



PRESS RELEASE

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MHB Attains Pre-Tax Loss of RM8.4 Million in the Nine (9) Months of 2016

Malaysia Marine and Heavy Engineering Holdings Berhad (“MHB” or “Group”) wishes to announce its financial results for the nine (9) months ended 30th September 2016. The Group achieved a revenue of RM887.7 million with a pre-tax loss of RM8.4 million for the said period.

For the quarter period under review, MHB successfully completed the following projects/structures for our clients:

- i) sail-away of 27,500 tonnes Malikai Tension Leg Platform for the ultimate client Shell to the Malikai deepwater field 100km off the Sabah coast,
- ii) load-out of jacket for the wellhead platform (WHP) topside of the Besar-A project,
- iii) integration of turret onto the Bergading vessel which is undergoing FSO conversion, and
- iv) repair and maintenance works of forty three (43) vessels of various types for the cumulative period.

Heavy Engineering business unit recorded a revenue of RM573.9 million against RM1,379.6 million in the same corresponding period last year. The contraction was due to lower revenue recognised in the current period on the back of fewer and lower value project in progress. The unit continues the ongoing fabrication works for Besar-A WHP topside, Baronia Centralised Production Platform jacket and bridge, PETRONAS FLNG-2 turret, F12 Kumang WHP and five (5) onshore packages with various main contractors of the Refinery and Petrochemical Integrated Development (RAPID) project.

Marine business unit registered a lower revenue of RM313.8 million compared to RM358.3 million in the previous year corresponding period mainly due to lower number of LNG and rig repairs as well as conversion works. The unit is currently completing the FSO Nautica Bergading conversion which is targeted for sail-away in January 2017.

For the period under review, MHB attained a loss per share attributable to equity holders of 0.9 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 RM2.66 billion.

Acting Chief Executive Officer, Cik Wan Mashitah Wan Abdullah Sani said, “The continued downturn of the oil and gas industry is expected to impact our business in terms of significant offshore project cancellations and deferrals. This is expected to result in further decline in the Group’s asset utilisation, currently being assessed for impairment which will significantly affect the current year financial result. Nevertheless, the Group continues its efforts on cost management and resource optimisation and has been successful so far in reducing its operating cost in line with the outlook of the industry”.

“In addition, we are also intensifying our effort in realising the initiatives we had embarked upon to replenish its order book, namely from onshore segment, hook-up & commissioning and facilities improvement”, added Cik Wan Mashitah.



** Following the recent internal changes, the 'Heavy Engineering' unit is now the division in MHB which caters for Offshore and Onshore EPCIC and other related services. Previously it was known as 'Offshore Business' unit.*

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 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 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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