



PRESS RELEASE

Kuala Lumpur, 5th November 2014

MHB Attains 9-Month Net Profit of RM113 Million

- Revenue of RM2.2 billion
- Net profit of RM113 million
- Completed upgrading works for 3rd party LNG carrier
- New contracts secured by offshore business segment

Malaysia Marine and Heavy Engineering Holdings Berhad (MHB) is pleased to announce its financial results for the nine (9) months ended 30 September 2014. The Group achieved a revenue of RM2.2 billion and a net profit of RM113 million.

During the quarter under review, the Group's offshore business segment achieved milestone progress with the SK316 project where the mezzanine deck for the wellhead platform topside was successfully lifted and installed on the cellar deck at the MMHE East Yard. The workscope for the SK316 project includes engineering, procurement, construction, installation and commissioning (EPCIC) and it is being executed by the Group in a joint-venture with Technip, known as Technip-MMHE Joint Venture (TMJV). SK316 project also requires the fabrication of the central processing platform, an interconnecting bridge between the two platforms and two jackets.

The marine business segment successfully completed a major repair, dry docking, upgrading, new installation and life extension work for an international client on the third party-owned Liquefied Natural Gas (LNG) Carrier. The upgrading restored the 71,909 dwt LNG Carrier to its optimum operational performance. During the quarter under review, at MMHE West Yard, the marine business unit also broadened the type of vessels repaired to accommodation work barges as it repaired the external hull and internal electrical-machinery parts for a domestically-owned vessel.

During the period under review, MHB attained a net profit of RM113 million. Earnings per share ("EPS") attributable to equity holders is 7.1 sen for the nine (9) months ended 30 September 2014. With 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, "The lower oil prices could lead to even greater emphasis on project economics by our clients. The Group's ongoing investments in the yard optimisation programme, transformation initiatives and strengthened management focus at the offshore business segment would enhance MHB's overall project execution capabilities. The offshore business segment has also recently won and secured some new fabrication contracts that would contribute positively to the Group's financial performance in the coming financial year. MHB continues to work closely with our joint-venture partner, Technip, in bidding for other projects as TMJV can offer a complete turnkey engineering, procurement, construction, installation and commissioning (EPCIC) solution for an entire project to our clients".

**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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