MALAYSIAN BULK CARRIERS BERHAD

Registration No. 198801008597 (175953-W)

ANNUAL REPORT 2022

TABLE OF
CONTENTS

PERFORMANCE REVIEW

Financial Highlights 02
Management Discussion and Analysis 04
Sustainability Statement 08

CORPORATE FRAMEWORK

Board of Directors 22
Key Senior Management 25
Corporate Information 27

CORPORATE GOVERNANCE

Corporate Governance Overview Statement 28
Audit and Risk Management Committee Report 41
Statement on Risk Management and Internal Control 45

FINANCIAL STATEMENTS AND REPORTS

Directors' Report 51
Statement by Directors and Statutory Declaration 56
Independent Auditors' Report 57
Income Statement 62
Statements of Comprehensive Income 63
Statements of Financial Position 64
Consolidated Statement of Changes in Equity 66
Statements of Changes in Equity 67
Statements of Cash Flows 68
Notes to the Financial Statements 70

OTHERS

List of Properties Held 117
Analysis of Shareholdings 118
Additional Compliance Information 120
Directors' Responsibility Statement 121
Notice of Annual General Meeting 122

Proxy Form

FINANCIAL **HIGHLIGHTS**

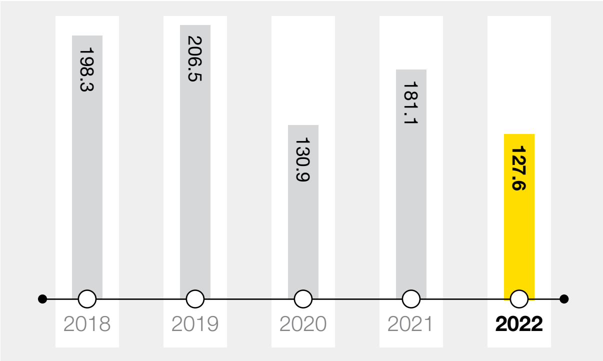
	2022	2021	2020	2019	2018
FINANCIAL RESULTS (RM'000)					
Net revenue	**127,582**	181,093	130,846	206,543	198,265
Operating profit/(loss)	**47,747**	93,010	(3,592)	32,001	4,384
EBITDA #	**146,769**	231,285	88,577	99,078	19,363
Profit/(loss) before taxation	**93,294**	195,381	(20,679)	(6,099)	264,800
Profit/(loss) attributable to equity holders of the Company	**93,181**	195,245	(20,781)	(7,319)	263,838
BALANCE SHEET (RM'000)					
Total assets	**639,266**	627,623	652,146	957,268	1,022,740
Total liabilities	**152,214**	158,601	377,893	602,438	628,563
Cash and cash equivalents	**379,299**	207,174	38,886	79,480	289,124
Borrowings	**–**	65,908	237,344	356,839	409,157
Lease liabilities	**33,111**	74,194	111,849	204,941	–
Net debt (exclude lease liabilities)	**n/a**	n/a	198,458	277,359	120,033
Shareholders' equity	**487,052**	469,022	274,253	354,830	393,092
SHARE INFORMATION (sen)					
Per share					
Basic earnings/(loss)	**9.32**	19.52	(2.08)	(0.73)	26.38
Dividend	**10.00**	–	–	–	–
Net assets	**48.71**	46.90	27.43	35.48	39.31
Share price as at 31 December	**36.0**	52.5	54.0	55.0	56.0
Market capitalisation (RM'million)	**360**	525	540	550	560
KEY RATIOS (%)					
Dividend payout ratio	**107.3%**	0.0%	0.0%	0.0%	0.0%
Return on average equity	**19.5%**	52.5%	(6.6%)	(2.0%)	57.4%
Gearing ratio	**6.8%**	29.9%	127.3%	158.3%	104.1%
Net debt/equity ratio	**n/a**	n/a	72.4%	78.2%	30.5%
FLEET DATA *					
Number of vessels (at end of year)	**4**	5	10	14	15
Total tonnage in DWT (MT'000)	**258**	340	555	795	864
Average age of fleet (in years)	**7.1**	5.5	5.6	6.0	7.0
Total operating days (days)	**1,584**	2,511	4,229	5,615	5,364
Total hire days (days)	**1,537**	2,372	4,103	5,375	5,150
Daily Time Charter Equivalent Rate:					
– Dry bulk carriers (USD)	**18,886**	18,092	8,676	10,010	10,180

Note :

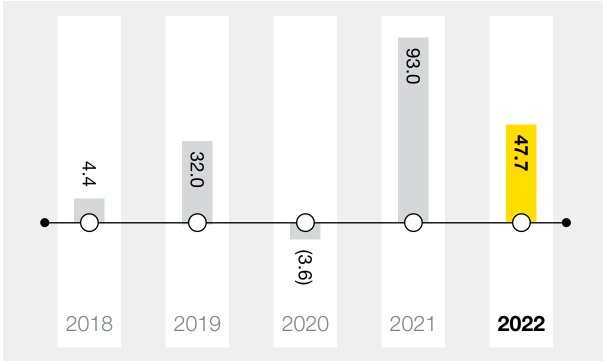
* *Includes jointly owned and long term chartered-in vessels.*

\# *EBITDA excludes associate, joint ventures, impairments and provisions. From 2019 onward, the EBITDA excludes depreciation of right-of-use assets and interest expense on lease liabilities arising from the adoption of MFRS 16 Leases on 1 January 2019.*

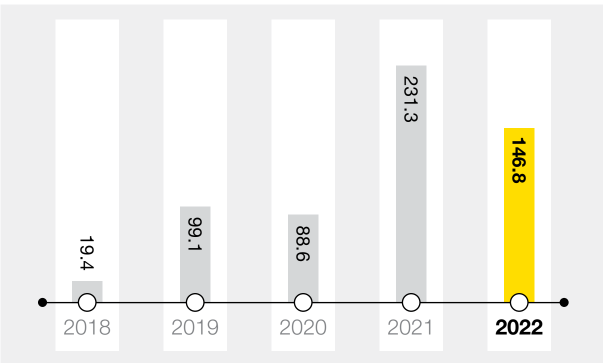
Net revenue
RM'million



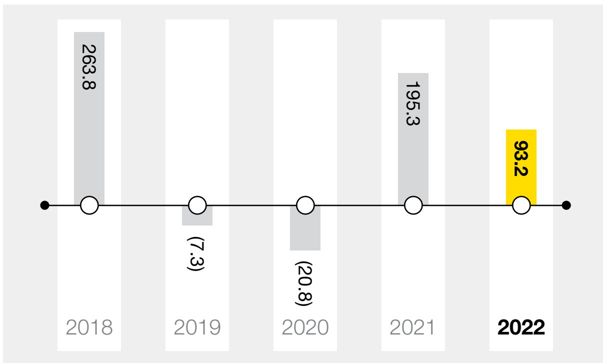
Operating Profit/(Loss)
RM'million



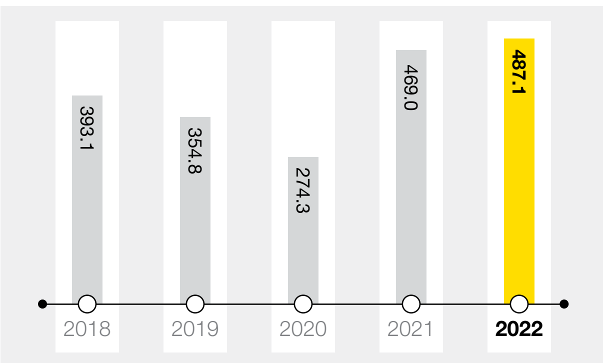
EBITDA
RM'million



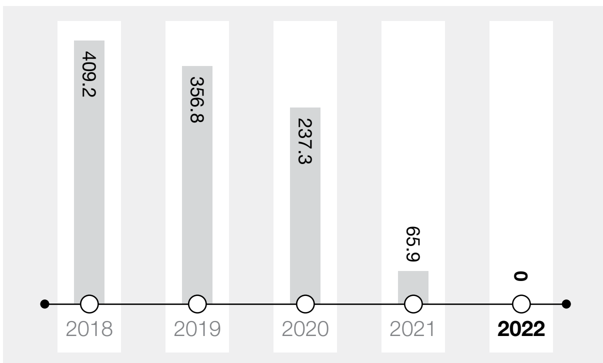
Attributable Profit/(Loss)
RM'million



Shareholders' Equity
RM'million



Borrowings
RM'million



MANAGEMENT DISCUSSION **AND ANALYSIS**

This Management Discussion and Analysis (**"MD&A"**) is prepared by the Management of Malaysian Bulk Carriers Berhad (**"the Company"**) and its subsidiaries (**"the Group"**) to provide an analysis on the financial performance for the financial year ended 31 December 2022 (**"FY2022"**). It contains the Management's review on the overall performance of the Group and of the Company, key business strategies, anticipated and known risks and prospects of the Group.

Whilst comments on the past performance are based on historical data, this MD&A contains statements which are forward-looking. Whilst the Management has exercised diligence when expressing these forward-looking statements, they are inevitably subject to inherent uncertainties and should be treated with caution. These statements are made based on the Management's reasonable expectations and beliefs in light of the information available to them when this MD&A is drafted and is subject to future uncertainty. Actual future performance may materially differ from the projections herein.

These statements reflect the expectation of the Management regarding the future growth, general industry, and economic outlook, predicted financial and operating conditions, business risks and opportunities as well as plans and strategies of the Group. Expressions such as (but not limited to) "seek", "project", "anticipate", "expect", "believe", "estimate", "could", "intend", "may", "might", "plan", "will", "would" and other similar expressions or the negative of these expressions, are generally indicative of the forward-looking statements.

The MD&A should be read in conjunction with the audited financial statements of the Group and of the Company for FY2022.

This MD&A is the responsibility of the Management. The Board of Directors of the Company has reviewed and approved this MD&A for inclusion in this Annual Report.

OVERVIEW

The Group is involved in ship owning and ship operating business. As at the date of this report, the Group operates the following vessels:

Vessel Name	Category	Year Built	DWT (MT)
Owned Vessel			
Alam Kekal	Kamsarmax	October 2018	82,079
Alam Kuasa	Kamsarmax	April 2019	85,020
Long Term Charter			
Alam Sayang	Supramax	July 2013	61,410

During the year under review, the Group completed the disposal of Alam Kukuh. The Group has also opted against renewing the lease for Alam Suria upon the expiration of lease, subsequent to FY2022.

FINANCIAL REVIEW

Summary of the Group's financial performance for FY2022 as compared to the financial year ended 31 December 2021 ("FY2021") were as follows:

	2022 RM'000	2021 RM'000	Variance RM'000
Net Revenue	**127,582**	181,093	(53,511)
Operating profit	**47,747**	93,010	(45,263)
Profit after share of results of joint ventures, but before exceptional items	**41,421**	76,204	(34,783)
Exceptional items:			
i) Gain on disposal of property, plant and equipment	**49,877**	98,014	(48,137)
ii) Reversal of impairment loss on vessels	**–**	14,833	(14,833)
iii) Gain/(loss) on liquidation of a subsidiary and a joint venture	**1,996**	(539)	2,535
iv) Derecognition of a joint venture	**–**	6,869	(6,869)
	51,873	119,177	(67,304)
Profit before tax	**93,294**	195,381	(102,087)
Total assets	**639,266**	627,623	11,643
Shareholders' equity	**487,052**	469,022	18,030
Total borrowings	**–**	65,908	(65,908)
Cash and cash equivalents	**379,299**	207,174	172,125
Net assets per share (RM)	**0.49**	0.47	0.02
Earnings per share (Sen)	**9.32**	19.52	(10.20)
Debt/Equity ratio (times)	**–**	0.14	(0.14)

FINANCIAL REVIEW (CONT'D)

During the first half of 2022, dry cargo spot rates were strong, supported by market inefficiencies built up in the previous year. However, the dry cargo market gradually deflated during 2022, reversing the market tightness. The Group's net revenue for FY2022 totaled RM127.6 million, 30% lower than FY2021 of RM181.1 million, and operating profit was RM47.7 million (FY2021: operating profit of RM93.0 million). The decrease in group revenue were mainly due to reduced hire days (FY2022: 1,537 days vs FY2021: 2,372 days) and a smaller fleet, despite higher charter rates (FY2022: USD18,886/day vs FY2021: USD18,092/day).

Included in profit after share of results of joint ventures are finance costs of RM3.7 million, a drop of 65% from RM10.6 million in FY2021. This decrease was mainly due to repayment of loans, lower borrowing costs and reduced interest on lease liabilities.

During the year, the Group disposed the 82,079 DWT Alam Kukuh with net proceeds of RM160.6 million, and recording a total gain on disposal of RM49.9 million.

The Group recorded a RM2.0 million gain on liquidation of its subsidiaries (Padu Shipping Pte Ltd and Manis Shipping Pte Ltd) in FY2022. The gain on liquidation resulted from the reclassification of the cumulative foreign exchange differences from equity to profit or loss upon liquidation of these subsidiaries.

Excluding the exceptional items, the Group reported a profit before tax of RM41.4 million in FY2022, compared to a profit before tax of RM76.2 million in FY2021.

