



PRESS RELEASE

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MHB Achieves Revenue of RM1.2 billion in the Nine (9) Months of 2022

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 2022. For the said period, the Group achieved a revenue of RM1.2 billion with a pre-tax profit of RM40.4 million.

The Heavy Engineering segment reported a higher revenue of RM988.4 million compared to RM863.5 million in the prior period mainly due to higher progress from an on-going project. The segment posted an operating profit of RM5.5 million against a loss of RM118.6 million in the prior period which had been impacted by additional cost provisions recognised for an on-going project. The improved current period's financial performance was also contributed by the recovery of COVID-19 claims coupled with the reversal of cost provisions for both on-going and post sail-away projects.

For the nine (9) months period, the ongoing projects in the yard for the Heavy Engineering segment include the following:

- i) Engineering, Procurement, Construction, Installation and Commissioning (EPCIC) works for the Kasawari Gas Development Project awarded in early 2019;
- ii) EPCIC works for SK408W Jerun Development Project awarded in early 2021; and
- iii) Front-End Engineering Design (FEED) for Kasawari Carbon Capture & Storage (CCS) project awarded in February 2022.

Recently, Malaysia Marine and Heavy Engineering Sdn Bhd (MMHE), a wholly owned subsidiary of Malaysia Marine and Heavy Engineering Holdings Berhad (MHB), has secured a contract from Sarawak Shell Berhad (SSB) to undertake the Engineering, Procurement and Construction (EPC) services of the offshore platform for the Rosmari-Marjoram gas project, off the coast of Sarawak, offshore Malaysia.

The Marine segment registered a higher revenue of RM239.3 million compared to RM171.8 million in the prior period. This was mainly due to higher dry-docking activities in the current period since the reopening of borders on 1 April this year. The segment achieved a turnaround from RM31.7 million operating loss in the prior period to a profit of RM39.6 million mainly due to higher contribution from the increase in the segment's revenue coupled with the reversal of impairment loss on trade receivables as doubtful debts were recovered in the current period.

For the nine (9) months period, the Marine segment completed the repair and maintenance of 72 vessels of various categories, of which eight (8) 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 RM1.8 billion, respectively.



Managing Director & Chief Executive Officer, Encik Pandai Othman said, “Oil prices are expected to remain strong following OPEC+’s decision to cut oil production to stabilise the oil market. The Russian invasion of Ukraine has also supported stronger oil prices. As such, capital spending by oil majors is expected to remain steady in the medium to long term. Growth in the renewable energy space also represents opportunities for us. However, prolonged global supply chain disruptions and rising production costs could still adversely impact Heavy Engineering business prospects. Hence, we remain cautiously optimistic on the outlook for the Heavy Engineering segment for the remainder of the year.

The reopening of borders on 1 April has facilitated entry of technical specialists into the yard which had positively impacted Marine operations. This has since contributed to Marine business’ significant turnaround this year due to higher dry-docking activities. High global gas prices and robust LNG demand from the Far East is expected to persist in view of the upcoming winter. As this will lead to growth in LNG trade, more vessel owners are anticipated to defer dry-docking and thus create stiffer competition amongst shipyards for the limited dry-docking opportunities. As such, we expect Marine business to remain challenging.

We aim to replenish our order book by capturing opportunities in both local and international markets including in the renewable energy sector. We continue to prioritise effective cost management and improving project execution and delivery through prudent investment in technology, people, processes, systems, digitalisation and automation.” 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*

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