



**PRESS RELEASE**

Kuala Lumpur, 17 August 2022

**MHB Achieves Revenue of RM818.4 million in the First Half of 2022**

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 2022. For the said period, the Group achieved a revenue of RM818.4 million with a pre-tax profit of RM24.9 million.

The Heavy Engineering segment reported a higher revenue of RM668.3 million compared to RM533.0 million in the prior period mainly due to higher revenue from an on-going project. The segment posted an operating profit of RM4.0 million in the current period, compared to operating loss of RM105.6 million in prior period which had been impacted by additional cost provisions recognised for on-going projects. The improved current period's financial performance was also contributed by the reversal of cost provisions for post sail-away projects coupled with the partial recovery of COVID-19 claims.

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 and EPCIC works for SK408W Jerun Development Project which were awarded earlier in 2019 and early 2021 respectively together with Front-End Engineering Design (FEED) for Kasawari Carbon Capture & Storage (CCS) project which was awarded in February 2022.

The Marine segment registered a higher revenue of RM150.1 million compared to RM113.1 million in the prior period. This was mainly due to higher dry-docking activities in the current period. The segment achieved a turnaround from RM22.6 million operating loss in the prior period to a profit of RM22.7 million mainly due to reversal of impairment loss on trade receivables as the doubtful debts were recovered in the current period coupled with higher contribution from the increase in the segment's revenue.

For the six (6) months period, the Marine segment completed the repair and maintenance of 44 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 RM3.4 billion and RM1.7 billion, respectively.



Managing Director & Chief Executive Officer, Encik Pandai Othman said, “High oil prices are likely to persist for the rest of the year with oil demand surpassing supply mainly due to sanctions on Russian oil exports. In light of the high oil prices, capital spending by oil majors is expected to continue to increase. However, prolonged global supply chain disruptions and volatile commodity prices such as steel amidst a sharp rise in global inflation could adversely impact Heavy Engineering business prospects as well as the execution of ongoing projects. Nonetheless, we remain cautiously optimistic on the outlook for the Heavy Engineering segment.

The reopening of international borders has augured well for Marine business' recovery. We foresee growth in demand for dry-docking activities at our yard as vessel owners gear up for increase in seaborne trade requirements. The continued lockdowns in China have also improved our market share as shipowners opted for alternative shipyards in the region. Nevertheless, the prevalent nationwide labour shortage may limit our ability to take up more jobs and poses significant risks to the timely execution of dry-docking works. Hence, we expect the Marine business segment to remain challenging albeit gradually recover in 2022.

We maintain a cautious stance on the overall industry outlook, focusing on order book replenishment through capturing business opportunities in new regions and segments. At the same time, we continue to focus on cost optimisation while maximising value creation to ensure safe and timely execution 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 45 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.

We understand the importance of delivering solutions that are sustainable to our stakeholders, where we now provide services that support the global energy transition in the areas of renewable energy, maritime decarbonisation & energy efficiency.

*Our capabilities and track record in summary:*

- *Full range EPCIC services for heavy engineering construction*
- *Complete offshore assets conversion services 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](mailto: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](mailto:farah.nabilah@mmhe.com.my)