



QUARTERLY IR UPDATES

3rd Quarter 2020 Financial Results & Updates

27 October 2020



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Business Highlights

Projects

Financials

Shareholding Information

Key Focus Areas

Key Highlights in 9M 2020



FINANCIALS

Recorded:

- Revenue of RM871.2 mil for 9M 2020 and RM369.5 mil for 3Q 2020
- Pre-tax loss of RM392.1 mil for 9M 2020 and pre-tax profit of RM2.5 mil for 3Q 2020



HEAVY ENGINEERING BUSINESS MILESTONES:

- Completed construction of FSO Golden Star External Turret
- Awarded contract for onshore fabrication and offshore modification services for CPOC facilities
- Sailed away of Bokor Phase 3 Re-Development Project CPP
- Sailed away of Bergading MRU Module



MARINE BUSINESS MILESTONES:

- Completed repair & maintenance of 38 vessels
- Secured 44 jobs
- Completed FSO Golden Star conversion works

Business Highlights

2 Projects

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Sailed away in August 2020

Bokor Phase 3 Re-Development CPP



Sailed away in September 2020

Bergading MRU Module



Progress is at 99.25% as of September 2020

Pluto Water Handling Module



Progress is at 23.22% as of September 2020

EPCIC Kasawari Gas Development Project



Progress is at 55.98% as of September 2020

Bekok Oil Project



Notable Marine Repair Projects Delivered in Q3 2020 – Gas



Southern Cross

Vessel owner: Mitsui OSK Lines Ltd
Deadweight: 96,318 tonnage
Job scope: 1st Special Survey Dry-docking & Repairs
Delivery date: 5 August 2020



Beidou Star

Vessel owner: Mitsui OSK Lines Ltd
Deadweight: 96,318 tonnage
Job scope: 1st Special Survey Dry-docking & Repairs
Delivery date: 2 September 2020

Notable Marine Repair Projects Delivered in Q3 2020 – Non Gas



Captain Vangelis

Vessel owner: Kyla Shipping, Greece

Deadweight: 169,044 tonnage

Job scope: 2nd Special Survey, External Hull Painting, Propeller Polishing and Mooring Fitting Modification

Delivery date: 9 August 2020



Oceana Sun

Vessel owner: Oceana Shipmanagement Ltd

Deadweight: 42,529 tonnage

Job scope: Dry-docking Repairs & Bulbous Bow Collision Repair

Delivery date: 9 July 2020

Sailed away in September 2020

FSO Golden Star



Progress is at 98.24% as of September 2020

Dry Dock 3 (DD3)



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Income Statement, Sequential Quarter

• Revenue

- Increase mainly due to higher revenue from both segments. Preceding quarter's lower revenue was mainly affected by the yard suspension during the MCO and border restriction

• Operating and Pre-Tax Profit/(Loss)

- Reported operating and pre-tax profit mainly due to COVID-19 associated costs of RM90 million recognised in the preceding quarter

Income Statement (RM 'm)	3Q 2020	2Q 2020
Revenue	369.5	155.3
Heavy Engineering	270.9	112.1
Marine	98.6	43.3
Operating Profit/(Loss)	2.5	(100.2)
Heavy Engineering	0.2	(69.8)
Marine	1.2	(30.0)
Others	1.0	(0.5)
Impairment Loss	-	(300.0)
Finance Cost	-	-
Share of Results of JV	-	-
Pre-Tax Profit/(Loss)	2.5	(400.2)
Taxation	(0.1)	(0.1)
Net Profit/(Loss)	2.4	(400.3)
EPS/(LPS)	0.2 sen	(24.8) sen

Note : Due to rounding, numbers may not tally with the total

Income Statement, Year-on-Year

• Revenue

- Heavy Engineering – Increase mainly contributed by higher revenue from on-going projects
- Marine – Lower mainly contributed by lower dry-docking services following the yard shutdown during the MCO and the Government's border restriction ruling

• Operating Loss

- Heavy Engineering – Higher mainly due to additional cost provision and associated higher unabsorbed overheads arising from the COVID-19 pandemic.
- Marine – Operating loss in tandem with lower revenue and higher unabsorbed overheads

• Pre-Tax Loss

- Higher mainly due to provision of impairment loss, additional costs from COVID-19 pandemic and higher unabsorbed overheads in the current period

Income Statement (RM 'm)	9M 2020	9M 2019
Revenue	871.2	733.9
Heavy Engineering	609.7	430.1
Marine	261.5	303.8
Operating Loss	(92.1)	(42.7)
Heavy Engineering	(68.3)	(50.4)
Marine	(30.3)	3.2
Others	6.5	4.5
Impairment Loss	(300.0)	-
Finance Cost	-	-
Share of Results of JV	-	-
Pre-Tax Loss	(392.1)	(42.7)
Taxation	(0.3)	(0.9)
Net Loss	(392.4)	(43.7)
Loss Per Share	(24.3) sen	(2.7) sen

