



**PRESS RELEASE**  
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### **MHB Achieves Revenue of RM1,552.5 million in the First Half of 2023**

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 2023. For the said period, the Group achieved a revenue of RM1,552.5 million with a pre-tax loss of RM385.1 million.

The Heavy Engineering segment reported a higher revenue of RM1,395.1 million compared to RM668.3 million in the prior period mainly due to higher progress of ongoing projects. The segment posted operating loss of RM398.7 million, mainly due to the additional cost provisions as a result of revised schedule for ongoing projects during the current period. The revised schedule has caused the extension of delivery dates of the ongoing projects, which was necessary to cater for the delayed onshore works. Notwithstanding the delays, the Kasawari project sailed-away offshore after this reporting period, meeting all requirements of the client. The Group is committed to working closely with all relevant parties including the clients, subcontractors and vendors to identify and recover the additional costs incurred.

For the six (6) months period, the ongoing projects 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;
- iv) EPCIC Alliance for the Kasawari Carbon Capture & Storage (CCS) Project awarded in November 2022; and
- v) Engineering, Procurement, Construction and Installation (EPCI) contract for five (5) wellhead platforms, five (5) subsea pipelines and host tie-ins works from Carigali-PTTEPI Operating Company Sdn Bhd (CPOC) awarded in February 2023.

The Marine segment registered a higher revenue of RM157.5 million compared to RM150.1 million in the prior period mainly due to higher dry-docking and repair activities. The segment posted lower operating profit of RM16.2 million in the current period compared to an operating profit of RM22.7 million in the prior period. Higher profit in the prior period was mainly contributed by the recovery of doubtful debts.

For the six (6) months period, the Marine segment completed the repair and maintenance works on 37 vessels of various categories, including seven (7) LNG carriers.

The Group’s total assets and total equity at the end of the period under review stood at RM3.6 billion and RM1.3 billion, respectively.



Managing Director & Chief Executive Officer, Encik Pandai Othman said, “Oil prices are expected to remain high for the rest of the year in view of the continued demand from China coupled with supply shortages resulting from OPEC+ production cuts, which will likely increase CAPEX spending beyond the pre-pandemic level. In addition, the increasing significance of environmental, social and governance (ESG) will create multiple business opportunities for us in the renewable energy space.

On project execution, Heavy Engineering segment continues to face challenges in executing its ongoing projects within the original budgeted margins due to the impact of raw material price escalations and global supply chain disruption. These projects were awarded on a lump sum EPCIC basis by clients a few years ago. We will continue to pursue the recovery of these inflationary and schedule impact from clients.

We anticipate an increase in demand for dry-docking activities as vessel owners prepare for a rise in seaborne trade requirements for the remainder of the year. Nevertheless, stiffer competition amongst shipyards is expected to continue to impact Marine business operations since the reopening of China borders. As such, we anticipate the Marine segment to remain challenging.

We will continue to explore opportunities in both domestic and international markets with increased emphasis on decarbonisation and renewable energy. We are also looking into ways to improve our contracting strategies with clients through alliance concept or cost-plus basis, where possible, to mitigate the risks of global inflation for future projects. Notwithstanding the major setbacks, we remain committed to deliver all projects meeting clients’ requirements. We are also committed to work closely with all relevant parties including clients, subcontractors and vendors to recover the additional costs.” 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 offshore and onshore facilities and vessels.

MHB has 50 years of track record in delivering integrated and complex solutions to international oil & gas clients. Owns and operates the largest fabrication yard in Malaysia and Southeast Asia that is equipped with world-class facilities, MHB is recognised for its expertise in offshore deepwater fabrication, offshore conversion services and ship repair which include LNG carrier repair and dry docking. MHB also owns three dry docks which are amongst the largest dry docks in Southeast Asia.

MHB operates a regional Centre of Excellence – a learning centre that produces technically expert workers for the oil & gas and marine industries.

We acknowledge 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, decarbonisation such as carbon capture facilities & energy efficiency.

### ***Our capabilities and track record in summary:***

- *Full range engineering, procurement, construction, installation & commissioning (EPCIC) services for offshore structures*
- *Complete offshore facility conversion services in one location*
- *Comprehensive ship repair, refurbishment, upgrading and life extension of various types of vessels and rigs*

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