



PRESS RELEASE
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MHB Achieves Revenue of RM1.7 billion for the Financial Year Ended 31 December 2022

Malaysia Marine and Heavy Engineering Holdings Berhad (“MHB” or “Group”) wishes to announce its financial results for the year ended 31 December 2022. For the said year, the Group achieved a revenue of RM1.7 billion with a pre-tax profit of RM46.7 million.

The Heavy Engineering segment reported a higher revenue of RM1,314.8 million compared to RM1,218.0 million in the prior year mainly due to higher progress of an on-going project. The segment posted lower operating loss of RM8.7 million against an operating loss of RM209.1 million in the prior year which had been impacted by additional cost provisions recognised for on-going projects. The improved current year’s financial performance of the segment was mainly contributed by the recovery of COVID-19 claims coupled with the reversal of cost provisions for post sail-away projects.

For the year under review, the Heavy Engineering segment successfully completed Front-End Engineering Design (FEED) for Kasawari Carbon Capture & Storage (CCS) project awarded in February 2022 by PETRONAS Carigali Sdn Bhd (PCSB).

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 2019;
- ii) EPCIC works for SK408W Jerun Development Project awarded in 2021;
- iii) Engineering, Procurement and Construction (EPC) services of the offshore platform for the Rosmari-Marjoram gas project awarded in October 2022; and
- iv) EPCIC Alliance for the Kasawari CCS project awarded in November 2022.

The Marine segment registered a higher revenue of RM336.9 million compared to RM249.4 million in the prior year. This was mainly due to higher dry-docking activities since the reopening of borders on 1 April 2022. The segment achieved a turnaround from RM49.4 million operating loss in the prior year to an operating profit of RM61.6 million contributed by the significant increase in the segment’s revenue and improved margins coupled with the reversal of impairment loss on trade receivables as doubtful debts were recovered in the current year.

For the twelve (12) months period, the Marine segment completed the repair and maintenance of 87 vessels of various categories, of which eleven (11) 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 RM1.8 billion, respectively.

The Board of Directors has approved a single-tier tax exempt dividend of 1.5 sen per share in respect of financial year 2022 amounting to RM24 million. The proposed dividend will be paid on 24 March 2023 to shareholders.



Managing Director & Chief Executive Officer, Encik Pandai Othman said, “China’s reopening of its economy through lifting of its Zero-COVID policy is expected to significantly boost demand for oil, gas and energy which should support oil and gas prices to remain strong. On another front, the rapid growth of renewable energy alongside the increasing decarbonisation efforts globally could present multiple business opportunities to us. However, the growing threat of a global economic recession may pose some downside risks to demand and prices. In addition, factors such as supply chain disruptions caused by on-going geopolitical tensions and high inflationary pressures could continue to pose challenges to Heavy Engineering business prospects. Thus, we remain cautiously optimistic on the outlook for the Heavy Engineering segment.

The lifting of entry restrictions on foreign technical specialists since the reopening of borders on 1 April 2022 has benefited Marine business operations through higher dry-docking activities recorded during the year. We also plan to capture more upgrading and retrofitting jobs as vessel owners aim to comply with Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) imposed by the International Maritime Organisation (IMO) from 1 January 2023 onwards. However, despite recent improvements in the labour market which had supported Marine business’ turnaround, the prevailing nationwide manpower constraints may still affect the timely execution of dry-docking works. In addition, the recent lifting of China’s border restrictions could lead to tougher competition amongst shipyards for dry-docking opportunities moving forward. As such, we expect Marine business to remain challenging.

We aim to continue to grow our order book by capturing opportunities in both local and international markets including in the growing renewable energy sector. Improving project execution and delivery remains a priority through prudent investment in technology, people, processes, systems, digitalisation and automation as well as effective cost optimisation efforts.” 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 50 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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