In summary, with the decline in revenue, gain on disposal of vessels and absence of reversal of asset impairments, the Group closed the year with a lower profit before tax of RM93.3 million in FY2022, compared to a profit before tax of RM195.4 million in FY2021.

CASHFLOWS AND BORROWINGS

The Group continues to manage its liquidity prudently, with a positive net cash inflow of RM158.5 million mainly generated from its operating activities, and proceeds from disposal of a vessel.

The Group has fully settled its long term and short term bank borrowings and unwound the interest rate swap entered previously to manage interest rate risks.

The cash and cash equivalents at end FY2022 were RM379.3 million of which RM321.9 million were placed in short term deposit to earn interest income.

EQUITY

Total equity as at 31 December 2022 stood at RM487.1 million from RM469.0 million in FY2021. The increase in total equity was mainly attributable to profit earned in FY2022 and the increase in foreign currency translation reserve. The increase in foreign currency reserve was contributed by the strengthening of United State Dollar ("USD") against Ringgit Malaysia ("RM") in FY2022. This was offset by dividend declared.

The net assets per share as at 31 December 2022 amounted to RM0.49.

DIVIDENDS

The Group declared two interim single-tier special dividend of 6.5 sen and 3.5 sen per ordinary share in FY2022, amounting to RM65 million and RM35 million respectively for FY2022. The dividends were paid on 5 January 2023.

KEY OPERATIONS AND FINANCIAL RISKS

The Group is exposed to a wide range of operation and financial risk. The management is aware of the key business risks and is constantly monitoring these risks whilst implementing risk mitigating strategies to manage these risks.

Customer concentration risks

The Group works with only a small pool of reputable customers as the fleet size is small.

Regulatory risks

The vessels operated by the Group ply international waters and would need to comply with global maritime regulations as well as the regional maritime regulations applicable to the route the vessels take. In this respect, the Group outsourced the ship operations to an experience service provider.

The Group also avoid plying the international routes where there are geopolitical tensions.

Environmental and sustainability risks

We have integrated sustainability as our core strategies in order to comply with the recommendations set out by the International Maritime Organisation ("IMO"). Our fuel-efficient green vessels are environmentally friendly.

KEY OPERATIONS AND FINANCIAL RISKS (CONT'D)

Cyber risks

The Group constantly and proactively deployed anti-malware and cyber security solutions on board its owned vessels and ensured compliance to IMO 2021 Maritime Cyber Risk Management Regulations.

Fluctuations in charter rates

The charter rates for dry bulk business is dependent upon the demand and supply of commodity items such as coal, grains, iron ore and other commodity. The Group has entered into a long term contract with its key customer which has effectively locked-in the charter rate for one of its vessel.

Fluctuations in foreign currency exchange rate

The functional currency of the Group is USD whilst the reporting currency is RM. The fluctuations is USD versus RM will have an impact on the value of net assets reported periodically by the Group.

Interest rate risks

The Group placed significant amount of its cash and cash equivalent in short term money market deposit. The rate of return from deposit placement is dependent on the interest rate offered by the financial institution in Malaysia and Singapore.

CORPORATE EXERCISES

(a) On 15 August 2022, the Company:

i. entered into a conditional collaboration agreement with Tunas Manja Sdn Bhd ("TMSB"), a company in which the then Executive Directors Dato' Chin Yoke Kan and Dato' Chin Yoke Choon have substantial interest, to undertake grocery retail business and other grocery retail related business ("Proposed Collaboration")

ii. proposed to diversify its existing business to include grocery business ("Proposed Diversification")

iii. proposed to enter into new recurrent related party transaction of a revenue nature with certain related parties following the Proposed Collaboration and Proposed Diversification ("Proposed RRPT")

On 14 November 2022, as the conditions precedent of the Proposed Collaboration have not been fulfilled and extension of time was not granted by TMSB, the above Proposed Collaboration was terminated. Consequently, the Company has also decided not to proceed with the Proposed Diversification and Proposed RRPT.

CORPORATE EXERCISES (CONT'D)

(b) On 26 August 2022, the Company entered into a Heads of Agreement ("HOA") with Dato' Chin Yoke Kan, Dato' Chin Yoke Choon, Chin Polling, Chin Poh Yung and Chin Poh Yun ("TMSB Vendors") for acquisition of the entire issued and paid up capital of TMSB, its subsidiaries and other companies owned by the TMSB Vendors for a purchase consideration to be determined later.

On 13 January 2023, the Company and TMSB Vendors entered into a deed of mutual termination to terminate the HOA.

(c) On 18 January 2023, the Company entered into a Share Sale Agreement with Grand East Metal (Kulim) Sdn Bhd and Goh Ting Hong ("EMTS Vendors") for the acquisition of 1,000,000 ordinary shares in EMT Systems Sdn Bhd ("EMTS") for a total consideration of RM70,000,000.

The acquisition was completed on 30 January 2023.

PROSPECT

The dry bulk market continued its downward trend by the end of FY2022 due to seasonal factors and easing congestion. Most commodities saw a pullback of seaborne volume this year impacted by weaker macroeconomic conditions, geopolitical tension as well as inflationary pressures.

Thermal coal was one of the exceptions with stronger volume largely driven by increased European demand from sources further afield due to the Russian energy sanctions.

Although China has reversed its zero Covid policy and hinted that it will now focus more on economic growth, we still expect the same demand headwinds to continue in 2023.

Consequently, dry bulk freight levels for 2023 is expected to be lower than 2022.

The acquisition of EMTS will help to diversify the Group's revenue stream. It is expected to bring positive results to the Group for the financial year ending 31 December 2023, where a profit guarantee of RM6,000,000 was given by EMTS Vendors.

SUSTAINABILITY **STATEMENT**

ABOUT THE SUSTAINABILITY STATEMENT

The Board of Directors ("the Board") of Malaysian Bulk Carriers Berhad ("the Company") is pleased to present the Sustainability Statement of the Company and its subsidiaries ("the Group") for the financial year ended 31 December 2022 ("FYE 2022"). This Sustainability Statement ('Statement') is prepared in accordance with Bursa Malaysia Sustainability Reporting Guide and the principles of the Malaysia Code of Corporate Governance.

The aim of this Statement is to communicate and emphasise our corporate commitment to the balance integration of Economic, Environment, Social ("EES") factors into business practices as well as how we monitor and manage those sustainability matters that are material to us and our stakeholders on an annual basis to ensure business continuity in a sustainable future.

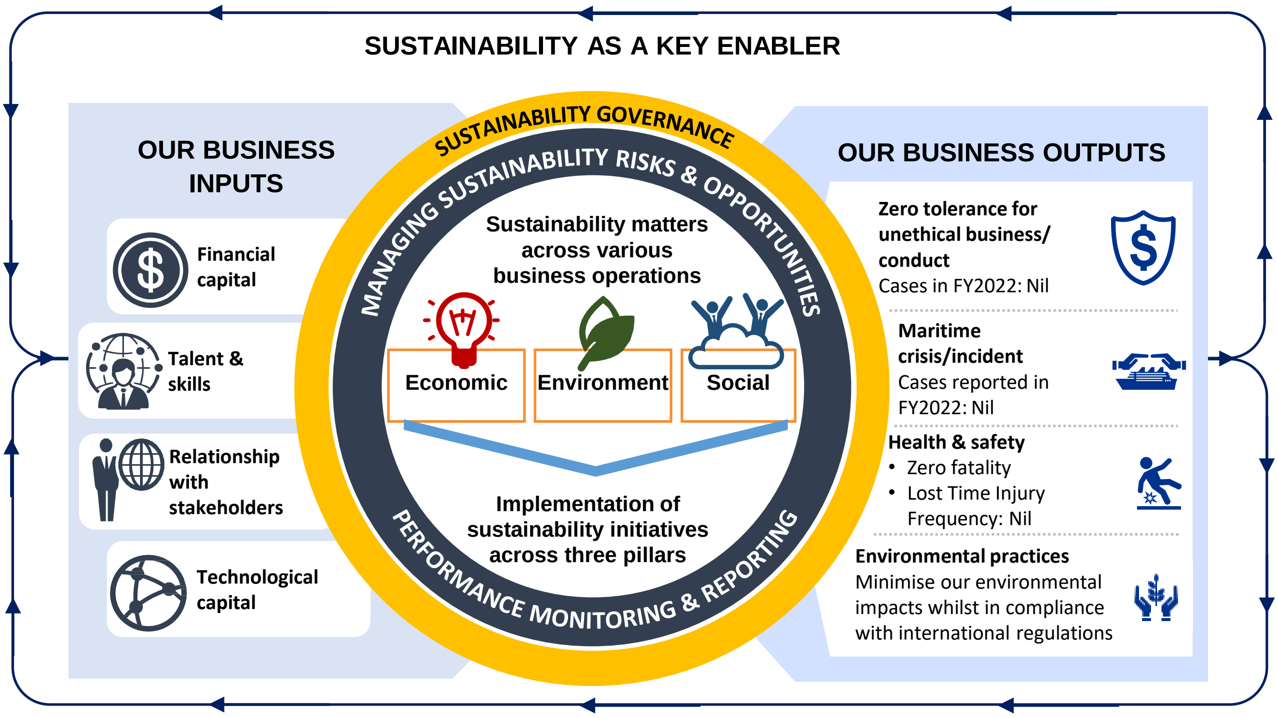
SCOPE OF THE SUSTAINABILITY STATEMENT

The reporting period for this Statement is from 1 January 2022 to 31 December 2022, unless otherwise stated. The scope covers the entire dry bulk shipping operations in Malaysia and Singapore. Our report focuses on vessels that we own and have the authority to mandate and control the vessel's Health, Safety and Environment policies and actions. Chartered-in vessels are not technically managed by us and therefore are not covered in this Statement.

ANCHORING SUSTAINABILITY INTO THE GROUP

The Group is committed to promote sustainability and we believe that propelling our business operations towards sustainability will better position us to manage our risks and opportunities, by taking into consideration the EES factors into our business strategies and daily operations.

Shaping our business strategies in accordance with the sustainability framework as shown below enables us to differentiate and position ourselves as a responsible shipping provider with a strong commitment to both financial and non-financial aspects of our business.



SUSTAINABILITY GOVERNANCE

The governance structure for the Group's Sustainability is as below:

Our Sustainability Governance Structure

The Board (Oversight Role)	The Board is overall responsible for the Group's sustainability efforts and sets the tone to integrate sustainability practices into the Group's daily operations, including setting strategic sustainability direction, approve sustainability policies and oversee the Group's sustainability performance.
Audit & Risk Management Committee ("ARMC")	The ARMC assists the Board in fulfilling the Board's responsibilities with respect to its oversight responsibilities on the Group's financial reporting, audit processes as well as formulating sustainability strategies, implementation of procedures and practices, deliberate sustainability issues and evaluates overall sustainability risks and opportunities.
Executive Directors and Sustainability Working Group	The Executive Directors and Sustainability Working Group support the implementation of sustainability strategies. It reports on the Key Sustainability indicators and maintaining sustainability performance across the Group.

STAKEHOLDERS' ENGAGEMENT

The Group recognises that stakeholders' engagement and their feedback are an integral part of its sustainability strategy and initiatives. The Group endeavours to maintain an open and transparent channel of communication with its stakeholders.

We consistently engage with our stakeholders through formal and informal approaches, using multiple channels on a regular basis and we strive to improve our stakeholders' engagement approach by identifying the sustainability stakeholders as follows:

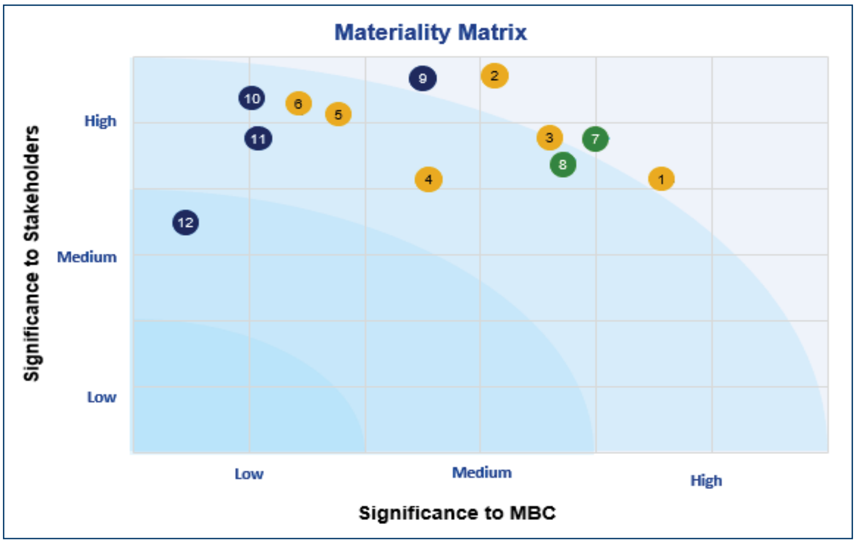
Key Stakeholders	Stakeholders' Interest	Mode of Engagement	Frequency	Engagement Objectives
The Board	• Business performance, operating landscape and business outlook • Internal controls, policies and procedures • Compliance of regulatory and business requirements	• Financial reports • Timely information as requested • Regular updates on risk registry, internal audit review and external review to evaluate compliance programs • Board Meetings	• Annually • Quarterly • As required	• To protect and enhance shareholders' value • To ensure high standard of corporate governance are practiced • Review and approve business strategy, budget and ensure business is properly managed
Shareholders/ Investors	• Business sustainability • Financial and operation performance • Key corporate developments • Corporate governance	• Quarter report • Annual report • Bursa announcement • Corporate website • General Meeting	• Annually • Quarterly • As required	• To safeguard shareholders'/investors interest

SUSTAINABILITY STATEMENT

(CONTINUED)

Key Stakeholders	Stakeholders' Interest	Mode of Engagement	Frequency	Engagement Objectives
Employees	• Employee welfare • Development opportunities • Occupational health & safety • Human rights & fair employment practices	• Learning and development programs • Internal communication via email and memo • Performance Review • Employee engagement • Staff meetings	• Annually • On-going	• To provide a safe and conducive workplace with good welfare and employment opportunities • To retain and attract talented employees
Customers	• Quality, reliability, pricing and delivery • Sustaining long-term relationship • Carbon emission and safety • Cargo and data security • Upcoming regulations affecting the business	• Survey and feedback • Company website • Communicate through emails/meetings • Operational meetings	• Annually • On-going • As required	• To meet customers' satisfaction and requirements • To build long-term sustainable relationships with customers
Business partners	• Operational and environmental matters • Quality, reliability and pricing of products • Sustaining long-term relationship	• Survey and feedback • Meetings • Networking sessions • Transparent procurement process	• Annually • On-going • As required	• To drive sustainability across the supply chain • To build long-term sustainable relationships with business partners
Government and Regulators	• Compliance with relevant laws, rules and regulations	• Annual and sustainability reports • Meetings	• Annually • On-going • As required	• To ensure business operations comply with the statutory and regulatory requirement.

