



PRESS RELEASE
Kuala Lumpur, 1 August 2016

MHB Attains Pre-Tax Loss of RM6.2 Million in the First Half of 2016

- Revenue of RM554.2 million
- Pre-Tax Loss of RM6.2 million
- Secured RAPID Package-14 steel structure, piping, mechanical and electrical works

Malaysia Marine and Heavy Engineering Holdings Berhad (“MHB” or “Group”) wishes to announce its financial results for the six (6) months ended 30th June 2016. The Group achieved a revenue of RM554.2 million with a pre-tax loss of RM6.2 million for the said period.

During the period, MHB successfully sailed-away the 14,800 tonnes Bergading project comprising the Wellhead Platform (“WHP”) jacket and topside and the Centralised Processing Platform (“CPP”) jacket and bridge to Hyundai Heavy Industries Co. Ltd. The Group also saw the sail-away of the 27,500 tonnes Malikai Tension Leg Platform to a deepwater location 100km off the Sabah coast on the 11th of July 2016. MHB has also completed the repair and maintenance of 28 vessels of various types during the six (6) months ended 30th June 2016.

The Heavy Engineering business unit recorded a revenue of RM354.2 million against RM1,077.3 million in the same corresponding period last year. The contraction was due to lower revenue recognised in the current period on the back of fewer and lower value project in progress.

The Heavy Engineering unit continues with the existing fabrication works for Besar-A WHP topside and jacket, Baronia CPP jacket and bridge, and FLNG-2 turret. The F12 Kumang WHP project, which was awarded by Petronas Carigali Sdn Bhd in December 2015, has also commenced operations in this period. Works are also progressing on the five (5) onshore packages with various main contractors of the Refinery and Petrochemical Integrated Development (RAPID) project. During the quarter, MHB secured the construction and commissioning of steel structure, piping, mechanical equipment, electrical and instrumentation erection, insulation and painting works for the RAPID project Package 14 for PETRONAS’ Pengerang Integrated Complex (PIC) from PRPC Utilities And Facilities Sdn. Bhd., a unit of PETRONAS.

The Marine business unit registered a lower revenue of RM200.0 million compared to RM224.3 million in the previous year corresponding period mainly due to lower number of rig repair and conversion works. The marine unit is currently completing the FSO Nautica Bergading conversion which is targeted for sail-away in January 2017.

For the period under review, MHB attained a loss per share attributable to equity holders of 0.6 sen. With ongoing investments in the yard optimisation programme, the Group’s property, plant and equipment stood at RM1.63 billion and total equity at RM2.67 billion.



Acting Chief Executive Officer, Cik Wan Mashitah Wan Abdullah Sani said, “Outlook for the heavy engineering business remains sluggish as the downturn in the upstream sector is expected to persist at least for the next 12 months. Significant heavy engineering project cancellations and deferrals will result in under-utilisation of assets, which may be subject to impairment tests. The Group’s initiative and success to diversify into other areas which include piping, mechanical and structural works for the onshore segment, hook-up & commissioning as well as facilities maintenance projects have partly replenished the order book for the short term”.

“The marine repair and maintenance work will provide a slight reprieve against the slowdown of the heavy engineering business. The Group is evaluating several initiatives to expand the marine business within the medium to long term to balance its portfolio mix”.

The Group continues to focus on cost management and resource optimisation efforts in line with the outlook of the industry”.

** Following the recent internal changes, the ‘Heavy Engineering’ unit 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 a 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 carrier repair and dry docking. 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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