



PRESS RELEASE
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MHB Attains Pre-Tax Loss of RM5.3 Million in the 1st Quarter 2016

- Revenue of RM256.7 million
- Pre-Tax Loss of RM5.3 million
- Growth in the Marine business continue to mitigate the slower Offshore business
- Secured RAPID Package-3 piping prefabrication sub-contract work

Malaysia Marine and Heavy Engineering Holdings Berhad (“MHB” or “Group”) wishes to announce its financial results for the three (3) months ended 31st March 2016. The Group achieved a revenue of RM256.7 million with a pre-tax loss of RM5.3 million.

For the quarter period under review, MHB has successfully sailed-away/loaded-out or completed the following structures/projects for our clients:

- i) Kanowit hook-up & commissioning, and
- ii) Repair and maintenance works of sixteen (16) vessels of various types

The Offshore business unit recorded a revenue of RM136.4 million against RM616.3 million in the same corresponding period last year. The contraction was due to lower backlog as most projects are nearing completion and lesser change orders recognised in the current period.

The Malikai Tension Leg Platform project is close to completion which is expected by 3rd quarter 2016. The offshore unit continues with existing fabrication works for Besar-A Wellhead Platform (WHP) topside and jacket; Bergading WHP topside and jacket, Centralised Processing Platform (CPP) jacket and bridge; Baronía CPP jacket and bridge; and FLNG-2 turret. Works have commenced on the four (4) sub-contract packages under the RAPID Pengerang projects and will soon start on the F12 Kumang WHP project. During the quarter, the offshore business secured a small piping prefabrication work for RAPID Package-3 project.

The Marine business unit registered a higher revenue of RM120.3 million compared to RM103.2 million in the previous year corresponding period due to higher work value for LNG, LPG, FPSO and FSU category vessels repaired.

For the quarter under review, MHB attained a loss per share attributable to equity holders of 0.5 sen. With ongoing investments in the yard optimisation programme, the Group’s property, plant and equipment stood at RM1.63 billion and total equity at RM2.67 billion.

Managing Director and Chief Executive Officer, Dato’ Haji Abu Fitri Abdul Jalil said, “Given the challenging environment in the upstream segment, the Group’s offshore business is expected to remain sluggish. MHB has, however, over the years taken several initiatives to diversify into other business areas which include piping, mechanical and structural service works for the refinery and petrochemical segment, hook-up & commissioning as well as facilities improvement and maintenance projects”.



“These initiatives have borne positive result with MHB securing contracts in these areas in 2015 and the works are in-progress. Intensified marketing and bidding activities are ongoing to replenish the order book, the outcome of which will be subject to final investment decisions by clients to proceed with such projects amidst the low crude oil price scenario”.

“The marine business is expected to remain positive and will, to a certain extent, cushion the slowdown of the offshore business. The Group is currently looking at several initiatives to expand the marine repair business to balance its revenue mix. Overall, the Group continues to focus on its cost management and resource optimization efforts in line with the outlook of the industry”, he commented.

Dato’ Haji Abu Fitri Abdul Jalil, who will end his 14-months tenure with MHB on 30th April 2016 before returning to PETRONAS, added, “I am reasonably optimistic and look forward to MHB successfully navigating through the current downcycle with the initiatives that had commenced 12-18 months ago”.



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 offshore facilities and vessels.

MHB has a 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 carrier 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 offshore and onshore construction
- Complete conversion works in one location
- Comprehensive marine repair, refurbishment, upgrading and life extension of vessels and rigs

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