



PRESS RELEASE
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MHB Achieves Revenue of RM1.9 billion and Pre-Tax Profit of RM85.3 million in the First Half of 2024

First Half of 2024 – At a Glance
<ul style="list-style-type: none"> • Revenue of RM1.9 billion • Pre-tax profit of RM85.3 million • Under the Heavy Engineering Segment: <ul style="list-style-type: none"> ○ Current ongoing projects; <ul style="list-style-type: none"> ▪ 2 projects are at the final stage of their hook-up and commissioning at offshore ▪ 4 projects are under construction at MMHE West and East Yard ○ Explored a balanced portfolio in both conventional and clean energy spaces. <ul style="list-style-type: none"> ▪ MHB was awarded a second offshore wind project, for the Nederwiek 1 Project from Petrofac. Nederwiek 1, part of TenneT’s landmark 2GW Programme in the Netherlands ○ Continued efforts to improve our contractual relationships with clients given the concurrent geopolitical conflicts and unpredictable operating landscapes have led to supply chain disruptions and price volatility • Under the Marine Segment, MHB: <ul style="list-style-type: none"> ○ Completed the repair and maintenance works on 42 vessels of various categories, including four (4) Liquefied Natural Gas Carriers (LNGC) ○ Secured the entry into Greece’s shipping market with two (2) LNGC dry-docking and cargo tank repair works ○ Secured two (2) conversion projects including: <ul style="list-style-type: none"> ▪ An LNGC into a Floating Storage Unit (FSU); and ▪ A Mobile Offshore Drilling Unit (MODU) into Water Injection Facilities (WIF)

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 2024. For the said period, the Group achieved a revenue of RM1.9 billion with a pre-tax profit of RM85.3 million.

The Heavy Engineering segment reported a higher revenue of RM1,678.5 million in the current period compared to RM1,395.1 million in the corresponding period, primarily due to higher revenue from ongoing projects, as these projects advanced into the construction stage. The segment posted an operating profit of RM68.0 million in the current period compared to an operating loss of RM398.7 million in the corresponding period mainly due to the recognition of cost recovery claims. The corresponding period’s loss was mainly attributed to additional cost provisions related to the revised schedule for ongoing projects.



For the six (6) months period, the ongoing projects for the Heavy Engineering segment which are progressing include the following:

- i) Engineering, Procurement, Construction, Installation and Commissioning (EPCIC) of Kasawari Gas Development Project for PETRONAS Carigali Sdn Bhd (PCSB) awarded in July 2019. The project is currently at the final stage of its hook-up and commissioning which is being carried out offshore;
- ii) EPCIC works for SK408W Jerun Development Project for SapuraOMV Upstream (Sarawak) Inc. awarded in April 2021. The project is also currently at the final stage of its hook-up and commissioning which is being carried out offshore;
- iii) Engineering, Procurement and Construction (EPC) of Rosmari-Marjoram Gas Project's solar powered offshore platform for Sarawak Shell Berhad awarded in October 2022;
- iv) EPCIC Alliance of Kasawari Carbon Capture & Storage (CCS) Project for PCSB awarded in November 2022;
- v) Engineering, Procurement, Construction and Installation (EPCI) of five (5) wellhead platforms, five (5) subsea pipelines and host tie-ins works for Carigali-PTTEPI Operating Company Sdn Bhd (CPOC) awarded in February 2023; and
- vi) EPC subcontract of TenneT's 2GW Programme's first Offshore Substation (OSS) High Voltage Direct Current (HVDC) platform which includes the topside and jacket for the IJmuiden ver Alpha Project, an offshore wind farm project in the Netherlands for Petrofac International (UAE) LLC (Petrofac) awarded in November 2023.

In May 2024, Malaysia Marine and Heavy Engineering Sdn Bhd (MMHE), a wholly owned subsidiary of MHB, was awarded a second offshore wind project from Petrofac, a subcontract to build an OSS HVDC platform, consisting of a topside and jacket, for the Nederwiek 1 Project. This subcontract, which serves as another vital component of TenneT's 2GW programme in the Netherlands, includes construction engineering, fabrication, mechanical completion, load out and sea fastening, and architectural works on EPC basis.

The Marine segment registered a higher revenue of RM206.0 million in the current period compared to RM157.5 million in the corresponding period, mainly due to higher dry-docking activities and repair services for Floating Production Storage and Offloading unit. The segment reported a higher operating profit of RM22.9 million in the current period compared to an operating profit of RM16.2 million in the corresponding period mainly contributed by the higher revenue.

For the six (6) months period, the Marine segment completed the repair and maintenance works on 42 vessels of various categories, including four (4) Liquefied Natural Gas Carriers (LNGC). The segment also successfully secured two (2) conversion projects including an LNGC into an FSU, as well as a MODU into WIF.

The Group's total assets and total equity at the end of the period under review stood at RM3.9 billion and RM1.4 billion, respectively.

Managing Director & Chief Executive Officer, Mohd Nazir Mohd Nor said, "Stable oil prices are anticipated for the remainder of the year, supported by tightening supply from OPEC+ extended production cuts. The prolonged cuts occurred amidst weak demand growth and persistent geopolitical risks. Investments in upstream exploration and production remain attractive to oil majors in light of sustaining energy security. As countries also aim to reach ambitious net zero targets, there is a surging demand for low-carbon solutions. Essentially, we are exploring a balanced portfolio in both conventional and clean energy spaces."



Mohd Nazir further elaborated, “The investment by oil majors in upstream activities is poised to present the Marine segment with opportunities in conversion projects. We aim to broaden our LNGC-customer base considering the growing number of the carriers in the market. However, intense competition amongst peers remains a challenge given the emergence of new LNGC-repair yards in neighbouring countries and China.”

“The ongoing geopolitical conflicts and unpredictable operating landscapes have led to supply chain disruptions and price volatility. Therefore, we will continue the efforts to improve our contracting strategies to mitigate these risks.” added Mohd Nazir.

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.

With an illustrious 50-year history of proven excellence and a reputation for delivering integrated solutions to international energy clients, we operate the largest fabrication yard in Malaysia and one of the largest in Southeast Asia. Our specialisation lies in energy offshore construction, including deepwater facilities, marine repair, conversion services, and marine refurbishment, with a niche focus on Liquefied Natural Gas (LNG) carriers.

Today, MHB is at the forefront of the green energy revolution, spearheading initiatives in renewable energy and decarbonisation. Leveraging our extensive expertise, we construct carbon capture facilities, advanced offshore wind farm substations, and provide fabrication services for green hydrogen facilities, supporting our clients’ aspirations for cleaner and more sustainable energy solutions.

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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