

# MALAYSIAN BULK CARRIERS BERHAD

Registration No. 198801008597 (175953-W)  
(Incorporated in Malaysia)

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**MINUTES OF THE THIRTY-SECOND ANNUAL GENERAL MEETING OF THE COMPANY HELD AT LEVEL 12, MENARA SYMPHONY, NO. 5, JALAN PROF. KHOO KAY KIM, SEKSYEN 13, 46200 PETALING JAYA, SELANGOR DARUL EHSAN, MALAYSIA (“THE BROADCAST VENUE”) ON MONDAY, 17 MAY 2021 AT 10.00 A.M.**

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Shareholders and Proxies participate via live streaming

571 shareholders and proxies

## In Attendance

Dato' Mohd Zafer Bin Mohd Hashim (*Chairman*)

Mr Yeoh Khooon Cheng *Independent Non-Executive Director*

Mr Lim Soon Huat *Non-Independent Non-Executive Director*

Mr Hor Weng Yew *Chief Executive Officer*

Mr Tho Leong Chye *Executive Director*

Mr Tay Beng Chai *Independent Non-Executive Director*

Madam Elsie Kok Yin Mei *Independent Non-Executive Director*

Mr Andrew Charles Hoare *Alternate to Mr Hor Weng Yew*

Ms Cindy Tan Siew Min *Financial Controller*

Ms Tan Ai Ning *Company Secretary*

Ms Phang Oy Lin

*Representing Ernst & Young PLT*

Ms Chok Man Li

} participated via online  
} streaming  
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## **1. WELCOMING NOTE BY CHAIRMAN AND QUORUM**

The Chairman welcomed all members and proxies to the Thirty-Second Annual General Meeting (“32<sup>nd</sup> AGM”) of the Company. Following the Company Secretary’s confirmation on the presence of the requisite quorum for convening the meeting pursuant to Article 82 of the Company’s Constitution, the Chairman called the meeting to order.

The Chairman introduced other Board members and external auditors who were present at the meeting, either at broadcast venue or joined via online streaming facility.

## **2. VIRTUAL AGM AND POLL VOTING**

The Chairman informed the meeting that the AGM was conducted as a virtual meeting, in line with the Guidance and FAQ on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia. The meeting was further informed that all the resolutions in the notice of 32<sup>nd</sup> AGM would be voted by poll, using the Remote Participation and Electronic Voting (“RPEV”) Facilities. The Chairman informed that voting on the resolutions was opened at the commencement of the meeting and closed after all agenda items being addressed. It was noted that Boardroom Share Registrars Sdn. Bhd. (“Boardroom”) was appointed as poll administrator for the electronic voting and Sky Corporate Services Sdn Bhd act as scrutineer to validate the voting results.

**3. PRESENTATIONS BY FINANCIAL CONTROLLER AND CHIEF EXECUTIVE OFFICER**

The Financial Controller presented the Group's financial highlights 2020 and the Chief Executive Officer, Mr Hor Weng Yew, presented the business highlights 2020 and outlook 2021.

After the presentation, the Chairman informed that the Company have considered shareholders' request for the e-vouchers and door gifts and decided to forego the practice this year.

**4. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 AND THE REPORTS OF THE DIRECTORS AND AUDITORS ("AUDITED FINANCIAL STATEMENTS FOR FYE 2020")**

The meeting noted that the Audited Financial Statements for FYE 2020 was tabled at the meeting pursuant to Section 340(1)(a) of the Companies Act 2016, and it was not required to be put to vote. The auditors' report was taken as read.

**5. ORDINARY RESOLUTION NO. 1  
RE-ELECTION OF MR LIM SOON HUAT PURSUANT TO ARTICLE 121 OF THE  
COMPANY'S CONSTITUTION**

The Chairman informed that Mr Lim Soon Huat retired pursuant to Article 121 of the Company's Constitution and being eligible, had offered himself for re-election. The Nomination and Remuneration Committee had carried out an assessment and recommended Mr Lim Soon Huat for re-election as Director.

Ordinary Resolution No. 1 to approve the re-election of Mr Lim Soon Huat was put to vote.

**6. ORDINARY RESOLUTION NO. 2  
RE-ELECTION OF DATO' MOHD ZAFER BIN MOHD HASHIM PURSUANT TO ARTICLE  
121 OF THE COMPANY'S CONSTITUTION**

The Chairman, being an interested party in the resolution invited Mr Lim Soon Huat to take over the Chair of the meeting to conduct Ordinary Resolution No. 2.

