

MALAYSIAN BULK CARRIERS BERHAD



Malaysian Bulk Carriers Berhad:
31st Annual General Meeting

23rd June 2020



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FINANCIAL HIGHLIGHTS 2019

2019 GROUP FINANCIAL HIGHLIGHTS



RM' million	FY2019	FY2018	Change
Net Revenue	206.5	198.3	4% ▲
Operating Profit	32.0	4.4	627% ▲
Exceptional Items*	(6.1)	292.5	(102%) ▼
Reported (LBT)/PBT	(6.1)	264.8	(102%) ▼

* FY2018 - Gain on disposal of an associate (POSH) was RM265.9 million

Improved operating results in 2019 was mainly due to positive contribution from 3 new vessels, and lower operating costs for the fleet

2019 GROUP FINANCIAL HIGHLIGHTS



(LBT)/PBT excluding exceptional items and associate

RM'million	FY2019	FY2018	Change
Reported (LBT)/PBT	(6.1)	264.8	(102%)
<u>Adjustments:</u>			
– Impairments and loss on vessel disposals	39.5	5.6	NM
– Onerous contracts provision	(4.6)	(32.2)	NM
– Gains on liquidation of a subsidiary and a JV	(28.8)	-	NM
– Gain on disposal of associate*	-	(265.9)	NM
– Associate	-	8.4	NM
PBT/(LBT) excluding exceptional items and associate	0.0	(19.3)	NM

*FY2018- Gain on disposal of POSH shares in October 2018

NM = Not Meaningful

2019 CONSOLIDATED BALANCE SHEET



RM'million	FY2019	FY2018
Total Assets	957.2	1,022.7
Total Liabilities	602.4	628.6
Cash and Cash Equivalents	79.5	289.1
Total Borrowings	356.8	409.2
Total Lease Liabilities	204.9	-
Net Debt (excl. Lease Liabilities)	277.3	120.1
Shareholders' Equity	354.8	393.1
Net Debt / Equity Ratio	0.78	0.31



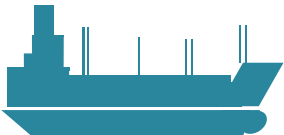
- Shareholders' equity remains positive at RM354.8 million.
- Increase in net debt to equity ratio mainly due to the financing of 2 new Kamsarmax vessels.

OUR FLEET -

Modern Fleet with Average Age of 4.6 years



Total of 12 owned and operated vessels

(As of 30 April 2020)		<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 <i>approx 80,000–85,000 dwt</i>	3	0	3	249,178	1.3
	Supramax <i>approx 55,000-60,000 dwt</i>	3	1	4	238,783	5.7
	Handysize <i>approx 30,000-36,000 dwt</i>	1	4	5	164,672	6.8
Total		7	5	12	652,633	4.6

• Alam Padu (Post Panamax) & Alam Manis (Supramax) were sold and exited the fleet in Q1 2020

