



**PRESS RELEASE**

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**MHB Achieves Revenue of RM733.9 Million in the Nine (9) Months of 2019**

Malaysia Marine and Heavy Engineering Holdings Berhad (“MHB” or “Group”) wishes to announce its financial results for the nine (9) months ended 30<sup>th</sup> September 2019. The Group achieved a revenue of RM733.9 million with a pre-tax loss of RM42.7 million for the said period.

The Heavy Engineering segment posted a slightly higher revenue of RM430.1 million against RM427.4 million reported in the corresponding period.

As compared to the corresponding period, the segment reported a higher operating loss of RM50.4 million from RM40.6 million mainly due to lower contribution from post sail away projects.

For the nine (9) months period, 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;
- iii) Fabrication of Gumusut-Kakap Phase II Extension Subsea Manifold for TechnipFMC and;
- iv) Tembikai Non-Associated Gas (NAG) Development.

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, Pluto Water Handling Module project, and EPCIC works for the Kasawari Gas Development project.

The Marine segment registered a higher revenue of RM303.8 million, compared to RM273.7 million in the corresponding period mainly due to higher revenue from dry docking services on LNG carriers. The segment recorded an operating profit of RM3.2 million against operating loss of RM48.8 million in the corresponding period due to higher contribution from conversion work as well as dry docking services on LNG carriers in the current period.

For the nine (9) months period, the Marine segment completed the repair and maintenance of fifty-nine (59) vessels of various categories, of which sixteen (16) were from repair works on LNG carriers.



For the period under review, MHB attained a loss per share attributable to equity holders of 2.7 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, "Despite improvement in the current quarter performance against the preceding quarter, the short term overall outlook remains uncertain in view of intensifying geopolitical tensions, slowing global economic growth, sluggish oil demand and the ongoing unresolved trade conflict between the United States of America and China. We remain vigilant on the outlook for the Heavy Engineering business in the near term due to the uncertainty on the timing of capital spending by major oil and gas players.

The outlook for the Marine business is expected to remain challenging as shipyards strive to capture opportunities in order to maximise utilisation amidst stiff competition in a volatile market. Although prospects for upgrading and retrofitting jobs are expected to improve in light of the forthcoming IMO2020 sulphur cap implementation, some shipowners are considering to reduce their dry docking repair costs in the current volatile market.

We are cautiously optimistic on the recovery of the industry should there be a resolution of the trade dispute currently impacting the global economy. We shall continue to focus on replenishing our order book in various geographical areas as well as diversifying into new businesses. Improving profitability remains our priority by continuously exercising cost optimisation efforts and ensuring quality and timely deliverable of projects." 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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