



PRESS RELEASE
Kuala Lumpur, 25 October 2018

MHB Achieves Revenue of RM701.1 Million in the Nine (9) Months of 2018

Malaysia Marine and Heavy Engineering Holdings Berhad (“MHB” or “Group”) wishes to announce its financial results for the nine (9) months ended 30th September 2018. The Group achieved a revenue of RM701.1 million with a pre-tax loss of RM97.8 million for the said period.

The Heavy Engineering segment recorded a revenue of RM427.4 million against RM429.0 million in the same corresponding period last year.

The Heavy Engineering segment posted a lower operating loss of RM40.6 million against RM48.3 million in the same corresponding period mainly due to finalisation of completed projects in the current period.

For the nine (9) months period, the Heavy Engineering business segment successfully completed/sailed away the following structures/projects for our clients:

- i) Five (5) units of Dangote Catenary Anchor Leg Mooring (CALM) buoy for SOFEC Inc.;
- ii) Centralised piping fabrication (CPF) works for Refinery and Petrochemical Integrated Development (“RAPID”) Package 5 for Toyo Engineering & Construction Sdn Bhd.;
- iii) FSO Benchamas 2 external turret for SOFEC Inc.;
- iv) Sepat-A jacket and topside for PETRONAS Carigali Sdn Bhd (PCSB)

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, 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 RM273.7 million compared to RM279.4 million in the corresponding period mainly due to lesser dry docking repair works secured as some ship owners had deferred their dry docking to a later period than planned and lower revenue from conversion works in the current period.

The Marine segment recorded an operating loss of RM48.8 million compared to an operating profit of RM40.7 million in the corresponding period of previous year as a result of additional costs incurred on conversion works where revenue recognition are still pending verification and approval by clients as well as lower margin earned on dry docking works in the current period.

For the nine (9) months period, the Marine segment successfully delivered two (2) conversion projects namely the FSO Benchamas 2 for MISC Berhad and the FSO Bergading for E.A. Technique (M) Berhad. The Marine segment has also completed the repair and maintenance of sixty six (66) vessels of various categories in the said period.



For the nine (9) months period, MHB attained a loss per share attributable to equity holders of 6.1 cents. The Group's property, plant and equipment stood at RM1.6 billion and total equity at RM2.4 billion.

Cik Wan Mashitah Wan Abdullah Sani said, "With oil prices hovering between US\$70-80 per barrel, the Group expects to see improvement in the offshore spending by oil majors. While this augurs well for order book replenishment, we are not expecting significant contribution from the Heavy Engineering segment for the remaining of this year."

"In view of the impending compliance to the International Maritime Organization (IMO) fuel sulphur cap ruling by January 2020, we expect a pickup in marine repair activities in the coming year. Whilst we are optimistic of maintaining current level of marine repair activities for the final quarter of this year, the Marine segment performance has been affected by deferment of dry dockings by clients in the first half of this year as well as protracted claim discussions with marine conversion clients."

"As the industry outlook continues to be challenging in the current financial year, we remain cautious and will focus on replenishing our order book in various geographical areas. Effort to ensure competitiveness of ongoing and future bids are progressing and remains a 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 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

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