Mr Lim Soon Huat informed that Dato' Mohd Zafer Bin Mohd Hashim retired pursuant to Article 121 of the Company's Constitution and being eligible, had offered himself for re-election. The Nomination and Remuneration Committee had carried out an assessment and recommended Dato' Mohd Zafer Bin Mohd Hashim for re-election as Director.

Ordinary Resolution No. 2 to approve the re-election of Dato' Mohd Zafer Bin Mohd Hashim was put to vote.

Mr Lim Soon Huat then passed the Chair back to Dato' Mohd Zafer Bin Mohd Hashim.

**7. ORDINARY RESOLUTION NO. 3 AND 4  
RE-ELECTION OF MADAM ELSIE KOK YIN MEI AND MR THO LEONG CHYE  
PURSUANT TO ARTICLE 128 OF THE COMPANY'S CONSTITUTION**

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The Chairman informed that Madam Elsie Kok Yin Mei and Mr Tho Leong Chye retired pursuant to Article 128 of the Company's Constitution and being eligible, had offered themselves for re-election. The Nomination and Remuneration Committee had carried out an assessment and recommended Madam Elsie Kok Yin Mei and Mr Tho Leong Chye for re-election as Directors.

- (i) Ordinary Resolution No. 3 to approve the re-election of Madam Elsie Kok Yin Mei was put to vote.
- (ii) Ordinary Resolution No. 4 to approve the re-election of Mr Tho Leong Chye was put to vote.

**8. ORDINARY RESOLUTION NO. 5  
RE-APPOINTMENT OF MESSRS ERNST & YOUNG PLT AS AUDITORS AND  
AUTHORITY FOR DIRECTORS TO FIX THEIR REMUNERATION**

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The Chairman informed that Ernst & Young PLT has indicated their willingness to be re-appointed as auditors of the Company, and the Audit and Risk Management Committee has recommended their re-appointment for the ensuing year.

Ordinary Resolution No. 5 to approve the re-appointment of Messrs Ernst & Young PLT and to authorise the Directors to fix their remuneration was put to vote.

**9. ORDINARY RESOLUTION NO. 6  
PAYMENT OF DIRECTORS' FEES OF RM581,543 FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 2020**

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The Chairman informed that Ordinary Resolution No. 6 was to seek shareholders' approval for payment of Directors' fees of RM581,543 for the financial year ended 31 December 2020. It was noted that the basis for the payment of Directors' fees remain the same as financial year ended 31 December 2019.

Ordinary Resolution No. 6 to approve the payment of Directors' fees of RM581,543 for the financial year ended 31 December 2020 was put to vote.

**10. ORDINARY RESOLUTION NO. 7  
PAYMENT OF MEETING ALLOWANCES TO THE DIRECTORS UP TO AN AMOUNT OF  
RM104,000 FROM 1 JULY 2021 TO 30 JUNE 2022**

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The Chairman informed that Ordinary Resolution No. 7 was to seek shareholder's approval for payment of meeting allowances of RM104,000 from 1 July 2021 to 30 June 2022. At the last AGM held on 23 June 2020, an amount of RM103,000 for the period from 1 July 2020 to 30 June 2021 was approved, and approximately RM26,000 was expected to be incurred up to 30 June 2021.

Ordinary Resolution No. 7 to approve the payment of meeting allowances of RM104,000 from 1 July 2021 to 30 June 2022 was put to vote.

**11. ORDINARY RESOLUTION NO. 8**  
**AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

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The Chairman informed that Ordinary Resolution No. 8 was to seek shareholders' approval to authorise the Directors to allot and issue shares not exceeding 10% of the Company's issued shares pursuant to Sections 75 and 76 of the Companies Act 2016. The purpose of seeking this mandate is to avoid any delay and cost of convening a shareholders' meeting in the event the Company needs to issue new shares to fund identified opportunities.

Ordinary Resolution No. 8 to authorise the Directors to issue shares was put to vote.

**12. ORDINARY RESOLUTION NO. 9**  
**RENEWAL OF AND ADDITIONAL SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

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The Chairman informed that Ordinary Resolution No. 9 was to seek shareholders' approval on the proposed renewal of and additional shareholders' mandate for recurrent related party transactions of a revenue or trading nature, details as set out in Circular to Shareholders dated 16 April 2021. The Chairman further informed that the interested parties namely, Pacific Carriers Limited, Kuok (Singapore) Limited, PPB Group Berhad and Kuok Brothers Sdn Berhad together with the Interested Directors, namely Mr Hor Weng Yew, Mr Tho Leong Chye, Mr Lim Soon Huat and Mr Andrew Charles Hoare, and all persons connected to them would abstain from voting on the resolution.

