



Malaysian Bulk Carriers Berhad 30th Annual General Meeting

Sime Darby Convention Centre, 3 May 2019

Alam Kekal

Alam Kuasa

Alam Kukuh



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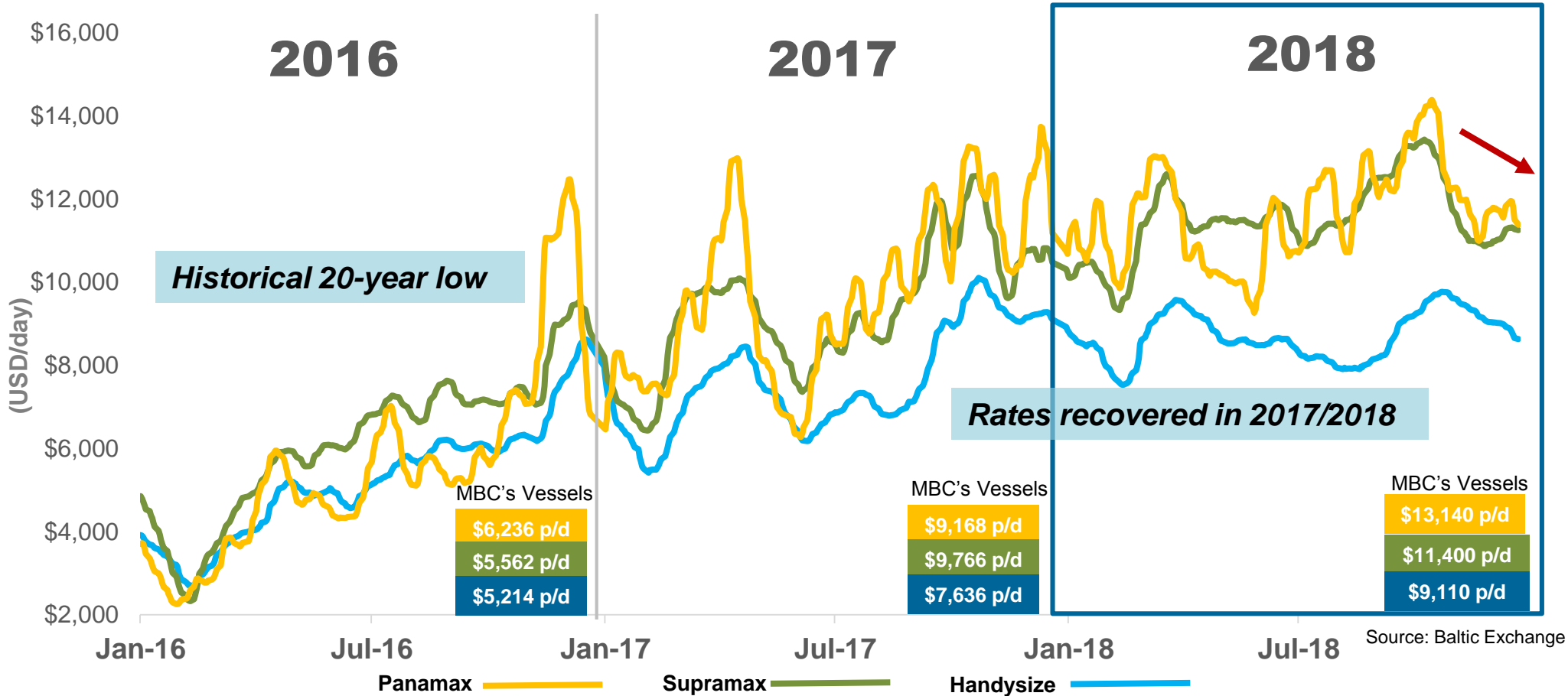


2018 IN REVIEW & HIGHLIGHTS



2018 IN REVIEW

Drybulk Shipping Market Recovering from Historical Low



Improvement in 2018 mainly attributed to growth in global seaborne trades and healthy ship-supply fundamentals



