



Malaysian Bulk Carriers Berhad: 32nd Annual General Meeting

17th May 2021



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FINANCIAL HIGHLIGHTS 2020

2020 GROUP FINANCIAL HIGHLIGHTS (Y-O-Y)



	FY2020	FY2019	Change
FINANCIAL RESULTS (RM' MILLION)			
Net Revenue	130.8	206.5	(37%) ▼
Operating Profit	(3.6)	32.0	(111%) ▼
(LBT)/PBT excl exceptional items	(19.2)	0.0	NM
Exceptional Items	(1.5)	(6.1)	75% ▲
– <i>Gains on liquidation of a subsidiary and a JV</i>	<i>54.3</i>	<i>28.8</i>	
– <i>Impairments and loss on vessel disposals</i>	<i>(55.8)</i>	<i>(39.5)</i>	
– <i>Onerous contracts provision</i>	<i>-</i>	<i>4.6</i>	
Reported Loss Before Taxation	(20.7)	(6.1)	(239%) ▼

NM = Not Meaningful

Decrease in operating results in 2020 due mainly to reduced hire days, decrease in charter rates and asset impairments

2020 CONSOLIDATED BALANCE SHEET






	FY2020	FY2019
BALANCE SHEET (RM' MILLION)		
Total Assets	652.2	957.2
Total Liabilities	377.9	602.4
Cash and Cash Equivalents	38.9	79.5
Total Borrowings	237.3	356.8
Total Lease Liabilities	111.8	204.9
Net Debt (excl. Lease Liabilities)	198.4	277.3
Shareholders' Equity	274.3	354.8
Net Debt / Equity Ratio	0.72	0.78

- Shareholders' equity at RM274.3 million after significant impairment in FY2020.
- 36% of Total Borrowings (RM87 million) and 53% of Total Lease Liabilities (RM59.2 million) are payable in FY2021.



Total of 5 owned and 2 chartered-in

(As of 31 March 2021)		<u>Vessels in operation</u>		<u>Total</u>	<u>Total Capacity</u>	<u>Average Age</u>
		Owned	Long-term Chartered		(DWT)	(Owned & Operated Fleet)
	Kamsarmax approx 80,000–85,000 dwt	3	0	3	249,178	2.2
	Supramax approx 55,000-60,000 dwt	2	1 @	3	177,529	6.9
	Handysize approx 30,000-36,000 dwt	0	1 @	1	29,077	9.2
Total		5	2	7	455,784	5.2

@ Scheduled for redelivery back to owner in 2022 and 2023.



BUSINESS HIGHLIGHTS 2020

2020 KEY BUSINESS HIGHLIGHTS



- The dry bulk market was **severely impacted by the global economic recession** and seaborne trades in particular coal and minor bulks dropped substantially which affected charter rates leading to a **decline in net revenue**.



- COVID-19 impact has continued to weigh on major economies and our business is confronted by market volatility and operational challenges. We **adopted a prudent approach in managing our portfolio, implemented cost-saving initiatives** and scaled back on non-essential expenditures.



- Rolled out **cost management measures in procurement of parts and services, optimized vessel maintenance programmes** that drive efficiency, reduce downtime and lower total cost. To improve our liquidity position, we **divested aging assets** that require higher repairs and maintenance cost.



- In the face of the Covid-19 induced disruptions, we continued to **strengthen fleet management and crew operations**. Through improved work processes, we ensure safe operations and efficient fleet performance are in compliance with the safety, and environmental rules and regulations.



- Strived to maintain a high level of accountability and transparency in our business operations by **continually improving our existing corporate governance framework**.

Health and Well-being of Our People A Key Priority



Key Initiatives for Crew



Shipboard Covid-19 management

Enhanced health and operational measures onboard ships for crew protection



“Start With Safety, End With Safety”

Stop work training day for safety;
Sea-staff conferences online, emphasizing safety learning and sharing



International Seafarers’ Welfare and Assistance Network (ISWAN)

Promote and support the welfare of seafarers globally



Sea-Air Vaccination Exercise (SAVE)

Support the Government’s on-going efforts to vaccinate our sea staff

Summary of Crew Welfare Initiatives



Staying Socially Connected

- Crew can stay connected with family and friends with onboard wifi



COVID-19 Welfare Initiatives

- Hardship Allowance
- Crew Welfare Funds
- Slop Chest
- Family Financial Assistance