Ordinary Resolution No. 9 to approve the renewal of and additional shareholders' mandate was put to vote.

**13. ORDINARY RESOLUTION NO. 10**  
**RETENTION OF MR TAY BENG CHAI AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

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Mr Tay Beng Chai had served as an Independent Non-Executive Director of the Company for more than 12 years. Ordinary Resolution No. 10 was to seek approval to retain Mr Tay Beng Chai as Independent Non-Executive Director of the Company until the conclusion of the next AGM.

Ordinary Resolution No. 10 to retain Mr Tay Beng Chai as Independent Non-Executive Director was put to vote.

**14. QUESTIONS AND ANSWER SESSION**

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There were questions received prior to and during the meeting, relating to the Group's operations and financial results. The questions were dealt with by the Chairman, Chief Executive Officer and Financial Controller at the meeting.

The list of questions and answers is attached as Annexure A to the Minutes of 32<sup>nd</sup> AGM.

**15. POLLING**

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Shareholders proceeded to conduct the remote voting for 10 resolutions tabled.

The Chairman declared the polling closed and adjourned the meeting at 11.02 a.m., for tabulation and verification of votes.

**16. ANNOUNCEMENT OF RESULTS**

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The meeting resumed at 11.18 a.m.

Based on the voting results provided by poll administrator and verified by scrutineer, the Chairman declared that all the resolutions put to vote at the meeting were passed, as follows:

	Voted For			Voted Against		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Ordinary Resolution 1	410	531,550,266	99.9624	75	199,912	0.0376
Ordinary Resolution 2	385	495,049,179	93.1113	90	36,625,239	6.8887
Ordinary Resolution 3	409	531,590,356	99.9753	71	131,362	0.0247
Ordinary Resolution 4	401	531,527,156	99.9584	79	221,012	0.0416
Ordinary Resolution 5	418	531,440,957	99.9401	64	318,311	0.0599
Ordinary Resolution 6	357	530,211,112	99.7580	125	1,286,436	0.2420
Ordinary Resolution 7	347	530,442,611	99.8011	136	1,056,937	0.1989
Ordinary Resolution 8	387	495,127,698	93.1153	95	36,608,350	6.8847
Ordinary Resolution 9	393	46,723,795	99.3779	83	292,494	0.6221
Ordinary Resolution 10	394	530,914,617	99.9145	83	454,572	0.0855

**17. ANY OTHER BUSINESS**

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The Chairman informed the meeting that the Company had not received notice of any other business.

**18. CONCLUSION**

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There being no further business, the meeting concluded at 11.20 a.m.

Confirmed

CHAIRMAN

**Malaysian Bulk Carriers Berhad  
32<sup>nd</sup> Annual General Meeting (32<sup>nd</sup> AGM)  
List of Questions Raised at 32<sup>nd</sup> AGM**

**A. OUTLOOK**

**1. What is the outlook for dry bulk industry and Maybulk for this year and next year?**

Answer:

*As shared in the presentation earlier, the market was firm in Q1 and into Q2 this year. However, freight rates remain volatile, with prospects of headwinds as a result of debottlenecking of port congestion, reduction in Chinese steel production and a general shift away from coal. The FFA rates give an indication of the outlook for the market into 2022.*

**2. What are the implications of China cutting coal consumption to global dry bulk market?**

Answer:

*The implications of China's coal consumption reduction would be significant for the drybulk shipping market as coal is one of the major commodities transported seaborne. We have seen a lower seaborne trade in thermal coal in 2020 as the energy transition may have already begun to impact the trade flows in the dry bulk sector. China, in particular, is expected to continue to seek to utilise domestic sources of coal over imported coal which will reduce the tonne mile demand for seaborne coal.*

**3. For every point of increase or decrease in the Baltic Exchange Dry Index, how will it affect the Company's results?**

Answer:

*The extent of the impact on the fluctuations in the Baltic Exchange Dry Index (BDI) depends on the type of vessel and whether our vessels have been fixed out, either on a longer term or shorter terms basis. Shareholders can assess the sensitivity of the company's results on the BDI from our Q1 2021 results.*

**4. Can the board provide guidance on the BDI charter rates in the next 12 months? Are those rates sustainable?**

Answer:

