



**PRESS RELEASE**

Kuala Lumpur, 11th February 2014

## **MHB Attains 12-Month Pretax Profit Of RM198 Million**

- Revenue of RM2.9 billion
- Profit before taxation of RM198 million
- Confirmation from PETRONAS Carigali for the development at Block SK316
- Dividend per share of 5.0 sen

Malaysia Marine and Heavy Engineering Holdings Berhad (MHB) is pleased to announce its financial results for the twelve (12) months ended 31 December 2013. The Group achieved a revenue of RM2,885 million with profit before tax of RM198 million.

For the financial year under review, MHB has successfully sailed away/completed the following structures for our clients:

- i. OSX-3 FPSO External Turret;
- ii. Telok-B Topside and Telok-B Jacket;
- iii. Gumusut-Kakap FPS;
- iv. F14DR-A Substructure and Topside;
- v. F14/F29 Process Module; and
- vi. Damar Topside and Jacket

MHB's offshore business segment achieved an operating profit of RM105 million. The Group successfully completed the Gumusut-Kakap Floating Production System ("FPS"). The semi-submersible FPS was the largest of such a facility in the world, to have been fully built and integrated on land. The FPS was handed over to the client on 3rd June 2013. MHB also achieved successful deliveries of various other topsides, jackets and structures to our clients throughout the year.

MHB has also entered into long-term agreements with key subcontractors for the provision of structural fabrication services during the year under review for an initial period of two years, with an option for extension of an additional one year. The frame agreements helped MHB to have a benchmark for costs of services resulting in a more competitive fabrication cost structure for the Company. The partnership forged between MHB and the key subcontractors have enable both parties to realise the value of better cost control.

MHB's marine business segment posted margins improvement in the year under review. It expanded its scope of services as it undertakes to deliver the refurbishment and conversion of two (2) Mobile Offshore Drilling Units to Mobile Offshore Production Unit (MOPUs). The two (2) MOPUs would ultimately be deployed for the production of oil at selected marginal field projects in Malaysia.



At the bottom line, MHB attained a net profit of RM236 million. Earnings per share (“EPS”) attributable to equity holders of MHB is 14.8 sen for the financial year ended 31 December 2013. With the ongoing investments in the yard optimisation programme, the Group’s property, plant and equipment has increased to RM1.5 billion. Total equity has increased to RM2.6 billion. A final dividend per share of 5.0 sen per share has been proposed for shareholders approval in respect of the financial year ended 31 December 2013.

Managing Director & Chief Executive Officer, Mr. Dominique de Soras commented, “2013 was full of milestone events, challenges and opportunities for MHB. We successfully delivered the largest structure ever fabricated by a Malaysian yard, the Gumusut-Kakap, and commenced the fabrication work on the country’s first tension leg platform structure, the TLP Malikai Deepwater Project. MHB implemented more business improvement initiatives to enhance project execution while signing long-term agreements with key subcontractors for better cost control. For 2014, we will leverage on our strength to accommodate very large and heavy structures up to 55,000 metric tonnes and continue to support PETRONAS especially in its frontier field development projects. With the confirmation from PETRONAS Carigali for MHB to be involved in the development of Block SK316, this also reinforced the confidence and trust of our clients in us as we forge ahead”.

#### **About MHB**

Malaysia Marine and Heavy Engineering Holdings Berhad (MHB) is a leading marine and heavy engineering services provider in South-east Asia region, focused primarily on the oil and gas sector. It offers a wide spectrum of offshore solutions which include offshore construction, offshore conversion; and marine repair services at two yards in Pasir Gudang, Johor, Malaysia. The yards can accommodate the fabrication of large marine structures with a total tonnage of 129,700 MT; and are also equipped with two dry docks accommodating vessels up to 450,000 deadweight tonnes (dwt).

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