



PRESS RELEASE

Kuala Lumpur, 5th August 2014

MHB Attains Pretax Profit Of RM60 Million In 1st Half, 2014

- Revenue of RM1.7 billion
- Profit before taxation of RM60 million
- Sailaway of Tapis-R deck
- Sailaway of Keabangan (KBB) topside

Malaysia Marine and Heavy Engineering Holdings Berhad (MHB) is pleased to announce its financial results for the six (6) months ended 30 June 2014. The Group achieved a revenue of RM1.7 billion with profit before tax of RM60 million.

During the quarter under review, the Group's offshore business segment successfully loaded out and completed the sailaway of two major topsides. The Tapis-R deck is the central processing facility for the Tapis Enhanced Oil Recovery (EOR) project, Malaysia's first full field EOR initiative. Tapis-R deck was safely installed offshore Peninsular Malaysia. The second topside that sailed away was the 18,000 metric tonne (MT) KBB topside from MMHE East Yard. Subsequent to the sailaway, the topside was safely installed for the Keabangan Northern Hub Development.

The marine business segment expanded its scope of services as it undertook the repair and upgrading of a third party's dynamically positioned pipe laying vessel (DPPLV). They also did repair works for specialised vessels such as for trailing suction hopper dredger. This business segment faces competition from increased vessel repair capacity in the region but the medium term prospects remained very favourable as the continued growth in the number of shipping vessels would provide a growing need for dry docking and marine repair services.

During the period under review, MHB attained a net profit of RM74 million. Earnings per share ("EPS") attributable to equity holders of MHB is 4.6 sen for the six (6) months ended 30 June 2014. With the ongoing investments in the yard optimisation programme, the Group's property, plant and equipment has increased to RM1.6 billion. Total equity stands at RM2.6 billion.

Managing Director & Chief Executive Officer, Mr. Dominique de Soras commented, "We have been entrusted to carry out the fabrication of two platforms and jackets for the Tapis EOR project and we have the privilege of delivering them safely to our clients. Working closely with our joint-venture partner, Technip, MHB is bidding for other subsequent EOR projects in the country. MHB has achieved favourable progress with the engineering and fabrication work on the country's first tension leg platform structure, the TLP Malikai Deepwater Project as we work together with Technip. Measured progress has also been achieved at the SK 316 project as both MHB and Technip continues to carry out engineering, procurement, construction, installation and commissioning (EPCIC) work for the entire project".

**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).

For more information, kindly contact MHB Corporate Communications:

Lina Yap-Abdullah

Tel: +603-2275 3786

Hp: +6012-603 5279

Email: lina.yap-abdullah@mmhe.com.my

Nor Mariam Mohd Nazir

Tel: +603-2275 3948

Hp: +6012-341 9494

Email: nor.mariam@mmhe.com.my