



PRESS RELEASE
Kuala Lumpur, 11 February 2022

MHB Achieves Revenue of RM1.5 billion for the Financial Year Ended 31 December 2021

Malaysia Marine and Heavy Engineering Holdings Berhad (“MHB” or “Group”) wishes to announce its financial results for the twelve (12) months period ended 31 December 2021. For the said period, the Group achieved a revenue of RM1.5 billion with a pre-tax loss of RM274.1 million.

The Heavy Engineering segment reported a higher revenue of RM1,218.0 million compared to RM1,204.5 million in the prior period mainly due to higher revenue from an on-going project. Notwithstanding the higher revenue, the segment registered a higher operating loss of RM209.1 million against an operating loss of RM92.3 million in the prior period mainly contributed by additional cost provisions recognised for on-going projects during the current year. Some of these cost provisions were recognised to reflect the prolonged impact of COVID-19.

For the twelve (12) 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. Among the 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.

During the year under review, the Group has also been awarded EPCIC works for the E11R-AA Riser Platform and Host Tie-In for the existing E11R-A Platform under the Kasawari Gas Development Project.

The Marine segment registered a lower revenue of RM249.4 million compared to RM362.2 million in the prior year. This was mainly due to lower dry-docking activities in the current year as a result of the prolonged border restrictions imposed by the Government to curb the COVID-19 pandemic. In tandem with the lower revenue, the segment recorded a higher operating loss of RM49.4 million against an operating loss of RM9.1 million in the prior year.

For the twelve (12) months period, the Marine segment completed the repair and maintenance of 97 vessels of various categories, of which 15 were from repair works on LNG carriers.

The Group’s total assets and total equity at the end of the year under review stood at RM3.4 billion and RM1.7 billion, respectively.

Managing Director and Chief Executive Officer, Encik Pandai Othman said, “The surge of Omicron variant cases globally has caused concerns for the oil and gas industry heading towards 2022. Mini lockdowns to curb infections have already been implemented in several major oil importing

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countries thus slowing down demand recovery progress. Considering the renewed uncertainty along with the lasting impact of the pandemic and high material prices, oil majors are likely to continue spending modestly. As such, we remain cautious on the prospects for heavy engineering segment.

Despite the rise in global gas prices, LNG demand from the Far East remains high and is expected to increase in view of another prolonged winter. The resulting increase in LNG trade will result in more LNG vessel owners deferring dry-docking. This will lead to stiffer competition amongst shipyards for the limited dry-docking opportunities. Considering the continuing border restrictions worldwide, foreign clients will continue to prefer sending their vessels to other countries with more relaxed restrictions. Therefore, we expect the marine business to remain challenging.

We are focused on replenishing our order book by pursuing business opportunities in new regions and segments. Additionally, we continue to prioritise cost management efforts as well as safe execution and timely delivery of ongoing projects.” 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

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