



PRESS RELEASE

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MHB Achieves Revenue of RM708.5 Million up to the Third Quarter of 2017

Malaysia Marine and Heavy Engineering Holdings Berhad (“MHB” or “Group”) wishes to announce its financial results for the nine (9) months ended 30th September 2017. The Group achieved a revenue of RM708.5 million with a pre-tax loss of RM15.3 million for the said period.

The Heavy Engineering business unit recorded a revenue of RM429.0 million against RM573.9 million in the same corresponding period last year. The contraction was mainly due to completion of offshore projects while newly secured projects are still at their early stages.

For the nine (9) months period, the business unit successfully sailed away the following offshore structures/projects for our clients:

- i) Besar-A wellhead platform (WHP) topside 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 business unit also successfully delivered the modification and rejuvenation services for Facilities Improvement Project (FIP) for PCSB.

Two (2) work packages of the RAPID projects have also been successfully completed for our clients:

- i) Plate rolling for Package 22 for Punj Llyod; and
- ii) Piping and pipe support pre-fabrication for Package 3 Area 3 for Petrovietnam Engineering (Malaysia) Sdn Bhd (“PVE”)

The ongoing projects include EPCIC work for Bokor Phase 3 Re-Development CPP, EPCIC for Sepat-A topside and substructure, PETRONAS FLNG-2 turret, Benchamas-2 external turret, five (5) units of Dangote CALM buoys and four (4) work packages of the RAPID projects.

The Marine business unit (MBU) registered a lower revenue of RM279.4 million compared to RM313.8 million in the corresponding period mainly due to lower contract value and number of LNG vessels repaired.

For the nine (9) months period, MBU completed repair and maintenance of 57 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 0.9 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) work for Bokor Phase 3 Re-Development CPP project from PCSB;
- EPCIC work for Sepat-A topside and substructure from 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

Managing Director and Chief Executive Officer, Cik Wan Mashitah Wan Abdullah Sani said, "While crude oil prices have slightly improved following OPEC and non-OPEC members' production commitment, the oil and gas outlook remains uncertain with heightened geopolitical concerns. Robust shale production activities will keep the price of oil subdued over a prolonged period."

"We remain committed to our strategy in managing costs, optimising our resources and improving operational efficiency to combat the challenging environment. Replenishment of order book from marine segment and offshore services are progressing and remain a priority. While we have successfully secured several offshore fabrication projects during the period, the majority of the contribution will only be realized in 2018 and beyond", 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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