Note:

1. Segmental Revenue and Operating Profit is post inter-segment eliminations
2. Due to rounding, numbers may not tally with the total

Balance Sheet

• Total assets of RM3.2 bil

- Lower Non-Current Assets – Impairment loss on property, plant and equipment and right-of-use assets
- Lower Cash – Timing of the investing and financing activities
- Higher Borrowing – Higher borrowing from additional disbursement of loan for the construction of Dry Dock No. 3
- Higher Payables – Additional costs from COVID-19 pandemic and higher payables

• NTA per share of RM1.24

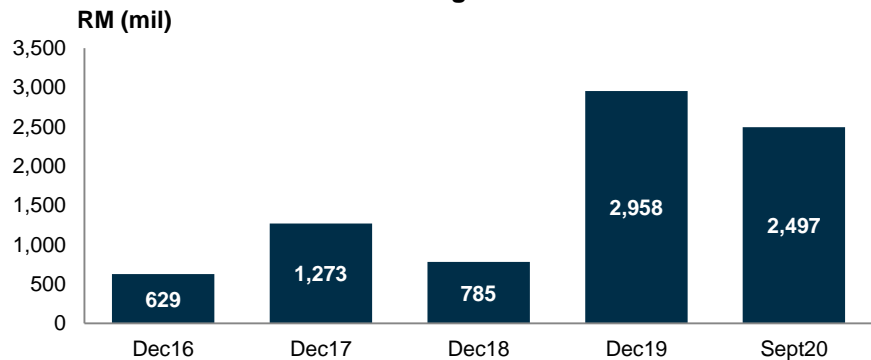
Balance Sheet (RM 'm)	Sept 2020	Dec 2019
Non-Current Assets	1,796.7	2,034.9
Inventories	3.7	4.3
Receivables	728.6	504.1
Cash & bank	657.2	673.9
Tax recoverable	1.0	0.8
Total Assets	3,187.2	3,218.0
Shareholders' Funds	1,980.0	2,372.3
Non-Controlling Interests	5.0	9.2
Borrowing	232.9	178.9
Long Term Lease Liabilities	7.1	8.6
Payables	939.1	645.5
Borrowing	15.5	-
Short Term Lease Liabilities	2.0	2.0
Derivatives	5.6	1.6
Total Equity & Liabilities	3,187.2	3,218.0

NTA per share **RM1.24** **RM1.49**

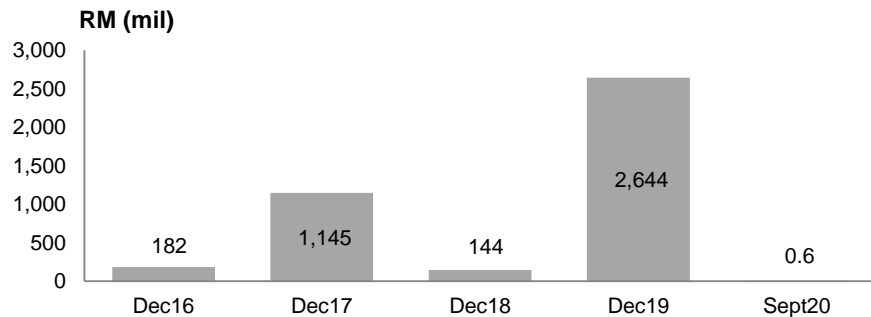
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Backlog & Order Intake