MATERIAL SUSTAINABILITY MATTERS



The Materiality Assessment is a strategic business tool to identify, review and prioritise the material sustainability matters that affect our business and stakeholders. The Group adopted a structured Materiality Assessment process, guided by Bursa Malaysia's Sustainability Reporting Guide to identify and assess the significance of sustainability matters to our business and stakeholder groups.

We continue to enhance our disclosures on the material sustainability matters which are of high importance to the Group and places high priority on Digitalisation and Innovation, Occupational Health & Safety, Business Ethics and Compliance, Ocean Health and Climate Change and solid Business and Financial performance to better serve our business partners, contribute to economic growth and communities around us.

Details of our initiatives and measures taken in managing these material sustainability matters are discussed in the subsequent sections of this Statement.

ECONOMIC	ENVIRONMENT	SOCIAL
1. Digitalisation and innovation 2. Business ethics and compliance 3. Business development and financial performance 4. Supply chain management 5. Customer satisfaction 6. Disaster response	7. Ocean health 8. Climate change and mitigation	9. Occupational health and safety 10. Human rights and fair employment practice 11. Training and development 12. Community development

Note: The numbers in the diagram above refer to the respective sustainability matters as numbered in the materiality matrix.

SUSTAINABILITY STATEMENT

(CONTINUED)

SUSTAINABILITY MANAGEMENT

The material sustainability matters of the Group are set out below:

1. Economic

The Group's long-term value creation considers all stakeholder interests. We recognise the value brought to our stakeholders by building sustainable relationship with stakeholders and consistently deliver sustainable returns by strengthening our businesses and capitalising on future growth opportunities.

1.1 Digitalisation and Innovation

The evolution of cybercrime and cyber-threats pose a great challenge to the Group's information system.

The Group invested in technology across processes to enhance productivity and ensure greater efficiency in financial reporting, fleet management and crew operations, as well as maintaining on-going communication and engagement with shore and crew. The Group has replaced the current fleet management system with an integrated platform that can handle all aspects of fleet management including planned maintenance, purchasing, documentation, HSEQA, drydocking and voyage management. On crew operations, with data enhancements and optimising system utility, automated checks and validation will be implemented for crew documentation and crew movement.

The hacking of vessels' Information Technology and Operational Technology systems pose a danger to seafarers and vessels. The Group ensured its compliance in cybersecurity by putting in place user awareness programs, policies and procedures and NextGen technologies by deploying various tools such as AI powered NextGen anti-malware, passive network monitoring tool and enhanced security email systems onboard all owned vessels. The Group also has in place cybersecurity programmes that cover comprehensive user awareness, tighten controls and a dedicated cybersecurity team to monitor and protect the systems and network from malicious cyberattacks including strengthening endpoint server, mobile security and end-user education. During the year, the Group upgraded to the new email system (Dualog), a control to minimise phishing threat and Network Monitoring Tool (CyberOwl) with enhanced security to monitor crew compliance and provides easy identification of external emails.

1.2 Business Development and Financial Performance

The dry bulk sector experienced considerable volatilities in 2022 and continued its downward trend and pullback of commodities volume were impacted by weaker macroeconomic conditions as well as inflationary pressure.

To secure consistent earnings and mitigate against volatility of the spot market, the Group continue to employed spot/short-term to medium term charters on the Kamsarmax vessels.

The Group has also rolled out cost management measures in procurement of parts and services, improve operational efficiency in minimising critical machinery failure, reduce vessel downtime and operating costs.

SUSTAINABILITY MANAGEMENT (CONT'D)

1. Economic (cont'd)

1.3 Business Ethics and Compliance

Ethics and Integrity are the Group's core value and are integral to the conduct of day-to-day business operations.

We demonstrate strong compliance with international and domestic regulations in the geographical areas where we operate. Compliance with the laws and regulations is a must-have for us to operate in the shipping industry and the Group's Board is fully committed to ensuring that the Group maintains the highest standards in the conduct of business. The Board is assisted by the Finance department and ship managers in overseeing the implementation of the Group's policies and procedures as well as local and international regulations.

1.3.1 Internal policies and procedures

Below are the Group's internal policies and procedures:

- **Code of Ethics and Code of Conduct**

  Our Code of Ethics and Code of Conduct cover matters in relation to conflict of interest, entertainment and gifts, misuse of position, insider trading and misconduct. The following are some of the key initiatives carried out to encourage and promote ethical conduct within the Group:

  i. All new employees to go through new hire orientation training which introduces them to our Code of Conduct and employees are required to comply with the Code of Ethics and Code of Conduct.
  ii. The Code of Ethics and Code of Conduct is communicated through the Employee Handbook that provides guidance and describes a range of examples for greater clarity.
  iii. The code sets out the Group's zero tolerance towards any form of unethical business practices, corruption, bribery or fraud.

The Group has **Zero Tolerance** for unethical business practices or conduct.

NIL fines or non-monetary sanctions resulting from unethical business practices in 2022.

- **Whistle Blowing Policy**

  This policy establishes a framework for whistle blowing without fear of reprisals and provides for independent investigations. It provides an avenue for all employees and other stakeholders to report any observed improprieties, suspected wrongdoings or unethical or unlawful conduct involving our employees and provides reassurance that the whistle-blower will be protected from reprisals and their identity will not be disclosed to maintain confidentiality. Submission of complaint shall be made in person or in writing and all malpractices or wrongdoings reported by the whistleblower are addressed to the Chairman of ARMC. The Group did not receive any complaint during the year.

SUSTAINABILITY MANAGEMENT (CONT'D)

1. Economic (cont'd)

1.3 Business Ethics and Compliance (cont'd)

1.3.1 Internal policies and procedures (cont'd)

- **Anti-corruption Policy**

The Group is committed to conduct business with integrity, fairly, impartially, in an ethical and proper manner, and in compliance with all applicable laws and regulations. Employees must not under any circumstances solicit or accept, directly or indirectly, any bribe, kickback, illicit payment, benefit in kind or any other advantage from any person or entity, as an inducement or reward for an improper performance or non-performance of a function or activity. Any breaching or non-compliance is subjected to the requirements of The Malaysian Anti-Corruption Commission ("MACC") (Amendment) Act 2018, Section 17A that a commercial organisation is deemed to have committed an offence, if a person associated with the commercial organisation corruptly gives, agrees to give, promises or offers to any person any gratification to obtain or retain business or advantage for the organisation. If charged, a commercial organisation may, as a defence provide that it had in place adequate procedures designed to prevent persons associated with the organisation from undertaking the conduct that is subject of the offence.

The following table below summarises the Group's anti-corruption key indicators and actual performance for the financial year under review.

Anti-Corruption Indicators	Actual 2022
Operations assessed for corruption related risks *(%)*	100%
Confirmed incidents of corruption and action taken *(no. of incidents)*	Nil
Cost of fines, penalties or settlements in relation to corruption *(no. of incidents)*	Nil
Staff disciplined or dismissed due to non-compliance with anti-corruption policy/policies *(no. of staff)*	Nil

- **Sanctions Compliance Policy**

This policy explains the sanctions, its applicability and the importance, as well as provides guidelines and the Group's approach to compliance. Sanction checks are performed using Dow Jones and Datarama portals. In addition, the Group implemented a comprehensive sanctions screening process that includes a broader positive-match criteria, screening of end-customers and vendor/crew bank accounts and clear escalation process of positive-matches to corporate functions for immediate action.

SUSTAINABILITY MANAGEMENT (CONT'D)

1. Economic (cont'd)

1.3 Business Ethics and Compliance (cont'd)

1.3.2 Seafaring regulations

Ship managers are responsible in ensuring that all our crew comply with local and international seafaring regulations, such as:

(a) International Maritime Organisation (IMO) Standard of Training, Certification and Watch-keeping for Seafarers (STCW) Convention;
(b) Maritime Labour Convention (MLC) 2006;
(c) International Safety Management (ISM) Code; and
(d) Minimum Safe Manning Document.

In ensuring that all crew members obtain the relevant qualifications and certifications, we provide in-depth training based on these regulations, onboard the vessels and ashore.

We regularly carry out inspections to check on the documentation of the crew upon hiring and joining the ship. To ensure comprehensive inspections, proper checklists are in place to assist monitoring and checking while immediate actions are taken on any reports of non-compliance. Any non-conformity raised by the Port State Control (PSC), ISM and MLC during inspections are strictly rectified to prevent recurrence.

We work with various forums in the maritime industry, such as Neptune Declaration 2021 for Seafarer Wellbeing and Crew Change, compliance with COVID guidelines imposed by local jurisdiction, increase collaboration between ship operators and charterers to facilitate crew changes and ensure air connectivity between key maritime hubs for seafarers.

1.4 Disaster Response

Maritime disaster management plays an important role in minimising the Group's risks in the event of maritime disasters (e.g. vessel collision, fire & explosion, climate/bad weather, security and piracy), which may result in financial losses, operational inefficiencies and environmental damage. In severe cases, it may even lead to the loss of customers and damage to brand reputation.

The overall responsibility of managing maritime disaster lies with the Crisis Management Team (CMT). CMT provides the required assistance and guides decision-making for our vessels in any emergency situations. Most of the Senior Management of CMT are trained for crisis management and media handling.

The Group has implemented the Emergency Response Manual which comprehensively details out the steps or actions and contingency plans to be taken during any emergency cases. All our ships have been provided with Shipboard Emergency Response Plan and a checklist for the employees and seafarers to use during any emergency.

A Crisis Management Plan is also in place for our shore management to ensure continuous safe operation in the event of an onboard emergency. The plan addresses matters ranging from safeguarding of life, preservation of property to the minimisation of environmental impact as a result of a crisis.

SUSTAINABILITY STATEMENT

(CONTINUED)

SUSTAINABILITY MANAGEMENT (CONT'D)

1. Economic (cont'd)

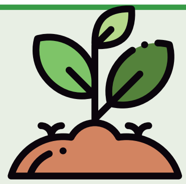
1.4 Disaster Response (cont'd)

1.4.1 Trainings and drills

At the Group, trainings and drills are held as realistic as possible. Participation in the training and drills is mandatory to all relevant personnel. All the relevant equipment such as fire pumps, survival craft are maintained in readiness for use in emergencies.

We ensure that at least once a year, each ship is involved in a selected drill together with other parties such as Manning Agents, our clients, Oil Spill Response Organisations, Classification Society Emergency Response Service and media representatives to ensure adequate response to hazards, accidents and emergency situations at shipboard. An annual communication drill is also carried out between ship and shore offices.

Zero cases of maritime crisis / incident in 2022.

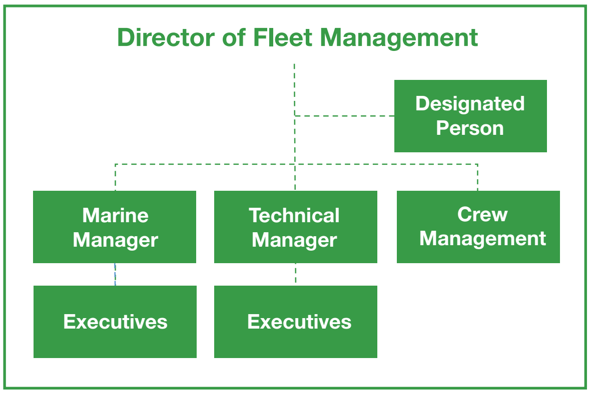


2. Environment

The Group is committed to undertake sustainable practices and pro-active initiatives in the management of our environment including emission mitigation and compliance with IMO's regulations are adhered. In FY2022, none of the vessels was subjected to penalties due to non-compliance with IMO.