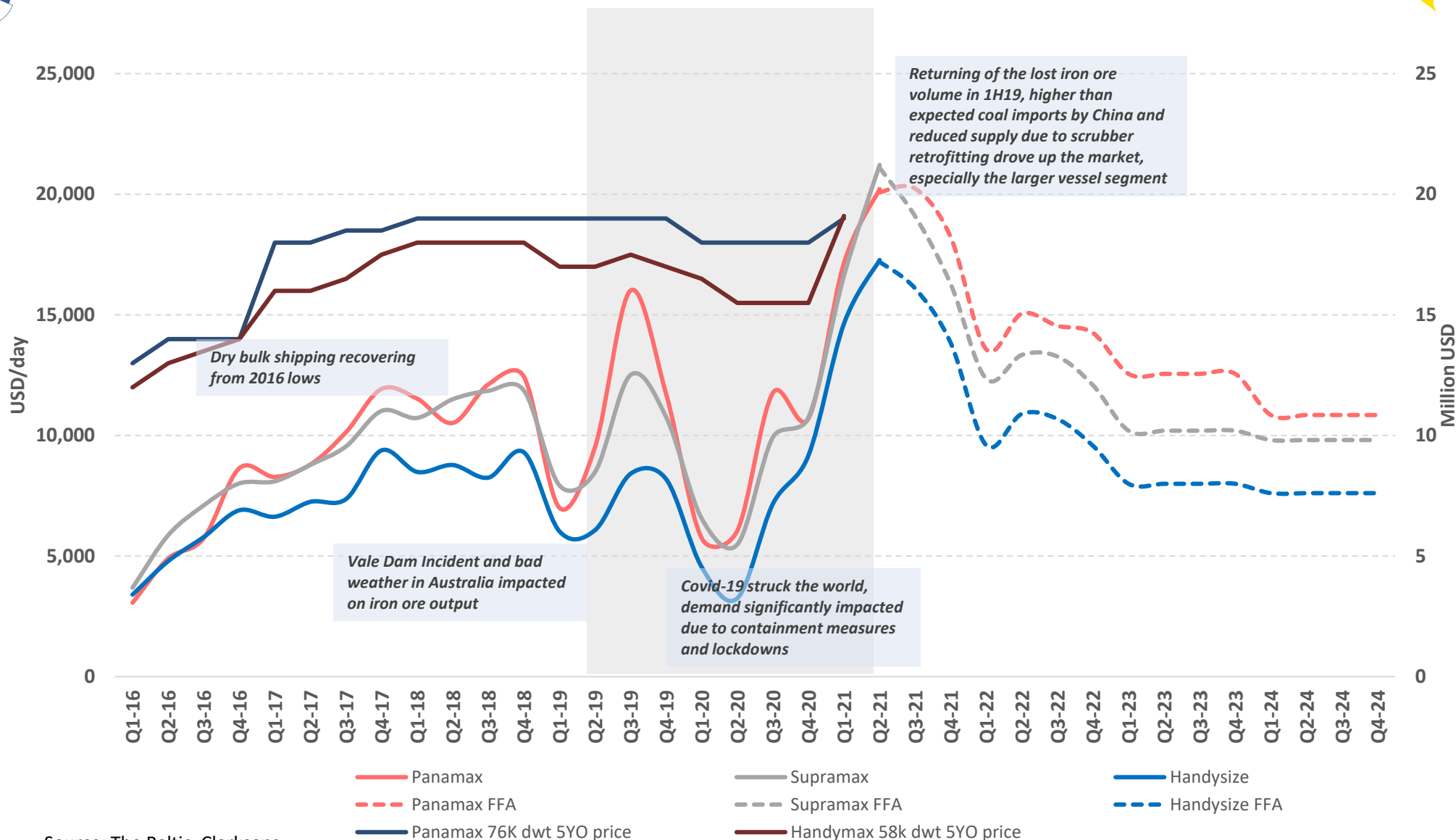
Crew Change

- Continued crew relief measures and minimize long over-stayers onboard



2021 OUTLOOK

DRYBULK EARNINGS



Source: The Baltic, Clarksons



Global economy is recovering from Covid-19 impacts, yet high uncertainties remain

- Near term performance expected to remain positive as dry bulk volumes recover and markets rebound strongly from the 2020 COVID-19 shock..
- Significant uncertainties remain in vaccine efficacy over new virus mutations, vaccine availability and a surge in reported cases – particularly in India and Brazil.
- Extent of policy support and pandemic-induced disruptions also results in diverging economic recoveries across countries and sectors, further amplifying recovery uncertainties.

Trade resumption and market disruption supportive of earnings recovery. Energy transition gathering pace as coal use declines.

- Stronger than anticipated freight rates in Q1 as seaborne dry bulk trade volumes rebound firmly continuing into Q2.
- Market conditions expected to ease back from recent highs as disruption eases (easing of port congestions) and demand strength moderates (China to cut steel production over environmental concerns).
- Thermal coal volumes are lower than 2019 levels as the energy transition gathers pace and seaborne coal trade begins to decline.

MBC continues to work with relevant parties to overcome crew change challenges

- Renewed lockdowns increasing challenges in effecting crew changes due to tightening restrictions in crew travel, quarantine extensions and general port authority limitations.
- Efforts are made to enroll crew in national vaccination programmes and extend crew welfare support to ensure safety and well-being onboard.





THANK YOU