



PRESS RELEASE
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MHB Achieves Revenue of RM496.2 million in the First Quarter of 2023

Malaysia Marine and Heavy Engineering Holdings Berhad (“MHB” or “Group”) wishes to announce its financial results for the first quarter ended 31 March 2023. For the said period, the Group achieved a revenue of RM496.2 million with a pre-tax profit of RM3.5 million.

The Heavy Engineering segment reported a higher revenue of RM404.2 million in the current quarter compared to RM358.4 million in the corresponding quarter mainly due to higher revenue from on-going projects. The segment posted operating loss of RM8.7 million in the current quarter mainly due to unabsorbed overheads. Operating profit in the corresponding quarter was mainly due to the partial recovery of COVID-19 claims.

For the three (3) 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; and
- iv) EPCIC Alliance for the Kasawari Carbon Capture & Storage (CCS) project awarded in November 2022.

In February 2023, Malaysia Marine and Heavy Engineering Sdn Bhd (MMHE), a wholly owned subsidiary of MHB, has been awarded the 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). The EPCI contract is for the Joint Development Area (JDA) Field Development Project (Phase 6) located in the Malaysia-Thailand Joint Development Area (MTJDA).

The Marine segment registered a higher revenue of RM92.1 million compared to RM59.4 million in the corresponding quarter mainly due to higher dry-docking activities. The segment posted higher operating profit of RM12.9 million in the current quarter compared to an operating profit of RM3.7 million in the corresponding quarter mainly due to higher revenue and improved profit margins.

For the three (3) months period, the Marine segment completed the repair and maintenance works on 18 vessels of various categories, including one (1) LNG carrier.

The Group’s total assets and total equity at the end of the period under review stood at RM3.3 billion and RM1.8 billion, respectively.



Managing Director & Chief Executive Officer, Encik Pandai Othman said, “The re-opening of China’s economy coupled with OPEC+’s decision to cut oil production are expected to support strong oil prices for the year. This is likely to drive oil majors to ramp-up CAPEX spending. In addition, the rapid growth of renewable energy and decarbonisation efforts driving global energy transition could present us with new business opportunities. Notwithstanding this, we remain cautiously optimistic on the outlook for the Heavy Engineering segment in view of the growing risks of global recession and geopolitical tensions which could slow down business prospects.

We expect Marine business to remain challenging mainly due to stiff competition from Chinese shipyards amidst the re-opening of China’s borders. Furthermore, dry-docking opportunities are becoming limited as older LNG carriers decommission from service due to inability to comply with Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) requirements imposed by the International Maritime Organisation (IMO).

We continue to prioritise on improving project execution and successful delivery of current projects via operational and cost efficiency. In addition, we aim to capture opportunities in the domestic and international markets as well as those in the renewable energy and decarbonisation sectors to sustain and grow our order book.” 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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