2.1 Ocean Health, Climate Change & Mitigation

The Group recognises the importance in preserving health and value of the marine ecosystem and biodiversity. Environmental compliance is one of the highest priorities of the Group and our Kamsarmaxes are environmentally friendly green vessels, and our entire fleet are equipped with the IMO approved Ballast Water Treatment System to prevent the introduction of non-native marine microorganisms.



Operating in a highly regulated industry, we are committed to safeguarding the environment by ensuring that our vessels are in full compliance with all relevant local and international laws and regulations and operate efficiently to minimise the impact on the environment. Ashore and at sea, we comply with the mandatory ISM code and other relevant regulatory requirements that prescribe system controls, procedural safeguards and training to prevent and respond to oil spillage.

SUSTAINABILITY MANAGEMENT (CONT'D)

2. Environment (cont'd)

2.1 Ocean Health, Climate Change & Mitigation (cont'd)

The Director of Fleet Management is ultimately responsible in establishing environmental objectives and targets for the vessels and office departments on an annual basis, assisted by the Departmental Managers. The Designated Person is responsible in monitoring the safety and pollution-prevention aspects of the operation of each ship and ensuring that adequate resources and shore-based support are applied, as required.

We strive to ensure that significant environmental aspects are considered in establishing, implementing, and maintaining our environmental management system. We also regularly identify the environmental aspects of all the Group's activities and services to determine those that have or can have significant impacts on the environment.

2.2 Greenhouse Gas Emission

To navigate towards a greener environment, we have taken pro-active initiatives in the management of our environment including emission mitigation. To align with International Maritime Organisation (IMO) of Greenhouse Gas Strategy, the Group has embarked on EU Monitoring, Reporting and Verification (MRV) and IMO Data Collection System (DCS) that are developed in the context of reduction of greenhouse gases (GHG)/ carbon dioxide (CO_2) emissions and with the target to measure and potentially reduce the CO_2 emissions in the maritime industry.

The Group has implemented the Energy Efficiency Design Index (EEDI) for our vessels using the Ship Energy Efficiency Management Plan (SEEMP), a tool introduced by the IMO to monitor the amount of CO_2 emission and other greenhouse gas emissions from ships. Our Technical Department has been tasked to oversee and implement the SEEMP onboard the entire fleet and our vessels are designed to be more fuel efficient and in compliance with the following regulations:

i. Nitrogen Oxides (NOx) Tier II – to limit the diesel engine NOx emissions;
ii. Energy Efficient Design Index (EEDI) – to monitor the amount of CO_2 emission and other greenhouse gas emissions from ships;
iii. Ballast Water Treatment System;
iv. Energy Efficiency Existing Ship Index (EEXI) – to set a standard of energy efficiency for ships;
v. Carbon Intensity Indicator (CII) – to calculate annual energy efficiency value of each ship.

Apart from taking initiatives based on regulatory standards and keeping ourselves abreast on the available technologies in the market on GHG emission reduction, we have also initiated the following:

- Use fuel oil additives to enhance engine combustion of our vessels;
- Hull coating or anti-fouled coating to slow marine growth on the underwater which would enhance vessels performance and durability;
- Propeller cleaning when the propeller curve reaches the engine maker's indicator;
- Safe and fuel-efficient route guidance system tool to reduce emissions; and
- White box to enhance vessels operation and monitoring of oily water separator.

In compliance with Regulation 22A of MARPOL Annex VI which requires ships to collect, aggregate and report data on its fuel consumption starting from 1 January 2019, we have developed a ship-specific methodology for fuel consumption data collection as required by the regulation and reported to the Administration or any organisation duly authorised by it.

Within the Group, the Operations Department is responsible for the discharge of hold wash water, which might be harmful to the marine environment. We strictly ensure that our vessel discharges the hold wash water in line with the regulation under MARPOL Annex V.

SUSTAINABILITY STATEMENT

(CONTINUED)

SUSTAINABILITY MANAGEMENT (CONT'D)

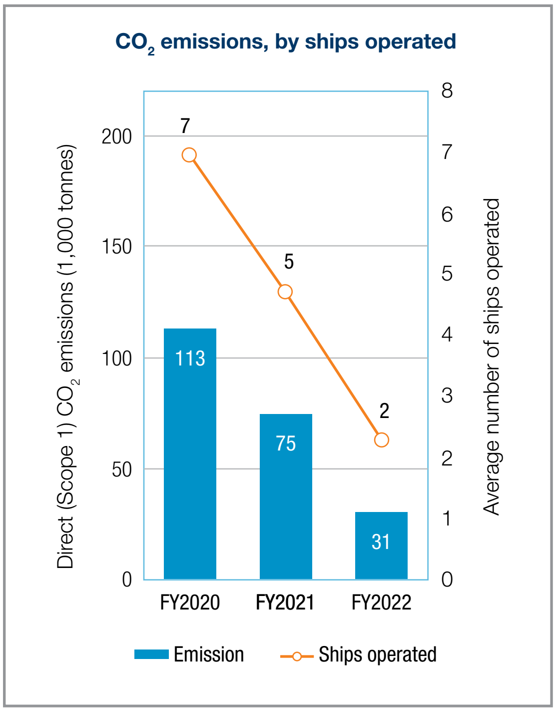
2. Environment (cont'd)

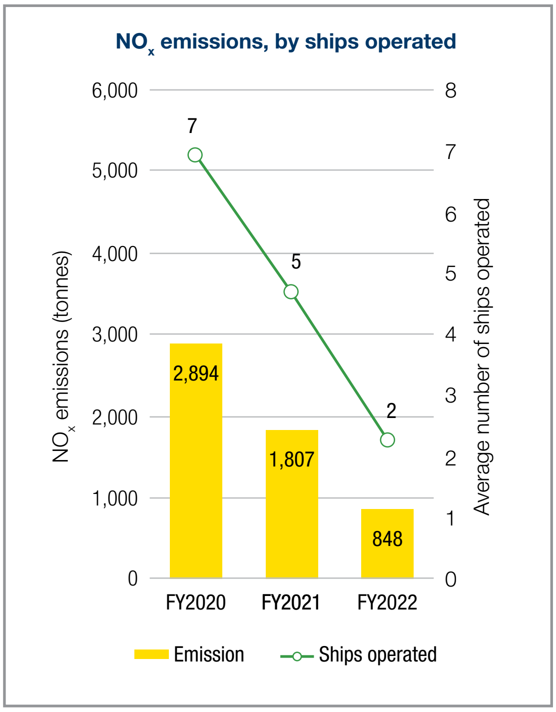
2.2 Greenhouse Gas Emission (cont'd)

There is no specific target set for reduction in GHG and air pollutants emissions as it is still under data collection and monitoring stage. Presently, there is no specific GHG emission target set by IMO, in view that it is complex issue part from the 0.5% sulphur cap and Tier 3 engine on NOx control.

The GHG reduction plan for the future is very much dependent on the technology available in the market and its economic impact and the acceptable standard by the regulatory bodies. As a prudent Ship Manager and Ship Owner, our aim is to support and participate in any activities on GHG emission reduction that is within the scope of our business and within our means, and to be in full compliance with the IMO's rules and regulations.

In year 2022, the Group recorded a decrease in GHG emission corresponding with the change in fleet size during the reporting year. The Group's Kamsarmaxes are environmentally friendly green vessels with enhancements that improve efficiency and lowers fuel consumption.





Note: *Scope 1 emissions are direct GHG emissions from sources that are owned or controlled by the Group. We do not track Scope 2 and 3 emissions as the generation of electricity, heating and cooling or steam is operated within the vessels.*

SUSTAINABILITY MANAGEMENT (CONT'D)

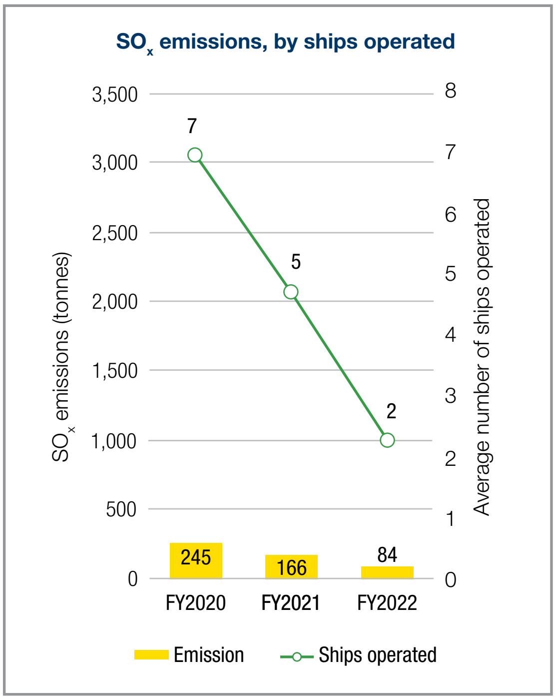
2. Environment (cont'd)

2.3 Sulphur Regulation

From 1 January 2020, IMO MARPOL Annex VI will reduce the maximum sulphur content in fuel oil used on vessels to 0.50% replacing the former limit of 3.5%. The mandatory limit is expected to reduce emissions of harmful sulphur oxide (SOx) from ships.

In order to meet the regulation, vessels can switch to a new fuel with a lower sulphur content (LSFO) or install open or closed-loop Exhaust Gas Cleaning Systems (also known as scrubbers) that reduce the sulphur content from the exhaust gases.

During the year, the Group has complied with the IMO emission standards by using LSFO with low sulphur content of 0.1% for its owned vessels to improve air quality and preserve the environment.



2.4 Environmental Management Programme

The Group is committed in ensuring safety and environmental compliance at all levels and to ingrain our people the mentality to adopt the best environmental standard and contribute to the ecosystem resilience. We have rolled-out the Environment Compliance Plan (ECP) and implemented an "Open and Transparent Reporting System (ORS)" to collate positive feedback that highlighted key areas for improvement on three most significant environmental aspects within the shipping operations:

i. Seafarers' Compliance

The seafarers play an important role in the implementation of, and compliance with pollution prevention requirements, regulations and standards through continuous review of Safety Management System manuals, circulars on environmental related matters and seafarer's education via shipboard training, including computer based training, seminars and pre-joining ship briefings. In year 2022, there was no major deficiency issued from ECP annual audit for the Group's owned fleet.

ii. Handling of oily bilge water

Reducing the production of oily bilge water from machinery space to minimise impact to the environment. It is achieved through various methods such as proper housekeeping and maintenance. Oily bilge water is processed through Oily Water Separator, and residual oil retained on board for subsequent disposal to approved reception facilities. The Group installed additional protection system to enhance monitoring and control, and to prevent illegal discharge of oily bilge water.

iii. Garbage/waste disposal

Preventing environmental pollution of garbage through various garbage/waste reduction methods such as reduce, reuse, recycle and repurpose, repair, return and refill. All accumulated garbage is compressed to its minimum possible size prior to disposal at shore facilities. The average monthly garbage production in 2022 was $1.24m^3$ per ship, below our target of $1.33m^3$.

The results from the monitoring and measurement of the EMP are analysed and evaluated on a bi-annual basis. These results are also discussed and reviewed during safety committee meetings to establish action plans for continual improvement.

SUSTAINABILITY STATEMENT

(CONTINUED)

SUSTAINABILITY MANAGEMENT (CONT'D)

3. Social

At the Group, workplace safety is our utmost priority. We strongly believe our employees and crew, onshore or at sea, deserve a safe and healthy working environment, not only for the individual's well-being but for the interest of the Group as well.

3.1. Occupational Health and Safety

The Group recognises the objectives as advocated in the IMO's International Safety Management Code which emphasises on safety at sea, prevention of human injury or loss of life and avoidance of damage to the environment, specifically the marine ecosystem which is aligned with our aspirations.

We have in place a Safety Management Manual (SMM), which complies with the requirements of the American Bureau of Shipping Guide for Marine Management Systems that have been largely derived from the sound management system principles reflected in the ISM Code, ISO14001:2015 and other industry-driven requirements. Detailed instructions and procedures that are formulated within the system are reviewed annually to ensure safe operations of ships and environmental protection in compliance with international and Flag State legislations.

Relief of crew is essential in ensuring the safety, health and welfare of seafarers. In 2022, the Group continues to champion the safety and wellbeing of our seafarers and offshore employees through the following programs and initiatives:

- Participated in the International Seafarer's Welfare & Assistance Network (ISWAN) to provide 24x7 assistance via helpline for crew;
- Sea Air Vaccination Exercise (SAVE) programmes for crew including supply of ART kits, and equipped oxygen concentrators and ventilators on board vessels;
- Participated in the Neptune Declaration for Seafarer Wellbeing and Crew Change that prioritises safety and wellbeing of seafarers;
- Revised Pandemic Contingency Plan (PCP) to ensure a "safe bubble" quarantine for all crew signing on/off, to/from home;
- Rolled out Health and Wellbeing campaign through online audio-visual training;
- Sufficient supply of medication and personal injury prevention training on board vessels.

Our other health and safety obligations are also set out in our Declaration of Maritime Labour Convention and Collective Agreement with the trade union.

3.2 Health, Safety and Environment Policy ("HSE Policy")

The Group is guided by the HSE policy, which is complemented by six other policies as shown in the diagram on the right.

