



PRESS RELEASE

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MHB Achieves Revenue of RM479.6 Million in the First Half of 2019

Malaysia Marine and Heavy Engineering Holdings Berhad (“MHB” or “Group”) wishes to announce its financial results for the six (6) months ended 30th June 2019. The Group achieved a revenue of RM479.6 million with a pre-tax loss of RM38.3 million for the said period.

The Heavy Engineering segment revenue of RM277.3 million was 11% higher than RM249.0 million reported in the corresponding period, mainly due to higher revenue from ongoing projects in the current period.

The segment reported a higher operating loss of RM43.7 million from RM36.5 million in the corresponding period, mainly due to higher unabsorbed overheads.

For the first half of 2019, the Heavy Engineering segment successfully completed/sailed away the following structures/projects for our clients:

- i) Construction and commissioning of steel structure, piping, mechanical equipment, electrical and instrumentation erection, insulation and painting works for the Refinery and Petrochemical Integrated Development (RAPID) project Package 14 for PETRONAS’ Pengerang Integrated Complex (PIC) from PRPC Utilities And Facilities Sdn Bhd, a unit of PETRONAS;
- ii) Electro-Mechanical works for RAPID Package 3 Area 2 for Tecnicas Reunidas Malaysia Sdn Bhd and;
- iii) Fabrication of Gumusut-Kakap Phase II Extension Subsea Manifold for TechnipFMC.

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, Tembikai Non-Associated Gas (NAG) Development and Pluto Water Handling Module project.

The Marine segment registered a higher revenue of RM202.2 million, compared to RM162.3 million in the corresponding period mainly due to higher revenue from dry docking services on LNG carriers. The segment reported an operating profit of RM1.2 million against operating loss of RM32.8 million in the corresponding period due to additional costs recognised for conversion work.

For the six (6) months period, the Marine segment completed the repair and maintenance of thirty-eight (38) vessels of various categories, of which ten (10) were from LNG carriers’ repair works.

For the period under review, MHB attained a loss per share attributable to equity holders of 2.4 cents. The Group’s property, plant and equipment stood at RM1.7 billion and total equity at RM2.4 billion.



Managing Director and Chief Executive Officer, Cik Wan Mashitah Wan Abdullah Sani said, “The overall outlook for the second half of the year remains uncertain amidst prolonged unresolved trade tensions, slowing economic growth as well as escalating geopolitical tensions that continue to impact business confidence and investments. Despite the uncertainties, offshore oil and gas production activities continue to improve albeit moderately. We continue to remain vigilant on the outlook of the industry in the near term and the timing of capital spending by major oil and gas players.”

“The outlook for marine business continues to improve, supported by higher work volume for upgrading and retrofitting work due to the imminent implementation of IMO 2020 sulphur cap regulation. LNG tanker market is healthy, underpinned by export project start-ups in the United States and Australia which is driving demand for global LNG trade.”

“Our recent contract award from PETRONAS Carigali Sdn Bhd for the engineering, procurement, construction, installation and commissioning (EPCIC) works for the Kasawari Gas Development project demonstrates our commitment to ensure the sustainability of our order book.”

“As the industry outlook continues to be challenging in the current financial year, we remain cautious and will focus on replenishing order book in various geographical areas as well as diversifying into other businesses. Cost management, quality and timely deliverable of projects remain as a priority to ensure an improved bottom line,” 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

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