



PRESS RELEASE

Kuala Lumpur, 4 May 2018

MHB Achieves Revenue of RM188.3 Million in the First Quarter of 2018

Malaysia Marine and Heavy Engineering Holdings Berhad (“MHB” or “Group”) wishes to announce its financial results for the first quarter ended 31st March 2018. The Group achieved a revenue of RM188.3 million with a pre-tax loss of RM25.3 million for the said period.

The Heavy Engineering segment recorded a revenue of RM111.3 million against RM153.5 million in the same corresponding quarter last year. The decrease was mainly due to lower revenue recognised from completed or sailaway projects while ongoing projects are either nearing completion or still at early stages of work.

The Heavy Engineering segment recorded a lower operating loss of RM12.8 million against RM24.1 million loss in the same corresponding period mainly from finalisation of completed projects in the current quarter.

For the three (3) months period under review, the offshore sector of the Heavy Engineering segment successfully sailed away five (5) units of Dangote Catenary Anchor Leg Mooring (CALM) buoy for SOFEC Inc. The Dangote CALM buoys, which weighed 2,990MT has already been deployed to the ultimate client, Dangote Oil Refining Company, offshore Nigeria.

On the onshore sector, the Heavy Engineering segment has successfully completed the centralised piping fabrication (CPF) works for Refinery and Petrochemical Integrated Development (“RAPID”) Package 5 for Toyo Engineering & Construction Sdn Bhd.

The ongoing projects for the Heavy Engineering segment include the Engineering, Procurement, Construction, Installation and Commissioning (EPCIC) of the centralised processing platform (CPP) for Bokor Phase 3 Re-Development Project and Sepat-A topside, four (4) hook-up and commissioning (HUC) work orders from CARIGALI-PTTEPI Operating Company Sdn Bhd (CPOC) and three (3) work packages for various main contractors of the RAPID project, Pengerang Integrated Complex (PIC), Johor.

The Marine segment registered a lower revenue of RM77.0 million compared to RM82.4 million in the corresponding period mainly due to lesser repair works performed as some ship owners have deferred their dry docking to a later period than planned.

For the three (3) months period, the Marine segment completed the repair and maintenance of twenty (20) vessels of various categories. In addition, the Marine segment has two (2) ongoing conversion projects namely the Nautica Bergading FSO for E.A. Technique (M) Berhad and the FSO Benchamas-2 for MISC Berhad.

The Marine segment recorded an operating loss of RM7.2 mil against RM9.4 mil profit in the same corresponding period mainly due to the decrease in revenue.



For the period under review, MHB attained a loss per share attributable to equity holders of 1.6 cents. The Group's property, plant and equipment stood at RM1.5 billion and total equity at RM2.5 billion.

Managing Director and Chief Executive Officer, Cik Wan Mashitah Wan Abdullah Sani said, "Global oil prices have seen a steady rise since 2016, spurred by cuts in global production initiated by OPEC in 2017. There are early signs of a pick up of upstream and offshore activities which will lead to a recovery in oil and gas spending in the coming years. However, this is unlikely to translate into immediate opportunities in 2018. The Heavy Engineering segment continues to suffer from scarcity of new contracts and accordingly, performance in 2018 is expected to remain under pressure."

"Meanwhile, the Marine segment encountered headwinds as ship owners deferred their dry docking activities, in reaction to uncertainty in the enforcement of new regulations in the shipping industry. Correspondingly, performance of the Marine business was impacted during this quarter. Performance in the second half is expected to improve, benefiting from the deferral of some dry docking activities into this period," said Cik Wan Mashitah.

"The Group is committed to its strategy of expanding into new business segments, in oil and gas services, to ensure sustainability of income. Replenishment of order book for both Marine and Heavy Engineering segments remains a top priority," added Cik Wan Mashitah.



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 more than 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 vessel repair and drydocking. 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

For more information, kindly contact MHB Corporate Communications:

Nor Mariam Mohd Nazir

Tel: [+603 2275 3948](tel:+60322753948)

Hp: [+6012 341 9494](tel:+60123419494)

Email: nor.mariam@mmhe.com.my

Roslina Radzlan

Tel: [+607 268 2450](tel:+6072682450)

Hp: [+6013 740 0400](tel:+60137400400)

Email: roslinaradz@mmhe.com.my