



**PRESS RELEASE**  
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### **MHB Achieved Revenue of RM493.1 Million in the First Half of 2017**

Malaysia Marine and Heavy Engineering Holdings Berhad (“MHB” or “Group”) wishes to announce its financial results for the six (6) months ended 30th June 2017. The Group achieved a revenue of RM493.1 million with a pre-tax loss of RM31.1 million for the said period.

The Heavy Engineering business unit recorded a revenue of RM311.4 million against RM354.2 million in the same corresponding period last year. The contraction was due to lower revenue recognised in the current period on the back of fewer and lower value projects in progress.

For the period under review, the business unit successfully sailed away the following offshore structures/projects for our clients:

- i) Besar-A wellhead platform (WHP) topside and jacket for PETRONAS Carigali Sdn Bhd (“PCSB”);
- ii) F12 Kumang WHP topside and jacket for PCSB; and
- iii) Baronia central processing platform (CPP) jacket, bridge and piles for Hyundai Heavy Industries

The ongoing projects include 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.

The Marine business unit (MBU) also registered a lower revenue of RM181.7 million compared to RM200.0 million in the previous year corresponding period mainly due to lower LNG carrier repair work.

For the six months period, MBU completed repair and maintenance of 47 vessels of various categories. In addition, MBU has two (2) ongoing conversion projects namely the Nautica Bergading FSO for E.A. Technique (M) Berhad and the Benchamas-2 FSO for MISC Berhad.

For the period under review, MHB attained a loss per share attributable to equity holders of 1.9 cents. The Group’s property, plant and equipment stood at RM1.5 billion and total equity at RM2.5 billion.



On the orderbook front, MHB has successfully secured the following contracts to replenish its orderbook:

- Engineering, procurement, construction, installation and commissioning (EPCIC) works of CPP for Bokor Phase 3 Re-Development project for PCSB;
- EPCIC works for Sepat-A topside and substructure for PCSB;
- Hook up & commissioning (HUC) services for modification contract from CARIGALI-PTTEPI Operating Company Sdn Bhd on a 'call-out' basis; and
- Drydocking of up to six (6) LNG vessels from MISC Berhad

Earlier in April, the Group was awarded an EPCIC of a CPP for the Bokor Phase 3 Re-Development project by PCSB for a contract value of approximately RM1.0 billion. The first steel cut is expected to commence in Q3 2018 and the project is to be completed in Q2 2020. Upon completion, the CPP will be installed at the Bokor field located at Baram Delta, 45 km North West, Lutong, Miri, Sarawak, in a water depth of 70 metres.

The Group has also been awarded an EPCIC of topside and substructure for Sepat-A facility by PCSB. Upon completion, the facility will be installed at the Sepat field, located 200 km off the east coast Peninsular Malaysia. The structures are targeted for sail away in the second quarter of 2018.

The third contract involves the HUC work for modification project in the overlapping area within Gulf of Thailand. The contract was awarded by CARIGALI-PTTEPI Operating Company Sdn Bhd on a 'call-out' basis to MHB and two (2) other companies for a period of 3 years.

The marine contract involves the award for the drydocking repairs of up to six (6) LNG vessels. The contract was awarded by MISC Berhad on an '*en-bloc*' basis after going through a competitive bidding process.

The total estimated contract value of the recent project awards amounted to RM1.27 billion will be contributing to the current and following years' revenue streams for the Group.

Managing Director and Chief Executive Officer, Cik Wan Mashitah Wan Abdullah Sani said, "The outlook remains challenging for us with oil price not moving in line with the OPEC and non-OPEC voluntary cuts in production. Shale production activities is still robust resulting in a supply overload that will keep the price of oil subdued over the year and next. Deferment of upstream projects is expected to prolong and cost cutting measures will be further enhanced".

"We remain committed to our strategy in managing cost, optimising our resources and improving operational efficiency in line with the challenging environment. While the Group has successfully secured several contracts during the period, we are mindful that majority of the contribution will only be realised in 2018 and beyond. Diversification into new revenue streams that provides recurring income is a priority, while efforts to replenish the order book continues", 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 vessel repair and drydocking. 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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