*Historically, the BDI has been very volatile. Amongst other factors, it will depend on the recovery of the global economy in view of the COVID-19 pandemic.*

- 5. Do we have any hedging policy on the BDI index to protect against the fluctuations of charter rates?**

Answer:

*We deploy our vessels on a mix of spot charters, short and medium term charters using both fixed and index rated mechanisms to secure strong earnings but with some exposure to market upside.*

- 6. What is the competitive edge over your peers?**

Answer:

*We have a quality fleet and a strong commercial platform.*

- 7. Over the past 5 years, the Company has reduced the fleet from 20 to 10, and total deadweight tonnage reduced from 1.7mil to 555k. What is the rationale for the reduction in fleet size? Will it make it challenging to compete with a smaller fleet size?**

Answer:

*We divested the older assets to consolidate our financial position and to meet our debt repayment obligations. Fleet scale is an important consideration and optimal trading is challenging in volatile markets.*

- 8. With reference to the BDI at 3,000 points, what would you expect the upcoming quarter results for Maybulk to be? What is the average percentage increase in charter rates for all the vessels in the group in the 1<sup>st</sup> four months of 2021? What is the average utilisation rate of the vessels in Q1 2021?**

Answer:

*Please refer to the Q1 2021 announcement.*

- 9. When will the Company turn to profit again? What is the average time charter rate in order for the company to turn profit? Can you give us a sensitivity to every US\$1,000 increase in TCE based on current bunker prices?**

Answer:

*The market is firm in Q1 and Q2 and the team will endeavour to maximise the returns on the fixtures for the fleet. Shareholders can refer to the Q1 2021 announcement for guidance.*

- 10. What is the estimated TCE for Q2 2021?**

Answer:

*Shareholders can refer to the Q1 2021 announcement for guidance.*

## COMMERCIAL AND FLEET OPERATIONS FOR FY2020

### 1. Who are your major customers?

Answer:

*Our customer profile is confidential, but includes leading power companies, grain traders and recognised dry cargo operators.*

### 2. How much revenue are recurring / long term contracted vs spot? Please provide the charter tenure duration and end date of the 10 vessels.

Answer:

*Charter tenure duration is confidential information. Other than the long-term contract of affreightment charter, the other vessels are contracted out for less than 12 months.*

### 3. What are the average breakeven TCE for Kamsarmax, Supramax and Handysize?

Answer:

*The average TCE earned for the fleet is US\$8,676/day as disclosed in the Annual Report.*

### 4. What is the utilisation rate of the fleet?

Answer:

*The utilisation rate is around 98%.*

### 5. What is the total expenditure allocated per year in pursuing the Environment, Social and Governance (ESG) activities under the Sustainability Program?

Answer:

*The operating expenses comprise the various initiatives from ensuring the safety of our crew with the focus on crew welfare and crew wellbeing, adherence to our HSE guidelines, and the rollout of Environmental Management Programs that focus on seafarer's compliance with pollution prevention requirements, handling of oily bilge water to garbage/waste disposal. All these initiatives are disclosed in our Sustainability Statement, and the estimated cost of the initiatives is approximately 5% of the vessel operating expenses.*

### 6. Does the Company have any vessels under construction or ordering newbuilds?

Answer:

*We do not have any vessel on order at the moment and are monitoring ship values very closely. Prices for newbuildings and 2<sup>nd</sup> hand ships have gone up significantly in recent months and may not be reflective of future cash flows. Banks are reluctant to lend, as many have exited on ship-financing, so it will be a challenge to get any new financing on vessels.*

7. Referring to the presentation slide, the fleet size shrank from 10 (reported in the Annual Report) to 7 this year. What happened to the other 3 vessels?

Answer:

*As shared in the presentation slides, we had redelivered 2 long-term chartered vessels and committed to sell an older handysized vessel in Q1 2021.*

8. In the Annual Report, Alam Sejahtera is committed for sale. Does the decision remain at this juncture?

Answer:

*Alam Sejahtera was sold and delivered to the new buyers in May 2021.*

## B. FINANCIALS

1. Does the Company intend to implement a 50% pay-out ratio for dividend?

Answer:

*The shipping market has been at historical low levels since 2016. This has a significant adverse impact on the entire industry and our income is duly affected as well. No dividend was proposed as the Board has been conservative in its cashflow planning in view of market uncertainty due to COVID-19 pandemic.*

2. An impairment loss of vessels of RM55.782million was recognised in 4Q20. Any further impairments to be recognised in the coming quarters? If no, looking at the current uptrend of the charter rates for bulk carriers, any possibilities on the write back of the impairment losses incurred last year?

