



**PRESS RELEASE**

Kuala Lumpur, 7 February 2018

**MHB Achieved After tax Profit of RM32.4 Million for the Financial Year ended 31<sup>st</sup> December 2017**

Malaysia Marine and Heavy Engineering Holdings Berhad (“MHB” or “Group”) wishes to announce its financial results for the twelve (12) months ended 31<sup>st</sup> December 2017. The Group achieved a revenue of RM956.4 million with an after-tax profit of RM32.4 million for the said year. The after tax profit translates to a 2.1 sen earnings per share attributable to the equity holders of MHB for the year ended 31<sup>st</sup> December 2017.

The Heavy Engineering business unit (HEU) recorded a revenue of RM591.3 million against RM746.6 million in the prior year. Several offshore projects were completed in the first half of this year whilst revenue from new project will be mainly recognised in 2018 onwards. The segment posted a lower operating loss of RM36.7 million from RM107.7 million loss in the prior year, mainly from recognition of change orders and finalisation of completed projects in the current year.

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

- i) Besar-A wellhead platform (WHP) topside for PETRONAS Carigali Sdn Bhd (“PCSB”);
- ii) F12 WHP topside and jacket for PCSB;
- iii) Baronia CPP jacket, bridge and piles for Hyundai Heavy Industries;
- iv) PETRONAS PFLNG 2 Turret for SOFEC Inc; and
- v) FSO Benchamas 2 External Turret for SOFEC Inc.

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 project have been successfully completed for our clients:

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

The ongoing projects include Engineering, Procurement, Construction, Installation and Commissioning (EPCIC) of CPP for Bokor Phase 3 Re-Development Project and Sepat-A topside and substructure, five (5) units of Dangote CALM buoy and four (4) work packages for various main contractors of the RAPID project, Pengerang Integrated Complex (PIC), Johor.

The Marine business unit (MBU) registered a lower revenue of RM365.1 million compared to RM444.6 million in the prior year, mainly due to lower value and number of LNG carrier drydocking repairs carried out in the year. The segment reported operating profit of RM52.8 million against RM88.5 million in the previous year.



For the twelve (12) months period, MBU completed repair and maintenance of 75 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 FSO Benchamas 2 for MISC Berhad.

The Group's property, plant and equipment stood at RM1.5 billion and total equity at RM2.6 billion as at the end of the financial year ended 31<sup>st</sup> December 2017.

The Board of Directors has approved a tax exempt dividend of 3 sen per share in respect of financial year 2017 amounting to RM48 million. The proposed dividend will be paid on 8 March 2018 to shareholders registered at the close of business on 23 February 2018.

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

- EPCIC of CPP for Bokor Phase 3 Re-Development 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;
- Provision of facilities improvement, rejuvenation and modification from Vestigo Petroleum Sdn Bhd on a 'call-out' basis; and
- Drydocking of up to six (6) LNG carriers from MISC Berhad

Managing Director and Chief Executive Officer, Cik Wan Mashitah Wan Abdullah Sani said, "There has been a steady rise in the oil price in recent months, consistent with the tightening global oil production and escalating geopolitical risks. However, sustainability of the price will depend on oil producers remaining committed to the oil production cut.

"We remain cautious on the outlook for the industry in the near term. There is still uncertainty as to the industry's capital spending. MHB will continue its efforts on cost management and resource optimisation and is committed to its key strategies including strengthening its position in existing markets as well as expanding into new markets."

"We had during the year secured a number of offshore fabrication projects which are expected to contribute positively to the Group's revenue 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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