



PRESS RELEASE

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MHB Achieves Revenue of RM203.1 Million in the First Quarter of 2019

Malaysia Marine and Heavy Engineering Holdings Berhad (“MHB” or “Group”) wishes to announce its financial results for the first quarter ended 31st March 2019. The Group achieved a revenue of RM203.1 million with a pre-tax loss of RM29.5 million for the said period.

The Heavy Engineering segment revenue of RM125.4 million was 13% higher than RM111.3 million reported in the corresponding quarter, mainly due to higher progress of ongoing projects in the current quarter.

The segment reported a higher operating loss of RM23.9 million from RM12.8 million in the corresponding quarter, mainly due to higher unabsorbed overheads as expected contract awards have yet to materialise.

The ongoing projects for the Heavy Engineering segment include the Engineering, Procurement, Construction, Installation and Commissioning (EPCIC) of the centralised processing platform (CPP) for Bokor Phase 3 Re-Development Project, Tembikai Non-Associated Gas (NAG) Development and Pluto Water Handling Module project; fabrication of 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.

Revenue from the Marine Business segment of RM77.7 million was marginally higher than the corresponding quarter. The segment reported an operating loss of RM7.5 million, comparable to the corresponding quarter.

For the three (3) months period, the Marine Business segment completed the repair and maintenance of eighteen (18) vessels of various categories during the quarter, of which four (4) were from LNG carriers’ repair works.

For the period under review, MHB attained a loss per share attributable to equity holders of 1.8 cents. The Group’s property, plant and equipment stood at RM1.7 billion and total equity at RM2.4 billion.

Managing Director and Chief Executive Officer, Cik Wan Mashitah Wan Abdullah Sani said, “The production cut agreement by OPEC and Non-OPEC members and growing supply disruptions from oil producers have spurred the oil prices to above \$60 per barrel. Despite the oil price stability, project sanctions and materialisation of work orders are slower than expected especially in the offshore fabrication segment, affecting the replenishment of orderbook.”

“The Marine Business segment is making a progress towards recovery. We expect to see more dry docking activities at our yard in view of encouraging growth in global sea trade. During the period under review, we have received more orders for LNG carriers’ repair projects compared to last year and we are positive of maintaining current level of marine repair activities for this year.”



“Our effort to diversify our business into new areas have begun to bear fruit with the recent award of a long term plant turnaround and maintenance services by PETRONAS. This is aligned with our strategy to venture into services that provides recurring orders in support of business sustainability.”

“As the industry outlook continues to be challenging in the current financial year, we remain cautious and committed to focus on replenishing our order book, not only from the domestic market but also various geographical areas,” 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

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