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MARINE & GENERAL BERHAD

MARINE & GENERAL BERHAD - [*Company No 199601033545]*

NEWS RELEASE

MARINE & GENERAL RECORDS RM9.6 MILLION PRE-TAX PROFIT FOR QUARTER ENDED 31 JULY 2026

KUALA LUMPUR, 23 September 2026 – Marine & General Berhad ("M&G" or "the Group") announced its unaudited results for the quarter ended 31 July 2026 today.

The Group recorded revenue of RM75.6 million for the quarter, with profit before taxation ("PBT") of RM9.6 million. Fleet utilisation for the Upstream and Downstream Divisions during the quarter ended 31 July 2026 was 75% and 89% respectively. The Upstream Division remained the main contributor, generating 79% of the Group revenue, while the Downstream Division contributed 19%, with the remaining 2% derived from other activities.

Compared with the immediate preceding quarter ending 30 April 2026, the Group recorded a revenue of RM75.6 million, an increase of RM8.7 million from RM66.9 million. The improvement over the immediate preceding quarter was mainly supported by higher vessel utilisation in the Upstream Division following the resumption of drilling activities after the adverse weather conditions in the South China Sea abated. Against the preceding year corresponding quarter, however, revenue was lower by RM23.8 million, mainly due to lower vessel availability in the Upstream Division as several vessels underwent mandatory docking and repairs, coupled with moderating drilling activities domestically.

The Group recorded a PBT of RM9.6 million, an increase of RM5.5 million from RM4.1 million in the immediate preceding quarter ended 30 April 2026. This quarter-on-quarter improvement reflects stronger revenue and lower depreciation expenses, following the Group's revision of the estimated useful life of its offshore support vessels from 20 to 25 years, as set out in the accompanying Bursa announcement. Against the preceding year corresponding quarter, however, PBT was lower by

RM13.8 million, in line with the lower revenue contribution from the Upstream Division.

Marine Logistics – Upstream Division

During the period under review, the Upstream Division recorded revenue of RM61.6 million which represent an increase of 15.5% quarter-on-quarter from RM53.3 million in the immediate preceding quarter ended 30 April 2026. The improvement was mainly supported by higher fleet utilisation, which rose to 75% from 69% in the immediate preceding quarter, following the resumption of drilling activities. Against the preceding year corresponding quarter, however, revenue was lower by RM23.9 million from RM85.5 million in line with the comparatively lower fleet utilisation, which decreased from 82% to 75%. The lower utilisation was mainly due to several vessels undergoing mandatory docking and repairs.

The Upstream Division performance however has turned around from pre-tax loss of RM0.38 million in the immediate preceding quarter to PBT of RM9.35 million, a significant improvement of RM9.7 million, supported in part by the lower depreciation charge following the revision of OSVs' estimated useful life. Against the preceding year corresponding quarter, however, PBT was lower by RM12.6 million from RM22.0 million, in line with the lower revenue and fleet utilisation discussed above.

Marine Logistics – Downstream Division

The Downstream Division recorded revenue of RM13.8 million during the quarter, an increase of RM1.1 million from the immediate preceding quarter ended 30 April 2026, but broadly in line with RM13.9 million in the preceding year corresponding quarter. Fleet utilisation remained healthy at 89% compared with 90% in the immediate preceding quarter and 88% in the preceding year corresponding quarter. This demonstrates steady demand and operational continuity.

The Downstream Division recorded PBT of RM1.2 million, compared with RM1.7 million in the immediate preceding quarter ended 30 April 2026 and RM2.5 million in the preceding year corresponding quarter. Profitability was affected by higher depreciation following the acquisition of a clean petroleum product tanker in December 2025. Nevertheless, the Division continues to provide a stable revenue base supported by healthy fleet utilisation and consistent demand for Malaysian-flagged tankers.

Current year prospects

Malaysia's economy in 2025 has been resilient, with oil and gas output rebounding strongly. In 2026, GDP growth is expected to remain solid at 4.6%, with upstream oil and gas and LNG expansion driving opportunities for offshore support and tanker operators. The main risks lie in global trade tensions arising from tariffs and geo-political tensions, and sustainability pressures. However, the medium-term outlook for oil and gas services remains positive.

In the Upstream sector, independent industry reports and PETRONAS outlook continue to indicate steady activity levels in Malaysia, including ongoing exploration and development programmes that support medium-term demand for offshore support vessels. While these structural drivers remain intact, Management notes that near-term market conditions show normalisation in domestic charter rates and more competitive tendering, which may influence margin outcomes for OSV operators. The Group will continue to focus on operational reliability, cost management and vessel availability to support charter performance.

In view of the above, the Board exercises caution as the industry is facing challenges from energy transition pressures to decarbonise, challenging margins due to rising drilling capital and operating expenditures, especially in deepwater areas and higher cost of compliance to the stricter environmental and ESG standards.

The Downstream Division anticipates steady operational levels, supported by consistent demand for Malaysian-flagged tankers. Fleet rationalisation has positioned the Division on a firmer footing with improved utilisation rates, to deliver positive results with further optimisation opportunities to be assessed in line with market conditions.

In addition, the Board notes that the Services Division via M&G WHS Engineering Sdn Bhd has commenced operation in the previous financial year and the Group will continue to assess opportunities to develop this business in line with market demand. The Board remains mindful of external challenges including global economic uncertainties and geopolitical risks. The Group will continue to focus on operational efficiency and fleet optimisation to maintain resilience and stable earnings performance.

For the current financial year, the Group maintains a neutral outlook, with operational decisions guided by market developments and economic conditions.

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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").

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.

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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