



PRESS RELEASE

Kuala Lumpur, 5th February 2015

MHB Attains 12-Month Pretax Profit Of RM119 Million

- Revenue of RM2.7 billion
- Profit before taxation of RM119 million
- Secured fabrication contract for NMB Bergading Complex and PCC contract for Besar-A

Malaysia Marine and Heavy Engineering Holdings Berhad (MHB) is pleased to announce its financial results for the twelve (12) months ended 31 December 2014. The Group achieved a revenue of RM2,701 million with profit before tax of RM119 million.

For the financial year under review, MHB has successfully sailed away/ completed the following structures for our customers:

- i) FPSO Cendor
- ii) Tapis R Topsides and
- iii) Keabangan Topsides

MHB's offshore business segment achieved an operating profit of RM65 million. The Group successfully completed and delivered the FPSO Cendor, Tapis R Topsides and KBB Topsides projects to our customers throughout the year. The Group is currently fabricating the Malikai EPC Tension Leg Platform (TLP), SK316 Central Processing Platform (CPP), Besar-A Topside and Jacket, and NMB Bergading Wellhead Platform (WHP) and Jacket.

MHB's offshore business segment has also further refined its organisational structure to focus on higher productivity and efficiency. The new organisation comprises the establishment of a production centric unit focusing on production key performance indicators and a business centric unit having accountability of project delivery to our customers.

MHB's marine business segment posted an operating profit of RM33 million amidst competition from regional repair players with higher capacity. A total of 103 projects were repaired and refurbished throughout the year. For the second time in its 40-year history, the Group recorded a full capacity of 15 vessels and rigs in its docks for repair and refurbishment works. This is the highest number of vessels and rigs occupying the West Yard simultaneously. The last full capacity record was 14 vessels in 2003.

At the bottom line, MHB attained a net profit of RM130 million. Earnings per share (EPS) attributable to equity holders of MHB is 8.1 sen for the financial year ended 31 December 2014. With ongoing investments in the yard optimisation programme, the Group's property, plant and equipment have increased to RM1.6 billion. Total equity has increased to RM2.6 billion.



Managing Director & Chief Executive Officer, Mr. Dominique de Soras commented, "2014 has seen quite considerable progress in addressing the high demands and requirements of our customers. On the safety front, we had some incidents which show that we must do more to ensure a safe and secure environment for the staff and subcontractors who are working in our two yards."

"The year 2014 also saw a number of distinctive achievements in terms of delivery of our Cendor, Tapis and Keabangan projects. The Marine Repair team also recorded excellent performance in ensuring safe and reliable project delivery to our customers' satisfaction."

"2015 will be another challenging year. Major resource owners and O&G operators will be cutting back on some of their investments to cope with reduced revenue as currently dictated by low oil prices. This will invariably impact our industry and will once again, force us to be even more cost conscious and vigilant in our spending."

About MHB

Malaysia Marine and Heavy Engineering Holdings Berhad (MHB) is a leading marine and heavy engineering services provider in South-east Asia region, focused primarily on the oil and gas sector. It offers a wide spectrum of offshore solutions which include offshore construction, offshore conversion; and marine repair services at 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).

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