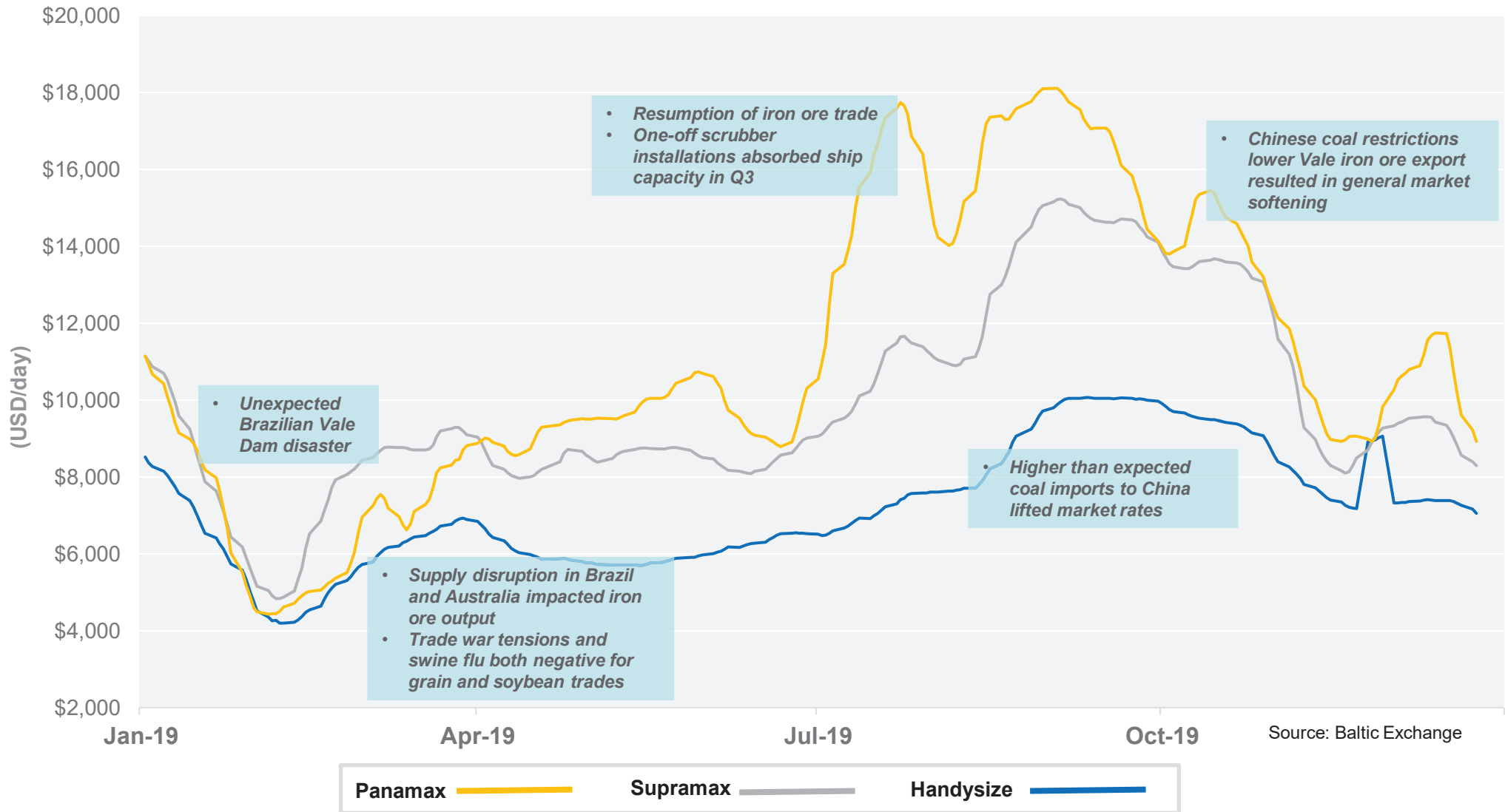


BUSINESS HIGHLIGHTS 2019

2019 IN REVIEW – DRYBULK SHIPPING MARKET



2019 was an eventful year for the drybulk shipping market



2019 KEY BUSINESS HIGHLIGHTS



The Group has continued to perform through a stable, resilient portfolio and execution of our fleet renewal programme in 2019:

- Divested aging assets and deployed our capital to renew our fleet;
- The 3 new energy-efficient Kamsarmax vessels with larger revenue earning capacity enable us to compete more effectively in the market. The Alam Kuasa is employed in the long-term charter contract with Tenaga Fuel Services Sdn. Bhd;
- Secured higher proportion of term charter coverage with good counterparties;
- Improved business processes, risk management and strengthened corporate governance;
- Strengthened fleet operational standards and safety management.

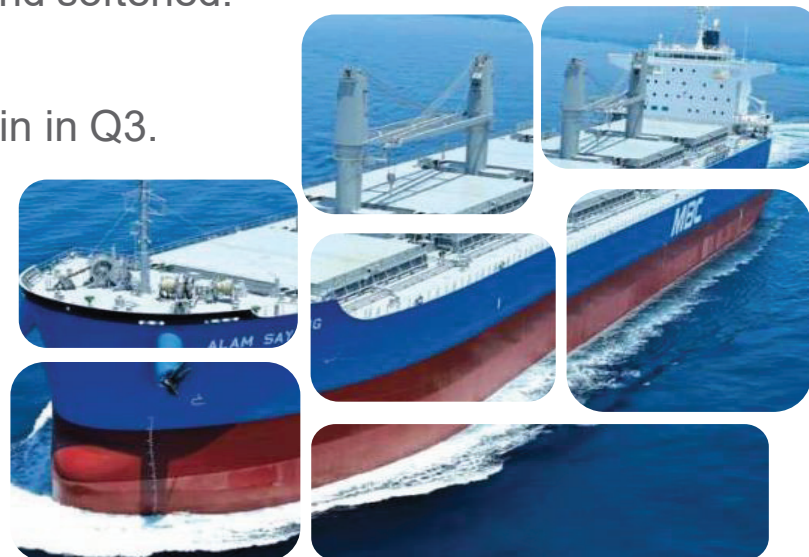


| 2020 OUTLOOK

2020 – UNPRECEDENTED CHALLENGES



- **COVID-19 shocks have had a notable impact on world economies and shipping market**
 - Q1 factory shutdowns in China resulted in a steep drop in imports which recovered into Q2 as inventories rebuilt.
 - Spread of COVID-19 shutdowns to other countries led to a further drop in trade volumes, particularly India, Europe and US.
 - Strong recovery in grain and soybean flows expected in the second half of 2020.
- **The dry bulk freight market weakness in Q1 extended into Q2**
 - Freight rates under pressure in Q1 in as commodity demand softened.
 - Limited scrapping activities due to lock down of yards.
 - Gradual reopening of economy may allow recovery to begin in Q3.
- **MBC term charter and COA portfolio have cushioned the business impact of COVID-19 shocks**
 - Charter renewal opportunity into improving markets in the second half of 2020.



HEALTH AND WELL-BEING OF OUR PEOPLE A KEY PRIORITY



- Business continuity plans (BCP) implemented to ensure continuity of our service with minimal disruptions and maintaining the well-being of our on-shore employees and ship crew.
- To safeguard the health and well-being of our crew, essential precautionary measures are taken on board our ships in the battle against COVID-19.
- Our seafarers keep our industry and business running despite the outbreak.





THANK YOU