) and the Marine Logistics - Downstream Division (“Downstream”), consisting of several ship owning companies (“SOCs”) including Jasa Merin (Labuan) PLC (“JML”) under M&G Marine Logistics Holdings Sdn Bhd (“MGMLH”), and M&G Tankers (L) Pte Ltd, TKH Marine (L) Ltd and M&G Marine Logistics (L) Pte Ltd under M&G Tankers Sdn Bhd (“MGTSB”).

JMM charters out offshore support vessels (“OSV”) for use by the oil majors in their exploration and production activities. On the other hand, the SOCs under the Downstream Division charter out liquid bulk carriers (“LBC”) to the petro-chemical and oleo-chemical industries, whereby the vessels are used to transport liquid bulk products.



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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 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.

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