



## PRESS RELEASE

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### **MHB Reports Revenue of RM235.8 Million in the First Quarter of 2017**

Malaysia Marine and Heavy Engineering Holdings Berhad (“MHB” or “Group”) wishes to announce its financial results for the first quarter ended 31<sup>st</sup> March 2017. The Group achieved a revenue of RM235.8 million with a pre-tax loss of RM17.6 million for the said period.

For the period under review, MHB successfully completed the following offshore and marine structures/projects for our clients:

- i) Besar-A wellhead platform (WHP) topside and jacket;
- ii) F12 Kumang WHP topside and jacket;
- iii) Baronia central processing platform (CPP) jacket, bridge and piles; and
- iv) repair and maintenance of sixteen (16) vessels

Heavy Engineering division recorded a revenue of RM153.5 million against RM136.4 million in the quarter ended 31<sup>st</sup> March 2016 (‘corresponding quarter’). The increase was attributable to the contribution from Refinery and Petrochemical Integrated Development (“RAPID”) and F12 Kumang projects.

Besar-A structures, weighing 5,100 mt, safely sailed away to the Besar field located 185 km northeast of Kerteh for PETRONAS Carigali Sdn. Bhd. (“PCSB”). The facilities will operate in the South-East Malay Basin at a water depth of 70m. The division also sailed away the 7,600 mt F12 Kumang structures for PCSB. The facilities are currently located in the Kumang Cluster gas field, 180 km north-west of Bintulu, Sarawak at a water depth of 100m. The offshore commissioning works for Besar-A and F12 Kumang are expected to commence in June 2017.

Another project that sailed away in the quarter was the Baronia structures, a sub-contract project from Hyundai Heavy Industries. The 10,700 mt structures were delivered to the ultimate client PCSB at the Baronia field, 47 km off Miri for the East Malaysia Enhanced Oil Recovery project.

Ongoing works for the Heavy Engineering division includes PETRONAS FLNG-2 turret, Benchamas-2 external turret, five (5) units of Dangote CALM buoy, facilities improvement programme and five (5) work packages for various main contractors of the RAPID project.

Marine division registered a revenue of RM82.4 million compared to RM120.3 million in the corresponding quarter. The contraction was mainly due to one-off settlement of prior years’ projects in the corresponding quarter. Excluding the one-off settlement, the division would have recorded higher revenue compared to the corresponding quarter.

The Marine division completed the repair of sixteen (16) vessels of various class size and category during the quarter. Ongoing works include the Nautica Bergading FSO conversion, with targeted sail-away by the end of second quarter of 2017, and the Benchamas-2 FSO conversion, which is expected to be delivered to the client, MISC Berhad, in February 2018.

For the period under review, MHB attained a loss per share attributable to equity holders of 1.0 sen. As at 31<sup>st</sup> March 2017, the Group’s property, plant and equipment stood at RM1.54 billion and total equity at RM2.53 billion.



Managing Director and Chief Executive Officer, Cik Wan Mashitah Wan Abdullah Sani said, “While crude oil prices have generally improved in recent months as a result of reduction in oil output since the start of the year, the outlook remains uncertain. Deferment and scale-down of upstream projects is expected to prolong and continue to pose challenges to the industry for the major part of the year”.

“We remain committed to our strategy in managing cost, optimising our resources and improving the operational efficiency in line with the challenging environment. Effort to replenish our orderbook from the onshore segment, hook-up & commissioning, facilities improvement and the marine segment are progressing and remain an ongoing priority”, added Cik Wan Mashitah.

*\* Following an internal re-organisation in June 2016, 'Heavy Engineering' is now the division in MHB which caters for Offshore and Onshore EPCIC and other related services. Previously it was known as 'Offshore Business' unit.*

## **About MHB**

Malaysia Marine and Heavy Engineering Holdings Berhad (MHB) is a globally trusted energy industry and marine solutions provider for a wide range of heavy engineering facilities and vessels.

MHB has more than 40-year track record of delivering integrated and complex solutions, including deepwater support services to international oil & gas clients. We are equally recognised for our global expertise in offshore conversion services and LNG carrier 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.

Backed by an exceptional track record, a highly skilled workforce and world-class facilities, MHB is able to provide innovative solutions to meet the complex demands of the energy industry - safely, on time and within cost.

- Full range EPCIC services for heavy engineering construction
- Complete conversion works in one location
- Comprehensive marine repair, refurbishment, upgrading and life extension of vessels and rigs

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