



PRESS RELEASE

Kuala Lumpur, 27th April 2015

MHB Attains Pretax Profit Of RM35 Million in the 1st Quarter 2015

- Higher revenue of RM719 million compared to the same corresponding quarter of last year and the preceding quarter
- Profit before taxation of RM35 million
- Secured new contract on Hook Up & Commissioning for Kanowit project valued at RM30.4 million
- Secured marine repair and refurbishment contract from South Korea

Malaysia Marine and Heavy Engineering Holdings Berhad (MHB) is pleased to announce its financial results for the three (3) months ended 31 March 2015. The Group achieved a revenue of RM719 million with profit before tax of RM35 million.

For the quarter under review, MHB has successfully completed the Jacket structure for the SK316 Wellhead Platform (WHP) project.

MHB's offshore business segment achieved a revenue of RM616 million. Currently, the Group is fabricating the Malikai EPC Tension Leg Platform (TLP), the SK316 CPP and WHP, the Besar-A WHP and Jacket, the North Malay Basin Project's Bergading WHP, Jackets and connecting bridge and the External Turret Mooring System for the PETRONAS Floating Liquefied Natural Gas 2 project. For the quarter under review, the offshore business segment secured a Hook Up & Commissioning contract for the Kanowit project valued at RM30.4 million.

The offshore business segment has also further defined its organisational structure to ensure all projects are delivered safely, on time, within budget and with customer service excellence. The new organisation comprises the establishment of a production centric unit focusing on production KPIs and a business centric unit having accountability of project delivery to our customers.

MHB's marine business segment posted higher revenue and profit against the corresponding quarter mainly due to the higher value of repair works for rigs, Floating Storage Units (FSU) and general cargo vessels. For the quarter under review, the marine business segment secured another *enbloc* repair and refurbishment contract from South Korea's Pan Ocean. The agreement effectively secures six (6) VLOC vessels for dry docking repairs scheduled throughout 2015.

During the quarter under review, MHB attained a net profit of RM36 million. Earnings per share ("EPS") attributable to equity holders of MHB is 2.3 sen for the first quarter ended 31 March 2015. With ongoing investments in the yard optimisation programme, the Group's property, plant and equipment have increased to RM1.62 billion. Total equity has increased to RM2.67 billion.



Managing Director & Chief Executive Officer Tuan Haji Abu Fitri Abdul Jalil, who was appointed in March 2015, will continue the transformation programme of the Company. Abu Fitri commented “We are already seeing improvements in efficiency and cost management in our project execution. Moving forward, the increased emphasis would be on business development and marketing”.

“The business we are in remains challenging with tough operating conditions. Nevertheless, we are cautiously optimistic in building up our order book in the medium term (within the next 9-12 months). Our immediate priorities are to focus on smaller EPCIC jobs to keep the yards running and our people busy”.

“The Group is taking up new challenges in bidding for international offshore and onshore fabrication projects. We are reasonably optimistic that we are able to compete effectively for jobs in the overseas market. We are currently pursuing some RM7 billion worth of projects both internationally and locally” added Tuan Haji Abu Fitri.

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).

For more information, kindly contact MHB Corporate Communications:

Lina Yap-Abdullah

Tel: [+603-2275 3786](tel:+603-22753786)

Hp: [+6012-603 5279](tel:+6012-6035279)

Email: lina.yap-abdullah@mmhe.com.my

Nor Mariam Mohd Nazir

Tel: [+603-2275 3948](tel:+603-22753948)

Hp: [+6012-341 9494](tel:+6012-3419494)

Email: nor.mariam@mmhe.com.my