The Management has established a complete and comprehensive HSE Safety Management Manual that clearly stipulates in detail, the procedures and measures required to meet the abovementioned objectives. The Manual underlines the importance of giving a high priority and compliance to the client's own rules, regulations, and standards.

To create awareness on health and safety among the crew and employees onshore, all the Policy Statements are posted on the notice boards at the various locations in our fleet of vessels and across the offices respectively.

Within our shipping operations, a Safety Committee is constituted onboard every ship. Whilst the Master is responsible for the overall safety of the ship and those onboard, the Ship's Safety Officer and Safety Committee have important roles to play in promoting an attitude of safety consciousness and accident prevention amongst the crew.

SUSTAINABILITY MANAGEMENT (CONT'D)

3. Social (cont'd)

3.3 Personal Protective Equipment ("PPE")

All personnel must adhere to HSE policy and shall wear adequate PPEs that is suitable for the nature of work being carried out. Our policy requires that adequate protective equipment to be utilised by our employees and seafarers, as one of the minimum safety requirements prior to carrying out any work onboard the vessels. The Group practices good hygiene to mitigate the impact of the outbreak and ensure adequate supplies of PPE for employees and crew. All employees and crew are required to maintain high level of personal hygiene and adhere to the safety management measures. Disciplinary action for non-compliance is a warning for initial offence and dismissal for a repeated offence. PPEs are regarded as the last defence barrier in the avoidance of personal injury. The conditions of PPEs are regularly checked.

3.4 Safety and Health Training

A workplace accident can change a life forever, which is why the Group is committed to empowering employees and crew with the tools, resources and training necessary to take charge of their own safety and look out for their colleagues. Onboard safety training begins at the cadet level and continues at all ranks throughout the career of a seafarer of the Group. Through training, drills and exercises, crew members learn or refresh vital skills and knowledge to recognise and mitigate workplace hazards and ensure the safe operation of our ships.

Extensive safety training, covering a wide range of areas, including emergency procedures and environmental awareness are provided to ship crew members. Prior to joining a vessel, a safety briefing is provided to the crew. During crew and officer's seminar, presentation on safety topic is carried out to increase safety awareness.

As part of our efforts to further improve the Group's safety performance, safety statistics and data are analysed to identify the most common injuries faced by our employees, as well as the most common basic risk factors. This in-depth analysis allows the Group to focus on areas of concerns and formulate action plans to mitigate the risks identified.

As Occupational Health and Safety programmes are part of our due diligence process, we target to eliminate or reduce risk to "As Low As Reasonably Practicable" with due regard to legal obligations of life safety, health and environment. Our tolerance level for Health and Safety impact per incident is zero loss of life and we are committed to working towards this ultimate goal. A Zero Accident task force was established to enhance pandemic protocols, usage of ART kits in addition to other measures, and ensure all vessels are equipped with sufficient safety equipment.

In 2022, we achieved an excellent safety performance of zero Lost Time Injury Frequency Rate and zero fatalities.

Key Performance Indicator	2022 Performance	2021 Performance	2020 Performance
Fatality *(no. of incidents)*	Nil	Nil	Nil
Lost Time Injury Frequency *(per million Exposure hours)*	Nil	Nil	Nil
Major fire and / or explosion *(no. of incidents)*	Nil	Nil	Nil
Ship collision *(no. of incidents)*	Nil	Nil	Nil
Oil pollution *(no. of incidents)*	Nil	Nil	Nil
Detentions by Port or Flag State *(no. of incidents)*	Nil	Nil	Nil

PROFILE OF **DIRECTORS**

DATO' GOH CHENG HUAT

Group Managing Director Malaysian Male Aged 62

Date of appointment: **13 May 2022**

Dato' Goh Cheng Huat was appointed to the Board on 13 May 2022 as Executive Director and was subsequently re-designated as the Group Managing Director on 27 February 2023.

Dato' Goh Cheng Huat has extensive experience, expertise and knowledge in the processing of iron and steel products. With more than 40 years in the industry, he has accumulated invaluable skills, which includes amongst others, the invention and enhancement of steel making machine and its related processes.

In recognition of his entrepreneur skills, he was conferred the 1990 Young Entrepreneur Award by the Ministry of Youth and Sports. His zeal and untiring efforts to improve steel products making processes did not go unnoticed, for in year 1999, he was awarded a patent for Process For The Manufacturing Of Steel Products And Apparatus and 4x2 High Cold Roll Angle Bar Machine. He is also the key inventor for Recovery Oil From Palm Mesocarp Fibres, where the patent was granted in year 2009.

Further, Dato' Goh Cheng Huat has ventured into industrial property development industry since 1995, accumulating 25 years of extensive experience and technical knowledge in the field.

He graduated from National University of Singapore in 2013 with a Master of Business Administration.

Currently, he is an Executive Director of Leader Steel Holdings Berhad and its subsidiaries, as well as Executive Director of Eonmetall Group Berhad and its subsidiaries.

He also sits on the board of subsidiaries of Maybulk and several other private companies.

He is father-in-law of Lin Junliang, Troy.

OOI TEIK HUAT

Executive Director / Chief Financial Officer Malaysian Male Aged 53

Date of appointment: **13 January 2023**

Mr. Ooi Teik Huat was appointed as Chief Financial Officer on 18 May 2022 and was appointed to the Board on 13 January 2023 as Executive Director

Mr. Ooi worked for more than 8 years in KPMG before joining a principal subsidiary of Can-One Berhad as Finance Manager. In 2005, he was appointed as Executive Director of Can-One Berhad. In 2012, he was seconded to assume the role of Group Chief Financial Officer in Kian Joo Can Factory Berhad and Box-Pak (Malaysia) Berhad. He was primarily responsible for corporate, finance, treasury, accounting and taxation functions in Can-One Berhad, Kian Joo Can Factory Berhad and Box-Pak (Malaysia) Berhad. He sat in the board of directors in key subsidiaries of the aforesaid companies too. Mr. Ooi resigned as Group Chief Financial Officer from the aforesaid companies on 30 June 2021. He joined Leader Steel Holdings Berhad in September 2021 and was appointed as Chief Financial Officer cum Business Controller of Leader Steel Holdings Berhad on 25 November 2021.

Mr. Ooi is a member of the Malaysian Institute of Accountants (MIA) and Malaysian Institute of Certified Public Accountants (MICPA).

LIN JUNLIANG, TROY

Non-Independent Non-Executive Director Singaporean Male Aged 37

Date of appointment: **20 June 2022**

Mr. Troy Lin was appointed to the Board on 20 June 2022. He is also a member of the Audit and Risk Management Committee and Nomination & Remuneration Committee.

Mr. Troy Lin is an investment and financial advisor for large corporations in the public infrastructure space. He is currently a Deputy Director of Global Investment and Risk Control at Trina Solar Limited, focusing on international renewable energy asset investment and management.

Before, he was a structured finance senior manager for Jinko Power Technology Co., Ltd. in Shanghai, leading the firm's financing activities for its renewable energy assets in the Asia Pacific region. Mr. Troy Lin was also once an investment banker in Mitsubishi UFJ Financial Group's Project Finance Division in Singapore, providing lending and financial engineering solutions to large Asian power and infrastructure corporations. Apart from investment, Mr. Troy Lin also has experience dealing with international transfer pricing, having started his career as an international tax advisor with KPMG Singapore.

He is spouse of child of Dato' Goh Cheng Huat.

YEOH KHOON CHENG

Independent Non-Executive Director Malaysian Male Aged 64

Date of appointment: **29 August 2019**

Mr. Yeoh Khoon Cheng was appointed to the Board on 29 August 2019. He is also the Chairman of the Audit and Risk Management Committee and a member of Nomination & Remuneration Committee.

Mr. Yeoh Khoon Cheng started his career as Audit Assistant with Deloitte Malaysia in 1979. He joined Malayan Cement Berhad in 1987 as Finance Manager and has held various positions involving business development, mergers & acquisitions and corporate finance activities in addition to the position of Company Secretary from 1990 to 1998. He was appointed as Executive Director and Chief Financial Officer in January 1999 and held the position until August 2011. From August 2011 to December 2015, he was the Chief Financial Officer for Lafarge Cement China Limited and from January 2016 to July 2017, he was the Chief Financial Officer for Huaxin Cement Limited, China. He returned to Malayan Cement Berhad in August 2018 as Executive Director holding the position of Chief Financial Officer and later CEO until May 2019.

Mr. Yeoh is a member of the Malaysian Institute of Accountants (MIA) and Malaysian Institute of Certified Public Accountants (MICPA).

He is currently also the Non-Independent Non-Executive Director of Malayan Cement Berhad.

PROFILE OF DIRECTORS

(CONTINUED)

ELSIE KOK YIN MEI

Independent Non-Executive Director Malaysian Female Aged 62

Date of appointment: **23 June 2020**

Madam Elsie Kok Yin Mei was appointed to the Board on 23 June 2020. She is also Chairman of the Nomination & Remuneration Committee and a member of the Audit and Risk Management Committee.

She was the Head of Legal, General Counsel of HSBC Group in Malaysia from May 2003 to March 2016. She was a Legal Adviser of HSBC Group in Malaysia from August 1992 to April 2003. She began her career as a Legal Assistant with Advocates & Solicitors, Messrs Abdul Raman Saad & Associates, KL and Advocates & Solicitors, Messrs Tan Eng Choong & Co from January 1987 to July 1992.

Madam Elsie Kok Yin Mei holds a Bachelor of Jurisprudence and LLB from Monash University, Melbourne, Australia.

She is currently an Independent Non-Executive Director of AmGeneral Insurance Bhd.

Notes:

(1) The total number of Board meetings held during the financial year ended 31 December 2022 was six. The number of Board Meetings attended by the Directors in the financial year is set out on page 29 of this Annual Report.
(2) None of the directors has any family relationship with any other director of the Company other than Dato' Goh Cheng Huat is the father-in-law of Lin Junliang, Troy.
(3) None of the directors had any convictions for offences within the past 5 years other than traffic offences.
(4) None of the directors have any public sanction and/or penalty imposed by any relevant regulatory bodies during the financial year ended 31 December 2022.

KEY SENIOR
MANAGEMENT

DATO' GOH CHENG HUAT

Group Managing Director

His profile is disclosed on page 22 of this Annual Report.

OOI TEIK HUAT

Executive Director / Chief Financial Officer

His profile is disclosed on page 22 of this Annual Report.

TAN BEE CHOO

Senior Manager, Finance

Nationality / Age / Gender:

Malaysian / 47 / Female

Date of Appointment:

10 June 2019

Academic/ Professional Qualification:

- Member of the Malaysian Institute of Accountants (MIA)
- Fellow member of the Association of Chartered Certified Accountants (FCCA)

Present Directorship:

- Listed entity: Nil
- Other public companies: Nil

Working Experience:

Ms. Tan Bee Choo joined our Group in June 2019 and she is responsible for handling our Group's finance affair. She has accumulated more than 20 years working experience in the field of accounting and finance.

In 1999, she started her career at a professional accounting firm as an Audit Associate and subsequently promoted to Audit Senior in 2001. She was then responsible in conducting independent statutory financial audit works in various industries from banking, property development & construction, manufacturing, municipal councils, trading etc and involves in the provision of corporate advisory and restructuring services pertaining to initial public offering, reverse take-over, due diligence assignments. Subsequently she joined a stocking broking company as an Accountant and later an Investment Management in Unit Trust & Asset Management company as a Head of Finance in 2007.

In 2010, she joined Federation of Investment Management Malaysia (FIMM), a self-regulatory organisation for unit trust industry as the Head of Corporate Services, overseeing the entire finance affairs, human capital and Information technology. She was then joined a healthcare company in 2014 as a Vice President, Finance overseeing and responsible for the entire corporate and finance operations of the company. She left the company subsequently and assumed her current position.

GOH TING HONG

Managing Director of EMT Systems Sdn Bhd ("EMTS")

Nationality / Age / Gender:

Malaysian / 37 / Male

Date of Appointment:

9 May 2017

Academic/ Professional Qualification:

- Bachelor of Engineering from Sheffield Hallam University, United Kingdom

Present Directorship:

- Listed entity: Nil
- Other public companies: Nil

Working Experience:

Mr Goh Ting Hong ("Jason Goh") has over 12 years' of experience in the steel and storage solutions business. He began his career in 2010 with a building materials company specialising in the trading of steel, where he was involved in sales and marketing. In 2013, he joined an elevator manufacturing company in Malaysia as a Mechanical Design Engineer where he was mainly involved in the development, design and engineering of elevators.

In 2015, he joined a metalwork and industrial process machinery and equipment manufacturing company listed on the Main Market of Bursa Malaysia Securities Berhad, as a Sales Engineer. In his role, Jason Goh was involved in sales and marketing.

Subsequently, in 2017, Jason Goh founded EMTS where he is currently the managing director. With his expertise as a mechanical engineer coupled with his extensive experience working with steel structures, EMTS has grown to become an end-to-end racking systems and warehousing solutions provider, selling its products in Malaysia and overseas under his leadership.

