



**PRESS RELEASE**

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**MHB Attains 12-months Profit After Tax Of RM44.4 Million**

- Revenue of RM2,459.0 million
- Profit After Tax of RM44.4 million
- Increased new order intake for both business units compared to the previous year
- Full occupancy of vessels under active repair for the second consecutive year

Malaysia Marine and Heavy Engineering Holdings Berhad (MHB) is pleased to announce its financial results for the twelve (12) months ended 31 December 2015. The Group achieved revenue of RM2,459.0 million with profit after tax of RM44.4 million for the year. The profit after tax of RM44.4 million is after taking into account a provision for impairment on the goodwill and assets of the Group amounting to RM99.8 million. This is taken in view of the continued depressed outlook for the oil and gas industry with the drop in crude oil prices.

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

- i) SK316 Topside and Jackets
- ii) Conversions of floating, storage and offloading (FSO) Mampu-1, FSO Cendor, Mobile Seabase Alu-Alu and MOPU EP7
- iii) Repair life extension (RLE) of three (3) LNG carrier vessels

The offshore business unit recorded revenue of RM1,994.7 million for the 12-months period against RM2,447.7 million in the preceding year due to lower number of projects secured than anticipated. For the year, the offshore unit safely delivered the structures for the SK316 project to its client. The Group continues its fabrication of Malikai Tension Leg Platform (TLP); Besar-A Wellhead Platform (WHP) topside and jacket; Bergading WHP topside and jacket, Centralised Processing Platform (CPP) jacket and bridge; Baronia CPP jacket and bridge; and FLNG-2 turret. The Group will soon commence work on the recently secured projects such as F12 Kumang WHP from PETRONAS Carigali Sdn Bhd and the four (4) RAPID projects for the piping, structural and mechanical fabrication packages from international clients namely Toyo Engineering, Technicas Reunidas and Punj Lloyd.

The marine business unit registered higher revenue of RM466.7 million compared to RM320.8 million in the previous year on the back of higher value of work per project achieved. Among its major completions are four (4) FSO conversions and major RLE work of three (3) LNG carrier vessels.



For the second year running, the Group recorded a full capacity of 15 vessels and rigs in its docks under simultaneous repair and refurbishment works.

For the year under review, MHB attained a profit after tax of RM44.4 million and earnings per share (“EPS”) attributable to equity holders of 2.7 sen. With ongoing investments in the yard optimisation programme, the Group’s property, plant and equipment have increased to RM1.64 billion. Total equity has increased to RM2.68 billion.

Managing Director and Chief Executive Officer, Dato’ Haji Abu Fitri Abdul Jalil said, “The tough operating environment in the upstream segment is projected to persist well into 2017 as national and international oil companies continue to reduce their spending on capital and operating expenditure. This will continue to impact offshore business.”

“Our marine business is projected to remain vibrant as the firm tanker charter rates in the marine segment will somewhat mitigate the slowdown of the offshore unit.”

“The Group’s effort to diversify has borne results with the recent awards of work in the RAPID projects. MHB remains committed in executing the strategic plan and initiatives laid out earlier to weather this challenging period,” Dato’ 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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