



PRESS RELEASE

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MHB Attains Pretax Profit Of RM72 Million in the 9 months of 2015

- Revenue of RM1,737.9 million and Pretax profit of RM72 million in the 9 months of the year
- Higher operating and pretax margins in the 9 months of the year compared to 2014
- Ahead of schedule delivery of offshore and marine projects
- New contracts on RAPID and other offshore projects in the 3rd quarter
- Strong job orders on LNG, bulk carrier and tanker vessels for the year to date

Malaysia Marine and Heavy Engineering Holdings Berhad (MHB) is pleased to announce its financial results for the nine (9) months ended 30 September 2015. The Group achieved a revenue of RM1,737.9 million with a pretax profit of RM72 million.

During the 3rd quarter, for the offshore business segment, MHB safely sailed away the topside of the Central Processing Platform for the SK316 project and successfully completed the 'superlift' activity of the topside over the hull of the Malikai deepwater Tension Leg Platform. For the marine business, MHB completed its fourth floating, storage and offloading (FSO) conversion of the year, namely the Mampu-1 FSO, which was also ahead of schedule. Other marine projects delivered were the repair life extension of two LNG carrier vessels.

MHB's offshore business achieved a revenue of RM1,379.6 million. The segment continues its fabrication works for the Malikai, SK316 hook-up and commissioning (HUC), Besar-A, North Malay Basin Bergading, Turret Mooring System and Kanowit HUC projects. For the quarter, the offshore business secured the subcontract works for the Refinery And Petrochemical Integrated Development (RAPID) and other offshore project worth an estimated RM143 million.

The marine business segment continued to record growths in revenue and profit against the same corresponding period last year, mainly due to the higher value of repair works. Its profit margin improved with higher contributions from the LNG, FSO/FPSO and Rig/Support Vessel segments. For the quarter, the segment secured the contract works for two LNG carrier and several bulk carrier, tanker and container vessels.

For the nine (9) months period, MHB attained a pretax profit of RM72 million and an earnings per share ("EPS") attributable to equity holders of 4.4 sen. With ongoing investments in the yard optimisation programme, the Group's property, plant and equipment have increased to RM1.65 billion. Total equity has increased to RM2.7 billion.

Managing Director and Chief Executive Officer, Tuan Haji Abu Fitri Abdul Jalil said, "The downturn in the upstream oil and gas industry is anticipated to prolong and impact our offshore business unit in terms of under-utilisation of assets due to significant offshore project deferrals. On the other hand, the marine segment performance is expected to remain strong and cushion the slowdown of the offshore segment".



“We continue to implement the business initiatives we had embarked on much earlier in anticipation of the current cycle to navigate through this challenging operating environment. Cost management and resource optimization remain our key focus areas, amidst intensifying our effort to pursue for more projects”, Tuan Haji Abu Fitri added.

About MHB

Malaysia Marine and Heavy Engineering Holdings Berhad(MHB) is a leading marine and heavy engineering services provider in the South-east Asia region, focused primarily on the oil and gas sector. It has a workforce of over 3,500 employees and offers a wide spectrum of offshore solutions which include offshore construction, offshore conversion; and marine repair services at its 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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