2018 IN REVIEW – KEY HIGHLIGHTS

- For Full Year 2018, MBC reported a profit before tax of RM264.8 million compared with a loss of RM129.0 million in 2017.
- Excluding gain on disposal of POSH shares, the Group's operating loss decreased to RM19.3 million in 2018 from a loss of RM21.1 million in 2017.
- Average fleet earnings in TCE/day improved by about 24% to \$10,180/day from \$8,188/day in 2017. Total fleet days was 5,150 days in 2018 vs 6,717 days in 2017 (23% lower) mainly due to the disposal of vessels.
- Key Highlights:
 - Net gain of RM265.9 million from disposal of its 21.23% interest in POSH;
 - Fleet Renewal Programme
 - Disposed 4 older ships - the Alam Makmur, Alam Penting, Atlantic Progress and Atlantic Dream;
 - Took delivery of 3 new ships, the Alam Kekal (Oct 2018); Alam Kukuh (Jan 2019) and Alam Kuasa (Apr 2019); and
 - Improved operating performance through fleet safety measures, cost management and improved market rates.



MBC continues to implement measures to build up its business resilience and financial health










FINANCIAL HIGHLIGHTS



2018 GROUP FINANCIAL HIGHLIGHTS

Improved operating results in 2018 compared to the previous year

(RM Million)	2018	2017	Improvements
Net Revenue	198.3 <i>15 ships (5,150 hire days)</i>	197.7 <i>18 ships (6,717 hire days)</i>	+0.3% 
Loss from Operation	(19.3)	(21.1)	+8.5% 
Exceptional Items*	292.5	104.0	+181.3% 
Associate	(8.4)	(211.9)	+96.0% 
Profit/(Loss) Before Tax	264.8	(129.0)	+205.3% 

* Gain on disposal of an associate (POSH) was RM265.9 million.

The improved operating results in 2018 was mainly due to higher earnings from fleet performance and market rates improvement, despite reduced fleet size

2018 GROUP FINANCIAL HIGHLIGHTS

Disposal of POSH shares - Net Proceeds of RM 249.2 million

- The Group disposed of its associate, PACC Offshore Services Holdings Ltd (“POSH”) by way of a Renounceable Restricted Offer for Sale (“ROS”) to MBC shareholders with an offer price of RM0.65 per POSH share.
- The ROS was completed on 25 October 2018 and MBC received net proceeds of RM 249.2 million. The proceeds have been allocated for working capital, repayment of borrowings, and to part finance the construction costs of the new vessels.

	(RM Million)
Net sales proceed	249.2
Less: Carrying amount of associate	(387.7)
	(138.5)
Reclassification of reserves	404.4
Gain on disposal of an associate	265.9






OUR FLEET



OUR FLEET -

Fuel Efficient, Modern Fleet with Average Age of 5.9 years

Total of 16 owned and operated vessels

(As of 30 April 2019)		Vessels in operation		Total	Total Capacity (Million DWT)	Average Age (Owned & Operated Fleet)
		Owned	Long-term Chartered			
	Post-Panamax & Kamsarmax <i>approx 80,000–90,000 dwt</i>	5	0	5	420,341	5.7
	Supramax <i>approx 55,000-60,000 dwt</i>	4	2	6	355,933	6.2
	Handysize <i>approx 30,000-36,000 dwt</i>	1	4	5	164,467	5.8
Total		10	6	16	940,946	5.9