KEY SENIOR MANAGEMENT

(CONTINUED)

LO ZHI HERNG TERRY

Assistant Manager, Finance

Nationality / Age / Gender:

Malaysian / 35 / Male

Date of Appointment:

1 January 2020

Academic/ Professional Qualification:

- Member of the Malaysian Institute of Accountants
- Member of CPA Australia

Present Directorship:

- Listed entity: Nil
- Other public companies: Nil

Working Experience:

Mr. Terry started his career as an Audit Assistant with Ernst & Young in 2010 and was involved in the audit of various industries from professional practice to manufacturing, trading, associations, hospitality and health care industries. He joined Malaysian Bulk Carriers Berhad as an Assistant Accountant in 2014 and was promoted as Assistant Manager, Finance in 2020. He is responsible for statutory reporting and management reporting and assisted in finance.

Notes:

(1) none of the key senior management has any family relationship with any director of the Company, other than Dato' Goh Cheng Huat is the father-in-law of Lin Junliang, Troy.

(2) none of the key senior management had any convictions for offences within the past 5 years other than traffic offences.

(3) none of the key senior management have any public sanction and/or penalty imposed by any relevant regulatory bodies during the financial year ended 31 December 2022.

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

Dato' Goh Cheng Huat
Group Managing Director

Ooi Teik Huat
Executive Director / Chief Financial Officer

Lin Junliang, Troy
Non-Independent Non-Executive Director

Yeoh Khoon Cheng
Independent Non-Executive Director

Elsie Kok Yin Mei
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman
Yeoh Khoon Cheng

Members
Elsie Kok Yin Mei
Lin Junliang, Troy

NOMINATION & REMUNERATION COMMITTEE

Chairman
Elsie Kok Yin Mei

Members
Yeoh Khoon Cheng
Lin Junliang, Troy

COMPANY SECRETARIES

Tai Yit Chan (MAICSA 7009143)
(SSM PC No.: 202008001023)

Tan Ai Ning (MAICSA 7015852)
(SSM PC No.: 202008000067)

REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya, Selangor
Malaysia

Tel : +603-7890 4700
Fax : +603-7890 4670

REGISTERED OFFICE

Suite 8.01, Level 8
Menara Binjai
No 2 Jalan Binjai
50450 Kuala Lumpur
Wilayah Persekutuan
Malaysia

Tel : +603-2386 7899
Fax : +603-2386 7899

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Board
Sector : Transportation & Logistics
Stock Name : Maybulk
Stock Code : 5077

AUDITORS

Ernst & Young PLT
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel : +603-7495 8000
Fax : +603-2095 9076

WEBSITE: www.maybulk.com.my

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

The Board of Directors ("the Board") of Malaysian Bulk Carriers Berhad ("the Company") and its subsidiaries ("the Group") is committed to ensuring that best practices of corporate governance are adhered to within the Group in discharging its responsibilities to the various stakeholders of the Group and in line with the recommendations set out in the Malaysian Code of Corporate Governance 2021 ("Code").

The Corporate Governance Overview Statement provides a summary of the corporate governance practices of the Group during the financial year ended 31 December 2022 with reference to the three (3) key principles set out in the Code:

Principle A : Board leadership and effectiveness
Principle B : Effective audit and risk management
Principle C : Integrity in corporate reporting and meaningful relationship with stakeholders

This statement is to be read together with the Corporate Governance Report ("CG Report") for financial year ended 31 December 2022, reported in the format prescribed under paragraph 15.25 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR"). The CG Report can be downloaded from the Company's website at www.maybulk.com.my or from Bursa Securities' website.

The CG Report provides details on how the Company has applied each practices under the Code, any departures thereof and the alternative measures put in place within the Company during the financial year ended 31 December 2022. The Board considers that the Company has substantially complied with the Code save for the exceptions which are fully described in the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board of Directors

The Board of the Company currently comprises of five (5) members; two (2) Executive Directors, one (1) Non-Independent Non-Executive Director and two (2) Independent Non-Executive Directors, as at date of this Annual Report as follows:

Directorate	Director
Managing Director ("MD")	Dato' Goh Cheng Huat
Executive Director ("ED")	Ooi Teik Huat (Appointed on 13.01.2023)
Non-Independent Non-Executive Director ("NINED")	Lin Junliang, Troy
Independent Non-Executive Director ("INED")	Yeoh Khoon Cheng
INED	Elsie Kok Yin Mei

Please refer to Directors' Profile in this Annual Report for brief background of each Director.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

1. Board of Directors (continued)

Board of Directors are scheduled to meet at least four (4) times a year at quarterly intervals with additional meetings to be convened as and when the Board's approval and guidance are required with sufficient notice to enable Directors to plan ahead. Between scheduled meetings, for matters that require Board decisions, approvals are obtained via circular resolutions.

During the financial year ended 31 December 2022, six (6) Board meetings were held to deliberate and decide a wide variety of matters. This included the Group's quarterly operations and financial performance, market conditions, investment opportunities, risk management and other strategic issues.

The record of attendance of Board members at these meetings are as follows:

Director	Attendance
Dato' Goh Cheng Huat (appointed on 13.05.2022)	4/4 (*)
Lin Junliang, Troy (appointed on 20.06.2022)	3/3 (*)
Yeoh Khoon Cheng	6/6
Elsie Kok Yin Mei	6/6
Dato' Chin Yoke Kan (appointed on 13.05.2022 and resigned on 13.01.2023)	4/4 (*)
Dato' Chin Yoke Choon (appointed on 20.06.2022 and resigned on 13.01.2023)	3/3 (*)
Datuk Tan Hong Lai (appointed on 22.07.2022 and resigned on 13.01.2023)	3/3 (*)
The late Dato' Mohd Zafer Bin Mohd Hashim (resigned on 30.05.2022)	3/3 (*)
Hor Weng Yew (retired on 30.05.2022)	3/3 (*)
Tay Beng Chai (retired on 30.05.2022)	3/3 (*)
Tho Leong Chye (resigned on 18.05.2022)	2/2 (*)
Lim Soon Huat (resigned on 22.07.2022)	3/3 (*)
Ooi Teik Huat (appointed on 13.01.2023)	- / -

(*) Note: The number of meetings held during the time the Director held office

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

1. Board of Directors (continued)

The Directors acknowledged that professional development will equip them with the necessary knowledge to discharge their duties more effectively and to keep abreast of changes to the financial and regulatory landscapes on timely basis.

In compliance with Paragraph 15.08 of the MMLR, the Directors have attended the following seminar/webinar/conference/trainings in FY2022:

Director	Training programmes attended
Dato' Goh Cheng Huat	• Awareness of the Section 17A Anti-Corruption Act • Update on the Amendments to the Main Market & Ace Market Listing Requirements ("MMLR") in relation to Directors Appointment, Independence and Miscellaneous Changes ("Enhanced Director Amendments") • Enhanced Sustainability Disclosure
Lin Junliang, Troy	• Mandatory Accreditation Programme (MAP)
Yeoh Khoon Cheng	• Successful Implementation of the 4 ESG Pillars, Metrics and Disclosures
Elsie Kok Yin Mei	• Cyber Attack Trend in 2022 & What Can You Do About It? • MFRS 17 Insurance Contracts Understanding its Impact and Consequences & ESG • BNM-FIDE FORUM MyFintech Week Masterclasses • BNM-FIDE FORUM Dialogue: Climate Risk Management and Scenario Analysis • PIDM-FIDE FORUM: Recovery and Resolution Planning Sharing Session • The Emerging Trends Threats and Risks to the Financial Services Industry – Managing Global Risk Investment and Payment System
Ooi Teik Huat	• MBRS for Preparers – Financial Statements • Online Meetings: Security Challenges & Solutions • AOB's Conversation with Audit Committees (Session 2) • Awareness of the Section 17A Anti-Corruption Act

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

1. Board of Directors (continued)

1.1 Board Responsibilities

The Board has the overall stewardship responsibilities of providing strategic leadership, effective oversight on governance, oversee the Group's business conduct including identification and management of critical risks that may have substantial impact on the Group's operation and performance. Its principal functions and responsibilities included the following:

- Oversee and evaluate the conduct and performance of the Group's business.
- Review, challenge and decide on management's proposals for the Company and monitors its implementation by management.
- Identify principal risks and ensuring the implementation of appropriate internal controls and mitigation measures.
- Review the adequacy and the integrity of the Group's risk management, internal control systems and management information systems including systems/reporting framework for compliance with applicable laws, regulations, rules, directives and guidelines.
- Succession planning including appointing, training, fixing the compensation of and where appropriate, replacing Board members and senior management.
- Develop and implement an investor relation programme or shareholder communications policy of the Group.
- Ensure that the Company's and the Group's financial statements are true and fair and conform with the laws.
- Ensure that the Group adheres to high standards of ethics and corporate behaviour.

The schedule of matters reserved for the Board's decision includes corporate/ strategic direction and major business proposals; major capital commitments; acquisition and disposal of assets and investments; commitment to loans and long/short term financing with banks; capital structure; adoption of any significant change in accounting policies and approval of annual audited financial statements and quarterly results.

In discharging the Board responsibilities, the Board is assisted by the following Board committees:

i. Audit and Risk Management Committee ("ARMC")

The ARMC comprises of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. Please refer to the Audit Committee Report in this Annual Report for details on the composition, responsibilities, terms of reference and activities of ARMC in FY2022.

ii. Nomination and Remuneration Committee ("NRC")

The NRC assist the Board in fulfilling its responsibilities for proposing new nominees to the Board, assessing directors on an on-going basis, reviewing composition and continuous education programme of the Board and recommending matters relating to the remuneration of the Board and Management. Please refer to Section 6 for details on the composition and activities of NRC in FY2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

1. Board of Directors (continued)

1.2 Company Secretaries

The Board is supported by Company Secretaries who are qualified and responsible for ensuring that all Board procedures and relevant laws and regulations are complied with.

The Company Secretaries and/or their representatives facilitate and attend all meetings of the board, board committees and shareholders meetings, and ensure that meetings are properly convene and proceedings are properly recorded; maintain all corporate records required under the Companies Act and ensure compliance with all reporting obligations under the applicable law and regulations; communicate Board decisions to Management and advise Board on its roles and responsibilities.

1.3 Access to Information and Advice

Prior to every board meeting, each member of the Board is supplied on a timely basis, the agenda of the meeting and a comprehensive set of board papers consisting of supporting documents relating to matters to be discussed in the meeting are distributed at least one (1) week prior to the meeting. This includes, among others, quarterly and annual financial results of the Group, various reports covering market conditions, corporate dealings and proposal.

The Board's deliberation on the issues discussed and decisions are duly recorded in the minutes. The Chairman of the respective committees brief the Board on matters discussed and the outcome of deliberations of their respective committee meetings. The final decision is the responsibility of the Board after considering the recommendations of the respective committees.

The Board has access to the information of the Company and able to seek advices from Management and Company Secretaries. The Board may engage independent professional advice, where necessary and in appropriate circumstances, in furtherance of its duties at the Group's expense.

2. Board Charter

The Board is guided by the Board Charter, which set out the roles, duties and responsibilities of the Board and its Committees, the requirement of the Directors in carrying out their stewardship role and in discharging their duties.

The Board review its Board Charter periodically to ensure its relevance and keep abreast with the new changes in regulations when deem necessary.

The Board Charter is available on the Company's website at www.maybulk.com.my

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

3. Good Business Conduct and Corporate Culture

3.1 Code of Ethics and Conduct

The Board is committed to maintain a corporate culture with good ethical conduct. This is formalised through the Company's Code of Ethics and Code of Conduct which are set out in the Company's Employment Handbook. The policy provides guidance to the Directors, employees to ensure that they uphold high ethical standard in discharging their duties. The codes cover matters in relation to conflict of interest, entertainment and gifts, misuse of position, insider trading and misconduct. The directors and employees of the Group are expected to adhere to the standard of ethics and conduct set out therein.

3.2 Anti-Corruption Policy

The Board adopted an Anti-Corruption Policy to ensure that the Company has adequate procedures in place to provide information and guidance to the Directors, employees and business associates of the Group. The Board and all employees are committed to observe the highest standard of personal and corporate integrity in all business dealings and relationships. A copy of this policy is available on the Company's website.

3.3 Whistle Blowing Policy

The Company adopted a Whistle Blowing Policy which provides an avenue for all employees of the Group, suppliers, customers or members of public to report any corporate impropriety, malpractice, wrongdoing or misconduct relating to fraud, corrupt practices and/or abuse in the Group and to provide protection to the person who reported such matters of concern. The Board has the overall responsibilities for overseeing the implementation of the policy and all malpractices or wrongdoings reported by the whistleblower are addressed to the Executive Director of the Company. A copy of this policy is available on the Company's website.

3.4 Remuneration Policy

The objective of the policy is to provide a framework to determine the level of remuneration package of Executive Directors and Senior Management. The component of their remuneration package is linked to the scope of duties and responsibilities, taking into accounts their skills and experience, and the performance of the individual and Group.

As for Non-Executive Directors remuneration, which is subject to the approval of the shareholders at the annual general meetings, is recommended by the NRC to the Board. The level of remuneration which is aligned to the market is reflective of their experience, expertise, contribution to the Group, duty and level of responsibilities undertaken by them including number of Board meetings attended.

The NRC is primarily responsible for recommending to the Board for approval the remuneration policy and reward framework for Executive Directors and Senior Management that are aligned with the Company's business strategy and long-term objectives while also being fairly guided by market norms and industry practices. The policy is subject to regular review.

