



PRESS RELEASE

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MHB Achieves Revenue of RM1.0 billion in the Nine (9) Months of 2021

Malaysia Marine and Heavy Engineering Holdings Berhad (“MHB” or “Group”) wishes to announce its financial results for the nine (9) months period ended 30 September 2021. For the said period, the Group achieved a revenue of RM1.0 billion with a pre-tax loss of RM165.4 million.

The Heavy Engineering segment reported a higher revenue of RM863.5 million compared to RM609.7 million in the prior period mainly due to higher revenue from an on-going project as well as prior period was impacted by the yard shutdown during the MCO 1.0. The segment registered a higher operating loss of RM118.6 million against an operating loss of RM68.3 million in the prior period mainly contributed by additional cost provisions recognised for an on-going project during current period.

For the nine (9) 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 and EPCIC works for the SK408W Jerun Development Project which were awarded earlier in 2019 and early 2021 respectively.

Other notable project highlights during the period were the successful sail away of:

- i) Wellhead Platform (WHP) Jacket and Topside for the Kasawari Gas Development Project for PETRONAS Carigali Sdn Bhd (PCSB) whereby both structures have safely arrived at offshore Sarawak for installation works; and
- ii) WHPs which consist of Topsides, Substructures and Bridges linking each of the Topside to the existing Bekok-A and Bekok-B platforms respectively for Integrated Bekok Oil Project for PCSB.

The Marine segment registered a lower revenue of RM171.8 million compared to RM261.5 million in the prior period. This was mainly due to lower number of LPG repair and the absence of conversion work in the current period coupled with prolonged border restrictions imposed by the Government due to the COVID-19 pandemic. In tandem with the lower revenue, the segment recorded a higher operating loss of RM31.7 million against an operating loss of RM30.3 million in the prior period.

For the nine (9) months period, the Marine segment completed the repair and maintenance of seventy three (73) vessels of various categories, of which ten (10) 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 RM3.0 billion and RM1.8 billion, respectively.



Managing Director and Chief Executive Officer, Encik Pandai Othman said, “Oil prices have been rising due to increase in demand as key economies continue to re-open and recover from the COVID-19 pandemic. However, concerns remain on a potential fourth global wave of infections which could disrupt progress of the recovery. This uncertainty coupled with high steel prices is expected to continue to result in modest spending by oil majors. As such, we remain cautious on the prospects for the heavy engineering segment during the remainder of the year.

On the marine segment, until international borders re-open, foreign clients are likely to continue to send their vessels to shipyards in countries with more relaxed border restrictions. In addition, LNG demand from Far East consumers is expected to remain high during the upcoming winter despite the global gas price hike, increasing LNG trade which will result in more LNG vessel owners deferring dry-docking. This would in turn lead to greater competition amongst shipyards for the limited dry-docking opportunities. As such, we expect the marine business to remain challenging.

We aim to replenish our order book through diversifying into new segments and new regions. Furthermore, ongoing efforts focusing on cost management, safe execution and timely delivery of ongoing projects remain key priorities.” added Encik Pandai.



About MHB

Malaysia Marine and Heavy Engineering Holdings Berhad (MHB) is a globally trusted energy 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 offshore conversion facilities 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