



**PRESS RELEASE**

Kuala Lumpur, 13 February 2019

**MHB Announces After tax Loss of RM124.1 Million for the Financial Year ended 31<sup>st</sup> December 2018**

Malaysia Marine and Heavy Engineering Holdings Berhad (“MHB” or “Group”) wishes to announce its financial results for the twelve (12) months ended 31<sup>st</sup> December 2018. The Group achieved a revenue of RM974.3 million with an after tax loss of RM124.1 million for the said period. The after tax loss translates to a 7.7 sen loss per share attributable to the equity holders of MHB for the year ended 31<sup>st</sup> December 2018.

The Heavy Engineering segment recorded a revenue of RM651.5 million against RM591.3 million in the prior year contributed by higher revenue from ongoing projects. The segment posted a higher operating loss of RM39.0 million against RM36.7 million in the corresponding year, mainly due to close-out of significant projects in the corresponding year.

For the year under review, the Heavy Engineering segment successfully sailed away/completed the following structures/projects for our clients:

- i) Five (5) units of Dangote Catenary Anchor Leg Mooring (CALM) buoy for SOFEC Inc.;
- ii) Centralised piping fabrication (CPF) works for Refinery and Petrochemical Integrated Development (“RAPID”) Package 5 for Toyo Engineering & Construction Sdn Bhd.;
- iii) Piping and steel structure installation works for Refinery and Petrochemical Integrated Development (“RAPID”) Refinery of Gas (RoG) area for Toyo Engineering & Construction Sdn Bhd.;
- iv) Sepat-A jacket and topside for PETRONAS Carigali Sdn Bhd (PCSB).

In addition to the above, the Heavy Engineering segment also successfully completed three (3) hook-up and commissioning (HUC) work orders for CARIGALI-PTTEPI Operating Company Sdn Bhd (CPOC).

The segment continues the ongoing works on the centralised processing platform (CPP) for Bokor Phase 3 Re-Development Project, Pluto Water Handling Module project, Gumusut-Kakap Phase II Extension Subsea Manifold project and two (2) work packages for various main contractors for the RAPID project, Pengerang Integrated Complex (PIC), Johor.

The segment has been awarded a work order for the Supply and Installation of Offshore Wellhead Facilities for Tembikai Non-Associated Gas (TNAG) Field Gas Development under the ‘call-out’ basis contract for Vestigo Petroleum Sdn Bhd. Upon completion, the 1,850 MT topside and jacket will operate at the Tembikai field located approximately 150 kilometres offshore Terengganu.

The Marine segment registered a lower revenue of RM322.9 million compared to RM365.1 million in the prior year mainly due to lower revenue recognised from conversion works in the current year. The segment recorded an operating loss of RM81.7 million compared to an operating profit of RM52.8 million in the corresponding year, mainly due to insufficient contribution to absorb fixed overheads in the current year. This arose from lower LNG dry docking activities coupled with suppressed margins from other marine works.



For the twelve (12) months period, the Marine segment successfully delivered two (2) conversion projects namely the FSO Benchamas 2 for MISC Berhad and the FSO Bergading for E.A. Technique (M) Berhad. The segment also completed repair and maintenance works on ninety three (93) vessels of various categories over the said period.

The Group's property, plant and equipment and total equity as at the end of the financial year ended 31<sup>st</sup> December 2018 stood at RM1.6 billion and RM2.4 billion, respectively.

Managing Director & Chief Executive Officer, Cik Wan Mashitah Wan Abdullah Sani said, "There has been positive signs that oil prices have begun to ease at between \$50-\$70 per barrel. Despite the gradual improvement, a range of factors has continued to influence oil prices including production cuts by OPEC, growth in US shale oil production and growing political tension across the globe. We remain prudent on the outlook for the industry in the near term given the uncertainties surrounding timing of capital spending by major oil and gas players."

"The outlook for Marine business remains positive as global LNG trade is expected to expand firmly driven by increase of exports from the US and Australia to Asia. In view of the forthcoming implementation of new rules by International Maritime Organization (IMO), we expect no further deferment by ship owners for dry docking activities in 2019."

"We had during the year secured a number of long term offshore fabrication frame agreements which are on call-out basis including the Long Term Agreement (LTA) signed with Saudi Arabian Oil Company (Saudi Aramco). These are expected to contribute positively to our revenue in 2019 and beyond."

"Meanwhile, we remain committed to replenish our orderbook in various geographical areas. Effort to ensure competitiveness of ongoing and future bids are continuing and remains a priority," 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

**For more information, kindly contact MHB Corporate Communications:**

**Nor Mariam Mohd Nazir**

Tel: [+603 2275 3948](tel:+60322753948)

Hp: [+6012 341 9494](tel:+60123419494)

Email: [nor.mariam@mmhe.com.my](mailto:nor.mariam@mmhe.com.my)

**Roslina Radzlan**

Tel: [+607 268 2450](tel:+6072682450)

Hp: [+6013 740 0400](tel:+60137400400)

Email: [roslinaradz@mmhe.com.my](mailto:roslinaradz@mmhe.com.my)