Remuneration Policy for Directors and Senior Management is available on the Company's website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

3. Good Business Conduct and Corporate Culture (continued)

3.5 Directors' Fit and Proper Policy

In line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), the Board has on 23 November 2022 adopted the Directors' Fit & Proper Policy to provide guidance and transparent process for the appointment of Directors or Senior Management. This policy shall be reviewed by the Board on an annual basis or at any time as it may deem necessary in accordance with the needs of the Company. A copy of this policy is accessible on the Company's website.

4. Sustainable Practice

The Board acknowledges that sustainable development is an importance and integral part of the Group's pursuit of its long-term business success. The Board is responsible for the development of the Group's sustainability strategies relating to environmental, social and governance ("ESG"). The Board and the Senior Management have been entrusted to drive strategic management of material sustainability matters. The Board provide their opinions on any of the Group's sustainability issues during the Board meetings.

Please refer to the Sustainability Statement which outlined sustainability activities undertaken by the Group.

5. Roles and responsibilities between the Chairman and Chief Executive Officer

There is a distinct division of roles and responsibilities of the Chairman of the Board and the Chief Executive Officer to ensure balance of power and authority, such that no one individual has unfettered powers of decision making. The Chairman of the Board (an Independent Non-Executive Director) is responsible for leadership, orderly conduct and working of the Board, whereas the Chief Executive Officer (or when the position is temporarily vacant, the Executive Directors) is responsible for the management of the Group's business. The roles and responsibilities of the Chairman and the Chief Executive Officer are set out in the Board Charter. The position of Chairman of the Board has been left vacant since 30 May 2022. The Board intends to appoint a new Chairman in due course.

6. Board Composition

The Board is assisted by the NRC to ensure that the Board has the right composition and only individuals with sufficient caliber, knowledge and experience, integrity and reputation, competence are appointed as Director and/or senior management of the Group. The NRC also performs annual assessment on the performance of the Board, board committee and senior management of the Group. The terms of reference of NRC is available on the Company's website.

The NRC comprises of three (3) members, the majority of whom are Independent Non-Executive Directors. The members of NRC are as follows:

Chairman	Elsie Kok Yin Mei (appointed on 30.05.2022) Tay Beng Chai (retired on 30.05.2022)
Members	Yeoh Khoon Cheng (appointed on 30.05.2022) Lin Junliang, Troy (appointed on 26.08.2022) Lim Soon Huat (resigned on 22.07.2022) The late Dato' Mohd Zafer Bin Mohd Hashim (resigned on 30.05.2022)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

6. Board Composition (continued)

The terms of reference, duties and responsibilities of the NRC are summarised as follows:

(a) recommend to the Board, the candidates for appointment as Directors and Board Committee members.
(b) review the Board structure, size and composition and make relevant recommendations to the Board.
(c) review the required mix of skills, experience and other qualities including core competencies of Directors on annual basis.
(d) assess the effectiveness of the Board and Board Committees as a whole and the contribution of the Directors.
(e) formulate the nomination, selection and succession policies for the members of the Board.
(f) review remuneration of the directors.

The NRC meets at least once a year and whenever required. In FY2022, the NRC convened three (3) meetings and full attendance. A summary of activities of NRC during the year under review is as follows:

(a) Reviewed composition diversity, size and structure of the Board.
(b) Reviewed the term of office and performance of the Audit & Risk Management Committee.
(c) Reviewed the Directors' Fit and Proper Policy and made recommendation to the Board for adoption.
(d) Reviewed the Remuneration Policy and Procedures for Directors and Senior Management and made recommendation to the Board for adoption.
(e) Reviewed the remuneration packages of the Executive Directors, Principal Officers and Senior Management within the Group and made recommendations to the Board for approval.
(f) Reviewed and made recommendations to the Board on the re-election of directors retiring by rotation and the retention of Independent Non-Executive Directors.
(g) Assessed the training needs of Directors.
(h) Assessed Directors due for retirement by rotation and put forward their recommendation for re-election.
(i) Recommend to the Board, the candidates for appointment as Directors.
(j) Conduct an assessment of the Board, Board Committees and individual Directors.

6.1 Review of Board Composition

The NRC reviews the composition of the Board annually to ensure that the Board is of the right size, with the right mix of skills and diversity of experience. The NRC also evaluates the performance of each Director on an annual basis. Recommendation for annual re-election of Director is made upon satisfactory evaluation of the Director's performance and contribution to the Board.

6.2 Gender Diversity

The Board recognises the benefits of having a diverse Board to ensure that the mix and profiles of the Board members in terms of age, ethnicity and gender to provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management. The Board believes that a truly diverse and inclusive Board will leverage on different thought, perspective, cultural and geographical background, age, ethnicity and gender which will ensure that the Group has a competitive advantage.

The Board currently does not have a gender diversity policy and target in place. Nonetheless, the Board has one (1) female Director as at 31 December 2022, which contributes 20.0% of the Board composition. With the composition, the Board feels that its members have the necessary knowledge, experience, diverse range of skills and competence to enable them to discharge their duties and responsibilities effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

6. Board Composition (continued)

6.3 Independent Directors

The Independent Directors play a crucial role in corporate accountability and provide unbiased views and impartiality to the Board's deliberations and decision-making process. In addition, the Independent Directors ensure that matters and issues brought to the Board are given due consideration, fully discussed and examined, taking into account the interest of all stakeholders. The Board, via the NRC assesses each Director's independence to ensure on-going compliance with this requirement annually.

The Code recommends that the tenure of an independent director shall not exceed the prescribed nine (9) years cumulative term. The Board must justify the decision and seek shareholders' approval through a two-tier voting process if the Board intends to retain the Director as Independent Director after the ninth year.

6.4 Board Assessment

Assessment on the effectiveness of the Board as a whole and its Board Committees and contribution by each individual director, are conducted annually. The assessments cover the following areas:

- board size and composition
- mix of skills, experience and core competencies of Directors
- governance and integrity
- effectiveness of board committees
- participation and contribution at meetings
- directors' training

Based on the assessment, the Board is satisfied that its composition is well balanced with the required mix of skills, experience, knowledge and competencies, required for an effective Board and that the Committees have carried out their duties in accordance with their terms of reference.

6.5 Time Commitment

Directors are expected to set aside sufficient time to carry out their duties and responsibilities. In line with Paragraph 15.06 (Restriction on Directorships) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all Directors of the Company complied with the limits on the number of directorships held in public listed companies.

7. Remuneration of Directors and Senior Management

7.1 Details of Directors' Remuneration

The NRC reviews and evaluates the remuneration policy for Directors ensuring that it is in line with market norms and industry practice. The level of remuneration of the Directors is commensurate with the level of experience and responsibilities undertaken by them.

Remuneration package of EDs and senior management comprises salary, bonus, statutory contributions, directors' fee. For NEDs, they are entitled to annual directors' fee and meeting allowances.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

7. Remuneration of Directors and Senior Management (continued)

7.1 Details of Directors' Remuneration (continued)

The remuneration paid and/or payable for the financial year ended 31 December 2022 are set out below. The Company's directors did not receive any remuneration from the subsidiaries for the financial year ended 31 December 2022.

	Fees (RM)	Meeting allowance (RM)	Benefits in kind (RM)	Other emoluments (RM)	Total (RM)
Dato' Goh Cheng Huat	38,301	4,000	–	–	42,301
Yeoh Khoon Cheng	82,959	12,500	–	–	95,459
Elsie Kok Yin Mei	76,480	11,500	–	–	87,980
Lin Junliang, Troy (1)	33,808	3,000	–	–	36,808
Dato' Chin Yoke Kan (2)	38,301	4,000	–	–	42,301
Dato' Chin Yoke Choon (3)	32,055	3,000	–	–	35,055
Hor Weng Yew (4)	24,658	2,000	–	–	26,658
Tho Leong Chye (5)	22,685	1,000	–	–	23,685
The late Dato' Mohd Zafer Bin Mohd Hashim (6)	34,932	2,500	–	–	37,432
Lim Soon Huat (7)	44,493	5,000	–	–	49,493
Tay Beng Chai (8)	34,932	3,500	–	–	38,432
Datuk Tan Hong Lai (9)	32,055	5,000	–	–	37,055
Total	**495,659**	**57,000**	**–**	**–**	**552,659**

Notes:

Fees payable to the following directors are pro-rated according to their appointment and resignation date:

(1) Lin Junliang, Troy appointed as director on 20 June 2022
(2) Dato' Chin Yoke Kan appointed as director on 13 May 2022 and resigned on 13 January 2023
(3) Dato' Chin Yoke Choon appointed as director on 20 June 2022 and resigned on 13 January 2023
(4) Hor Weng Yew retired as director on 30 May 2022
(5) Tho Leong Chye resigned as director on 18 May 2022
(6) The late Dato' Mohd Zafer Bin Mohd Hashim resigned as Chairman on 30 May 2022
(7) Lim Soon Huat resigned as director on 22 July 2022
(8) Tay Beng Chai retired as director on 30 May 2022
(9) Datuk Tan Hong Lai appointed as director on 22 July 2022 and resigned on 13 January 2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

7. Remuneration of Directors and Senior Management (continued)

7.2 Top Three (3) Senior Management's Remuneration

Remuneration packages of senior management comprises salary, bonus, statutory contributions and benefits-in-kind which commensurate with the scope of work, their performance, and level of skills and experience.

However, due to the lean management structure of the Group's organisation, we only disclose, on a broad of remuneration bands, remuneration of 3 key senior management staff, instead of on a named basis.

Remuneration Range	No of senior management staff
Below RM200,000	–
Between RM200,001 to RM250,000	–
Between RM250,001 to RM300,000	1
Between RM300,001 to RM350,000	2
Between RM350,001 to RM400,000	–
Between RM400,001 to RM450,000	–
Between RM450,001 to RM500,000	–

The Board takes the view that there is no necessity for the Group to disclose the detailed remuneration package of senior management on a named basis, given the competitive human resource environment, as such disclosure may give risk to talent retention issues.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

8. Audit and Risk Management Committee

The Audit and Risk Management Committee ("ARMC") oversees and reviewed the Group's financial reporting, risk management framework and internal control system. The ARMC comprises three (3) members, majority of whom are Independent Non-Executive Directors. The members of the ARMC possess the required mix of skills, experience and knowledge to enable them to discharge their duties and responsibilities.

The Terms of Reference of the ARMC is available on the Company's website at www.maybulk.com.my. The composition and details on the ARMC activities are set out in ARMC Report on pages 41 to 44 of the Annual Report.

Annually, the Board, through the NRC assesses the ARMC's performance and effectiveness in carrying out its duties and responsibilities. Based on the annual assessment carried out, the Board is satisfied that the ARMC has carried out their duties in accordance with their terms of reference.

8.1 Chairman of ARMC

The ARMC is chaired by Mr. Yeoh Khoon Cheng, an INED. The Chairman of the Board was never a member of the ARMC.

Details on the composition, terms of reference of the ARMC is outlined under the Audit And Risk Management Committee Report ("ARMC Report") in this Annual Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

8. Audit and Risk Management Committee (continued)

8.2 Appointment of Former Key Audit Partner to ARMC

Currently, none of the members of the ARMC is a former key audit partner of the Group.

The Board will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the Audit Committee was a key audit partner.

8.3 External Auditors

The Board maintains a formal, professional and transparent relationship with the External Auditors through the ARMC.

The ARMC reviews annually the suitability, objectivity and independence of external auditors to safeguard the quality and reliability of the Group's financial statements. The review process covers the assessment of external auditors' independence, performance, competency, quality of work, level of service, audit fee and the adequacy of resources. The ARMC meets with the external auditors at least twice (2) a year to discuss their audit plan and audit findings, without the presence of executive Board members and senior management staff. The external auditors, Messrs Ernst & Young PLT, have declared to the ARMC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

9. Risk Management and Internal Control Framework

The Board acknowledges its responsibility of maintaining a sound risk management framework and internal controls system to safeguard the Group's assets and shareholders' investment.

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group. The Board, through the ARMC constantly reviews the adequacy and integrity of financial, operational and compliance controls.

The Statement on Risk Management and Internal Controls in this Annual Report provides an overview on the state of internal controls and risk management within the Group.

10. Internal Audit Function

The Group maintains an internal audit function which reported directly to the ARMC. Prior to its cessation on 30 June 2022, the Group maintain its own internal audit department. On 2 August 2022, the Group outsourced its internal audit functions to an external professional firm.

The internal auditors report directly to the ARMC who will evaluate the competency, independence quality of internal audit, review and approve annual Internal Audit Plan. Internal auditors present their audit findings activities to the ARMC upon completion of their assignment on quarterly interval.

The activities carried out by the Internal Audit Function are set in the ARMC Report of the Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

11. Engagement with Stakeholders

11.1 Communication with Stakeholders

The Board recognises the importance of an effective communication channel and timely dissemination of accurate information pertaining to the Group's business activities and financial performance to its shareholders, investors and other stakeholders.

The Group's financial results, announcements, annual report and circulars are the primary modes of disseminating information in relation to the Group's business activities and financial information and this can be accessed from the Company's website at www.maybulk.com.my or Bursa Malaysia Securities Berhad's website at www.bursamalaysia.com.