Backlog

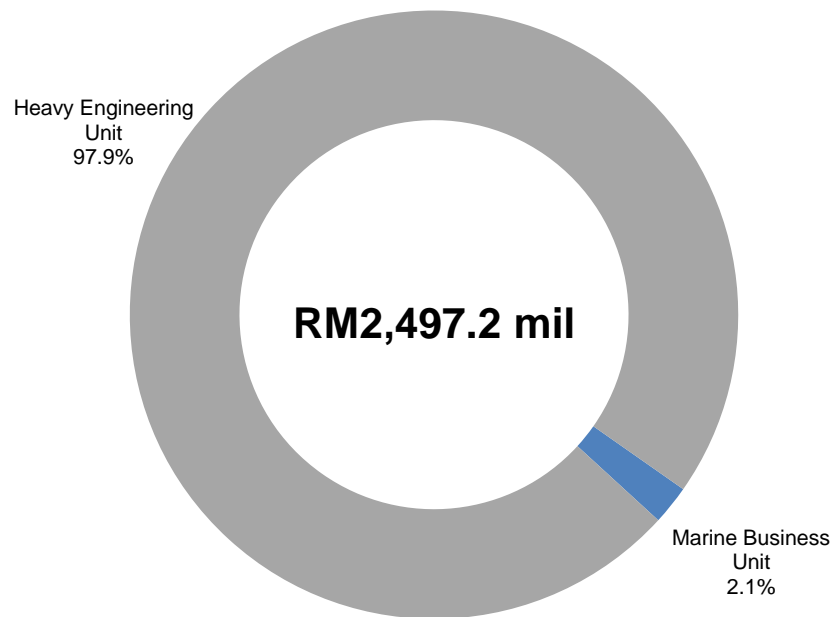


New Order Intake



Note: New Order Intake excludes Marine Business segment

MHB Backlog as of
30 September 2020



Business Highlights

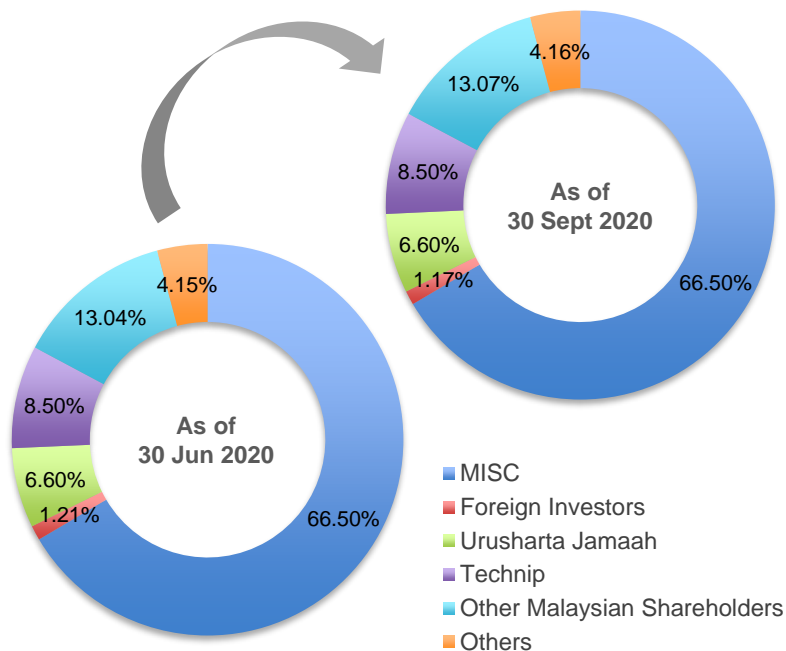
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Shareholding Information

Key Focus Areas

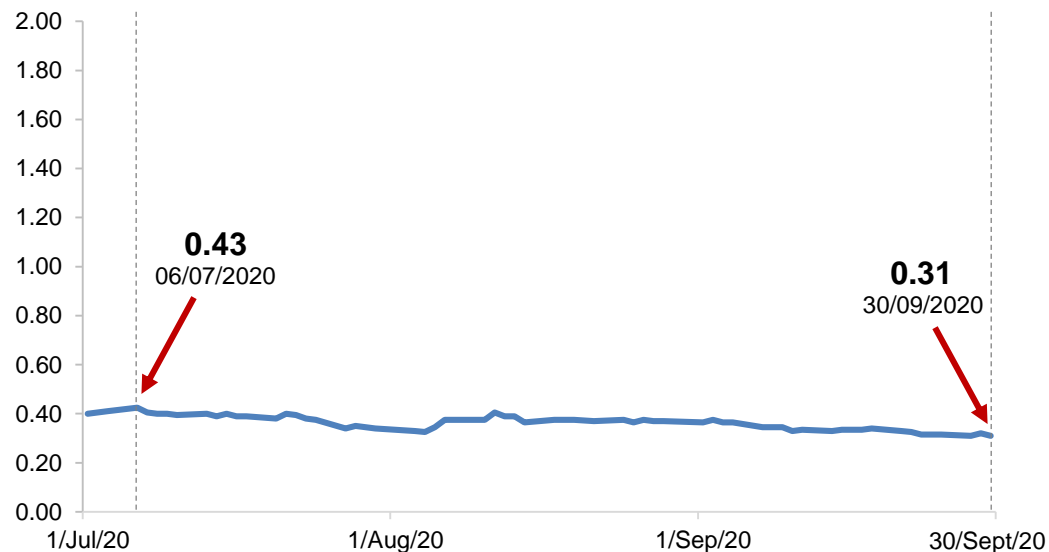
Shareholding Information & Share Price



Note: Others include the following:

	Jun-20	Sept-20
Lembaga Tabung Angkatan Tentera (LTAT)	2.23%	2.23%
EPF	0.10%	0.11%
Amanah Trustees	1.82%	1.82%

Share Price (RM)



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Heavy
Engineering
Tenders Worth

RM12.26 billion have been submitted as of September 2020

Strategy &
Initiatives

- ▶ Continue pursuing existing business of Marine & Heavy Engineering and expanding marine capacity through additional dry dock
- ▶ Continue exploring new business opportunities namely modular fabrication and offshore wind farm
- ▶ Reinforce internal process control and strengthening project planning
- ▶ Implement productivity improvement initiative to achieve operational efficiency
- ▶ Upskill manpower through capability development programs

Thank You

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