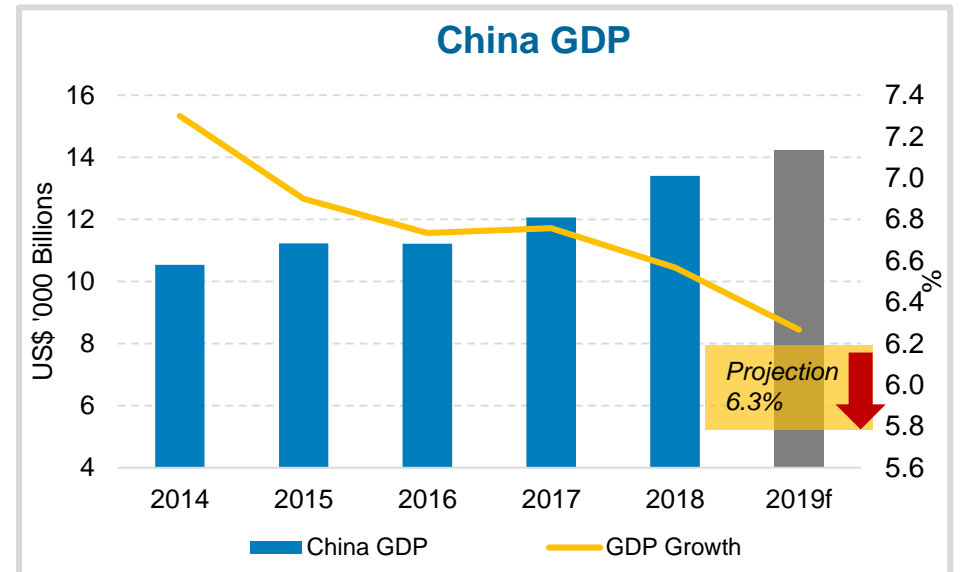
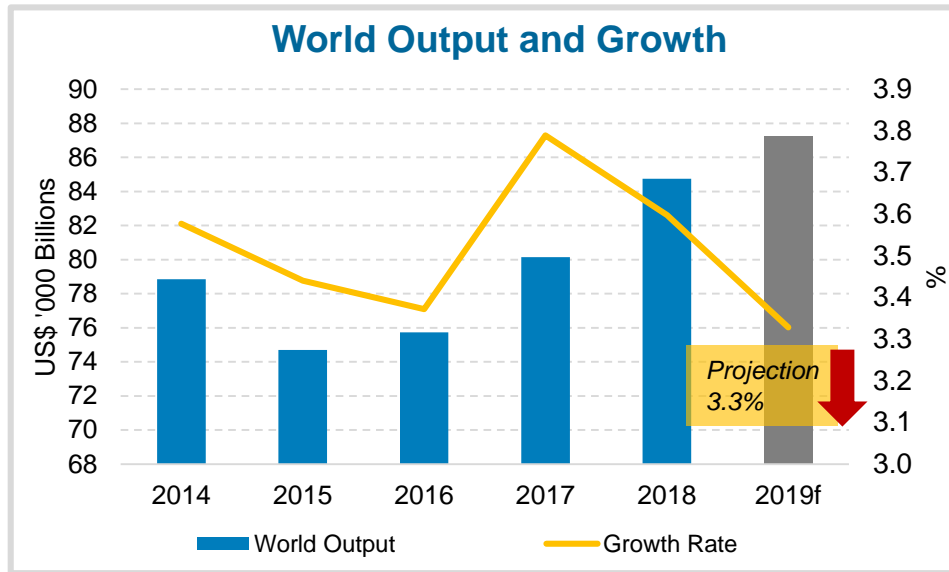
- 3 Kamsarmax newbuild vessels joined the fleet - Alam Kekal (Oct 2018), Alam Kukuh (Jan 2019) and Alam Kuasa (Apr 2019)
- Alam Pintar was sold and exited the fleet in April 2019



MARKET & BUSINESS OUTLOOK



2019 – PERSEVERING IN THE FACE OF MARKET VOLATILITIES



- In 2019, drybulk demand is projected to face challenges from the lower global economic growth and slowdown in Chinese demand.
- The unexpected Vale-dam incident in Brazil and swine flu in China have also adverse impact on drybulk shipping.
- Regulatory requirements including IMO 2020 Sulphur Cap regulation and Ballast Water Treatment System (BWTS) may provide mitigating positive impact on ship supply fundamentals.

BUILDING BUSINESS RESILIENCE & FLEET PERFORMANCE



- ✓ **Robust revenue portfolio to manage market cycles and seasonalities;**
- ✓ **Divestment of older vessels to monetize value as part of fleet renewal;**



- ✓ **Continuously raise fleet safety standards and operational performance; and**
- ✓ **Maintaining high governance standards & strengthen business processes**



Q & As





Thank you