



PRESS RELEASE

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MHB Achieves Revenue of RM646.0 million in the First Half of 2021

Malaysia Marine and Heavy Engineering Holdings Berhad (“MHB” or “Group”) wishes to announce its financial results for the six (6) months period ended 30 June 2021. For the said period, the Group achieved a revenue of RM646.0 million with a pre-tax loss of RM141.8 million.

The Heavy Engineering segment posted a higher revenue of RM533.0 million against RM338.8 million reported in the prior period mainly due to higher revenue from ongoing projects as well as prior period was impacted by the yard shutdown during the MCO 1.0. The segment reported a higher operating loss of RM105.6 million in the current period compared to an operating loss of RM68.5 million in the prior period, mainly contributed by additional cost provisions recognised for an on-going project during the period.

For the six (6) months period, the ongoing projects in the yard for the Heavy Engineering segment include Engineering, Procurement, Construction, Installation and Commissioning (EPCIC) works for the Kasawari Gas Development Project, EPCIC of BEDP-A and BEDP-B Wellhead Platform (WHP) for Bekok Oil Project and EPCIC works for the SK408W Jerun Development Project which was awarded earlier in the year. Among the notable project highlights during the period are the successful sail away of the WHP Jacket and Topside for the Kasawari Gas Development Project. Both structures have safely arrived at offshore Sarawak for installation works.

The Marine segment registered a lower revenue of RM113.1 million compared to RM162.9 million in the prior period. This was mainly due to lower number of LPG repair and lack of conversion work in the current period coupled with prolonged border restrictions imposed by the Government due to the COVID-19 pandemic. The segment reported a lower operating loss of RM22.6 million against an operating loss of RM31.5 million in the prior period mainly due to higher provision for doubtful debts recognised in the prior period.

For the six (6) months period, the Marine segment completed the repair and maintenance of fifty (50) vessels of various categories, of which four (4) were from repair works on LNG carriers.

The Group’s total assets and total equity at the end of the period under review stood at RM3.1 billion and RM1.8 billion, respectively.

Managing Director and Chief Executive Officer, Encik Pandai Othman said, “The rise in oil price exceeded expectations driven by shrinking global oil supply and rebound in demand. However, renewed targeted lockdowns due to recent spike in COVID-19 cases linked to new deadlier variants in many regions may pose risks to sustain recovery. Although the higher oil price provides assurance to oil majors to restart projects, capital discipline is still being prioritised in view of the lasting effects of COVID-19 pandemic on the industry. The recent surge of other commodity prices such as steel due to pent-up demand and supply bottlenecks resulting from the pandemic may also unfavourably impact the viability and execution of new Heavy Engineering

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business prospects. As such, despite the industry showing signs of recovery, we remain cautiously optimistic on future business opportunities.

Marine business prospects are expected to continue to be impacted by the nation's prevailing stringent border restrictions. Fierce competition to secure limited opportunities within the market shall persist as foreign clients continue to opt for shipyards in countries with more relaxed border restrictions due to higher rates of vaccinated population and lower COVID-19 cases. As such, we expect the marine business to remain challenging.

We remain committed to replenish our order book by continuing to pursue business opportunities in other segments and new regions whilst maintaining our efforts to ensure competitiveness of ongoing and future bids. Implementation of key initiatives to manage and optimise operating costs along with safe execution and delivery of ongoing projects remain as our priorities." added Encik Pandai.



About MHB

Malaysia Marine and Heavy Engineering Holdings Berhad (MHB) is a globally trusted energy industry and marine solutions provider for a wide range of heavy engineering facilities and vessels.

MHB has more than 40 years of track record in delivering integrated and complex solutions to international oil & gas clients. We are recognised for our global expertise in deepwater support services, offshore conversion services and LNG vessel repair and dry docking. MHB also owns and operates a regional Centre of Excellence – a learning centre that produces technically expert workers for the industry.

Backed by an exceptional track record, a highly skilled workforce and world-class facilities, MHB is able to provide innovative solutions to meet the complex demands of the energy industry - safely, on time and within cost.

- Full range EPCIC services for heavy engineering construction
- Complete conversion works in one location
- Comprehensive marine repair, refurbishment, upgrading and life extension of vessels and rigs

For more information, kindly contact MHB Corporate Communications:

Nor Mariam Mohd Nazir

Tel: [+603 2275 3948](tel:+60322753948)

Hp: [+6012 341 9494](tel:+60123419494)

Email: nor.mariam@mmhe.com.my

Farah Nabilah Mohd Azman

Tel: [+603 2275 3860](tel:+60322753860)

Hp: [+6011 2634 2915](tel:+601126342915)

Email: farah.nabilah@mmhe.com.my