Answer:

*Given the current strong charter rates, it is unlikely for the fleet to require further impairment. The carrying value of the vessels are assessed regularly and will be adjusted (if required) for the financial year in compliance with the relevant accounting standards and policies.*

3. What is the accounting policy for the Group in valuing the shipping assets? Will there be a re-valuation to reflect the improved market value of these assets?

Answer:

*Similar to Q2 above, the vessels are assessed and will be adjusted (if required) for the financial year in compliance with the relevant accounting standards and policies.*

- 4. Quoting the Annual Report, please give examples of replacements on significant parts of property, plant and equipment are required to be replaced at intervals.**

Answer:

*This question is in relation to our accounting policy on capitalising property, plant and equipment. The accounting policy states that “when a major new equipment is installed or significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises the major new equipment or such parts as individual assets with specific useful lives and depreciation respectively”.*

*An example would be the dry docking cost of our vessels. The dry docking costs, which enhance the useful lives of the vessels, are capitalised in the year which they are incurred and amortised over periods between 2 to 3 years until the next dry docking.*

### **C. CORPORATE MATTERS**

- 1. Is there a reason behind the sale of Bank Pembangunan Malaysia Berhad’s stake in Maybulk?**

Answer:

*We are unable to respond on Bank Pembangunan’s behalf on their reasons in selling their stake in Maybulk.*

- 2. Does the Company still own any PACC Offshore Services Holdings Ltd shares?**

Answer:

*We have fully disposed of our shareholdings in PACC Offshore Services Holdings Ltd in 2018.*

- 3. Where can I get a printed copy of the Annual Report?**

Answer:

*Please refer to the form on request for hard copy of Annual Report which is available on the Company’s website at [www.maybulk.com.my](http://www.maybulk.com.my).*

- 4. Does the Company have Whistleblower Policy and Procedures? Are there any whistleblower reports on wrongdoings in Year 2020? Any legal action taken against those wrongdoers?**

Answer:

*The Company adopted a whistle blowing policy in 2018. A copy of the policy is available on the Company’s website at [www.maybulk.com.my](http://www.maybulk.com.my). There were no incidences reported in FY2020.*

5. Will the Company allow playback for this live AGM? This is an advantage for those shareholders who cannot attend the AGM to at least watch the video after the AGM?

Answer:

*The Board will review the request.*

6. Can the Board provide shareholders with the corporate calendar that states the dates of the announcement of quarterly financial results, date of presentations to shareholders or analyst fund managers? This way, the investors can know in advance when the Company will announce the financial results and publish an Annual Report.

Answer:

*The Board will review the request.*

7. Will the Company publish all Q&A from shareholders and MSWG to the Company website?

Answer:

*The Company will publish the list of questions raised and reply to shareholders at the AGM, on the Company's website.*

8. Will the Company provide AGM Minutes to those shareholders who attend the AGM?

Answer:

*The Board will review the request.*

9. Will the Board organise monthly or bi-monthly analyst briefing and allow shareholders to attend the briefing?

Answer:

*Analyst briefings and general meetings/ shareholders meetings are catered for different stakeholders. There is no plan for analyst briefing in FY2021.*

10. Are Directors attending this virtual AGM being paid meeting allowances?

Answer:

*No, Directors attending this virtual AGM are not paid meeting allowances. Meeting allowances are only payable when Directors attend the Board or Committee Meetings.*

#### **D. AGM ADMINISTRATION**

- 1. Will there be any door gifts/ tokens of appreciation to be given?**

Answer:

*The Board has considered this point and wish to forgo the practice of door gifts this year.*

- 2. How much does the company spend on this virtual AGM?**

Answer:

*The total cost for fully virtual AGM is 30% lower than holding a physical AGM.*

- 3. Will the Company answer every single shareholder question raised by shareholders in the AGM?**

Answer:

*The Board will endeavour to reply to all the questions raised by the shareholders at the AGM.*

- 4. Any backup plan for virtual AGM, as recently one of the listed company postponed the AGM due to technical glitch? Any solution to prevent that from happening to us?**

Answer:

*The service provider has given assurance on the functionality of their remote participation and electronic voting facilities, and there is a backup server to ensure continuity of the meeting.*

- 5. Can the Board allow the shareholders to speak on the AGM rather than submit questions via typing?**

Answer:

*The current setting of the virtual meeting platform only allows shareholders to submit questions.*