Any queries or concern about the Group's business and development can be conveyed through the Company Secretaries who would then refer the matter to the attention of the Board.

11.2 Integrated Reporting

Integrated reporting is not applicable to the Group presently.

12. Conduct of General Meetings

The AGM represents the principal forum for dialogue and interaction between the Company and its shareholders. Notice of the 33rd AGM was sent to the shareholders on 29 April 2022 and in compliance with the provision of the Companies Act 2016. The notice of the AGM is circulated at least twenty-eight (28) days before the date of the meeting to enable shareholders have sufficient time to go through the Annual Report and make the necessary attendance and voting arrangement.

The previous AGM was held virtually using remote participant and voting facilities. This allowed shareholders to participate, vote during the AGM and post their queries without having to physically present at the meeting venue. The Company will consider to hold AGM on virtual basis in the future and allow shareholder to actively participate and vote in the future AGMs.

At the AGM, the Board presents the Group's business and financial performance for the financial year. Shareholders are encouraged to attend the meeting and seek clarification about the performance and operations of the Group. All members of the Board, senior management, company secretaries and external auditors were present at the AGM to address queries raised by the shareholders. For shareholders who are unable to attend, they are allowed to appoint proxies to attend and vote on their behalf.

STATEMENT ON COMPLIANCE

The Board will continue to strive for sound standards of corporate governance throughout the Group. Presently, the Board considers that the Group has complied in all material aspects with the provisions set out in the Code throughout FY2022 except as disclosed herein.

This Corporate Governance Overview Statement was approved on 28 April 2023.

AUDIT AND RISK MANAGEMENT
COMMITTEE REPORT

COMPOSITION OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman

Yeoh Khoon Cheng
Independent Non-Executive Director

Members

Elsie Kok Yin Mei
Independent Non-Executive Director
(appointed on 18 April 2022)

Lin Junliang, Troy
Non-Independent Non-Executive Director
(appointed on 27 Feb 2023)

Tay Beng Chai
Independent Non-Executive Director
(resigned on 30 May 2022)

Lim Soon Huat
Non-Independent Non-Executive Director
(resigned on 22 July 2022)

Datuk Tan Hong Lai
Independent Non-Executive Director
(appointed on 26 Aug 2022 and resigned on 13 Jan 2023)

The Audit and Risk Management Committee ("ARMC") comprises three (3) members, majority of whom are Independent Non-Executive Directors. The Chairman, Mr Yeoh Khoon Cheng, is a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants. None of the ARMC members are alternate director.

MEETINGS AND ATTENDANCE

The ARMC meets periodically to carry out its functions and duties in accordance with its Terms of Reference. During the financial year ended 31 December 2022, the ARMC held seven (7) meetings and the record of attendance for each ARMC member is set out as below:

	Attendance
Yeoh Khoon Cheng	7/7
Elsie Kok Yin Mei	5/5 *
Tay Beng Chai	3/3 *
Lim Soon Huat	4/4 *
Datuk Tan Hong Lai	2/2 *

Notes:

** Total meeting held and attended after appointment / before resignation*

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(CONTINUED)

ROLES AND RESPONSIBILITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The purpose of the ARMC is to assist the Board of Directors in fulfilling its responsibilities relating to the financial reporting process, system of internal control and risk management, audit process, and the Company's process for monitoring compliance with laws and regulations and the code of conduct.

The Terms of Reference of the ARMC is available on the Company's website at www.maybulk.com.my.

SUMMARY OF ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

During the financial year ended 31 December 2022, the ARMC performed the following duties as set out in its terms of reference:

Financial statements

- reviewed the quarterly financial results/announcements of the Company and made recommendations to the Board of Directors for approval prior to the release of the results to Bursa Malaysia Securities Berhad. The review and discussions were conducted with the Chief Financial Officer.
- reviewed the annual audited financial statements of the Group/Company and made relevant recommendations to the Board of Directors for approval.
- for the annual financial results of the Group, the Committee reviewed the areas of audit emphasis highlighted by the external auditors, the significant judgements made by Management and how these matters are addressed.

Matters relating to External Audit

- reviewed the External Audit scope of work and audit plan for financial year 2022.
- reviewed the External Audit audit findings and recommendations to the Board of Directors for further action where appropriate.
- met with the External Auditors without the presence of any executive Board members and management staff. ARMC met with external auditors prior to commencement of their audit work as well as upon completion of their audit work to discuss issues arising from the course of their work.
- reviewed the performance and independence of the External Auditors and made recommendation to the Board for the re-appointment of the External Auditors.

Matters relating to Internal Audit

- reviewed and approved the Internal Audit plan.
- reviewed the Internal Audit reports along with their recommendation and Management's response to improve the internal controls system based on internal audit findings.
- reviewed the Internal Audit reports on related party transactions undertaken by the Group including the procedures monitoring recurrent related party transactions.
- reviewed the external validation report of the Internal Audit Department's Quality Assurance and Improvement Program.
- interviewed and appointed the outsourced service provider to assume the internal audit function.

SUMMARY OF ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE (CONTINUED)

During the financial year ended 31 December 2022, the ARMC performed the following duties as set out in its terms of reference: (continued)

Matters relating to Risk Management and Internal Control

- reviewed quarterly on the key corporate risks, changes to the risk profiles of the Group and the measures implemented to manage these risks.
- reviewed and revised risk matrix adopted for risk assessment purposes.

Matters relating to Related Party Transactions

- reviewed the Circular to Shareholders on Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and made recommendations to the Board for approval.
- reviewed related party transactions.

Other matters

- reviewed the Audit and Risk Management Committee Report and Statement on Risk Management and Internal Control and made recommendations to the Board for approval.
- Evaluated proposed new investment.

INTERNAL AUDIT

The Group maintains an internal audit function which reported directly to the ARMC. Prior to its cessation on 30 June 2022, the Group maintains its own internal audit department. On 2 August 2022, the Group outsourced its internal audit functions to an external professional firm.

The internal auditors report directly to the ARMC who will evaluate the competency, independence quality of internal audit, review and approve annual Internal Audit Plan. Internal auditors present their audit findings activities to the ARMC upon completion of their assignment on quarterly interval.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(CONTINUED)

SUMMARY OF THE ACTIVITIES OF INTERNAL AUDIT DEPARTMENT

The internal audit functions carried out its activities in accordance with Internal Audit Plan approved by the ARMC. The Internal Audit function adopts a risk-based approach and prepare the yearly audit plan based on results of a risk assessment undertaken, to determine prioritization of internal audit engagements.

During the year under review, activities carried out by the internal audit functions were as follows:

- For internal audit engagements undertaken, reviewed adequacy and effectiveness of the applicable internal control framework.
- Internal audit reports incorporating audit observations, recommendations and management actions were issued to the ARMC. A total of 4 Internal Audit reports were issued in year 2022. There were no significant deficiencies in controls detected.
- Reviewed the related party transactions undertaken by the Group including the procedures monitoring recurrent related party transactions. It was noted that the accumulated recurrent related party transactions are within the shareholders' mandate.
- Report on internal audit functions on a quarterly basis which included the percentage completion of the audit plan, status of management action plans from internal audit recommendations and other initiatives undertaken.
- Reviewed the Transitional Activities and Key Contracts in accordance with Audit Plan for FY2022. There were no major weaknesses noted in the internal controls of the Company.

The costs incurred for the Internal Audit function for the financial year ended 31 December 2022 was RM240,333 (FY2021: RM561,807).

STATEMENT ON RISK MANAGEMENT **AND INTERNAL CONTROL**

The Board of Directors ("the Board") is pleased to present the Group's Statement on Risk Management and Internal Control for the financial year ended 31 December 2022 and made pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This statement has been prepared in accordance with the Statement on Risk Management and Internal Control: Guideline for Directors of Listed Issuers ("the Guidelines") endorsed by the Bursa Malaysia Securities Berhad as well as Malaysian Code on Corporate Governance ("MCCG").

BOARD RESPONSIBILITY

The Board acknowledges its responsibility for the adequacy and effectiveness of the Group's risk management and internal control system in order to achieve its business objectives.

The Board recognises that effective risk management and a sound system of internal control are fundamental to good corporate governance and the Board has in place an on-going process for identifying, evaluating and managing the significant risks encountered by the Group. The Board, through its Audit and Risk Management Committee ('ARMC'), review results of this process to ensure adequacy and effectiveness of the Group's internal control system and resilience in the current business environment. The Board is of the view that the risk management and internal control system is adequate and operating effectively in all material aspects dealing with risks for the financial year under review and up to the date of approval of this Statement of Risk Management and Internal Control.

MANAGEMENT RESPONSIBILITY

Management is accountable to the Board in implementing the Group's policies and procedures of risk management and internal control system and is overall responsible for cultivating a risk awareness culture within the Group as managing risk is everyone's responsibility.

Its roles include:

- Identifying, evaluating, and assessing all relevant and material risks faced by the Group's business operations and determining whether the risks are within the Group's risk appetite and tolerance policy

- Designing, implementing, and monitoring of risk management and internal control system are in accordance with the Group's strategies and overall risk appetite

- Reporting to the ARMC periodically for deliberation and subsequently to the Board on any changes to the key risks, or emerging risk and corrective actions taken.

Risk management is an integral part of the Group's daily business operations, and the risk owners resides with the heads of business units. The heads of business units are responsible in managing day to day risk management and accountable for on-going monitoring of risks, assessment of adequacy and effectiveness of its controls mechanism as well as develop and implement action plans to manage these risks.

AUDIT AND RISK MANAGEMENT COMMITTEE (ARMC)

The ARMC comprises of three (3) members majority of whom are Independent Non-Executive Directors and assists the Board on the oversight of the Group's management of key risks, including strategic and operational risks, as well as policies and processes for monitoring and mitigating such risks. The ARMC determines the Group's risk strategies and policies and oversee the management of all identified risks which includes the continuous identification, measurement, controlling and monitoring of all relevant and material risks of the Group, including the identification of emerging risks.

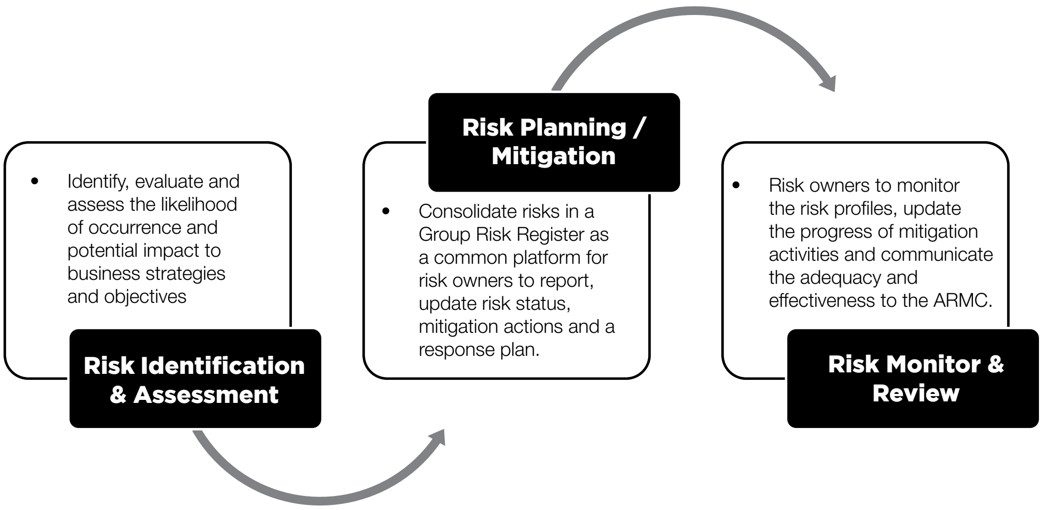
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONTINUED)

RISK MANAGEMENT FRAMEWORK

Risk management framework, which set out the nature and extent of risks that the Group is willing to accept or retain in pursuit of its goals and objectives, are reviewed by the ARMC and approved by the Board.

The Board has made risk assessment an on-going exercise to effectively identify, evaluate, manage and review any changes in the risk faced by businesses in the Group. The risk management process involves a systematic application of the risk management methodology to facilitate risk identification, assessment, planning, mitigation as well as monitoring and review. The risk approach is summarised as follows.



Changes to risk profiles and emerging risks are identified and promptly brought up to the attention of the ARMC and the Board.

KEY ELEMENTS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The risk management and internal control processes are embedded within the operations of the Group. The key elements of controls that are in place for the year under review are as follows:-

(a) Control Structure

The Board has delegated authority to various Board Committees such as the ARMC and the Nomination and Remuneration Committee to enable them to oversee certain specific responsibilities based on clearly defined terms of reference. Any change to the terms of reference for any Board Committee requires the Board's approval.

Further details on the structures of the Board and Board Committees are provided under Corporate Information as well as the Corporate Governance Overview Statement and Audit and Risk Management Committee Report.

KEY ELEMENTS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONTINUED)

The risk management and internal control processes are embedded within the operations of the Group. The key elements of controls that are in place for the year under review are as follows:- (continued)

(b) Internal Controls

The Group has put in place a system of internal controls based on segregation of duties, independent checks, system access control and multi-tier authorisation processes to ensure control procedures and limits are implemented and complied with.

- **Financials**

  (i) Authority Limits

  The Financial Authority Limits provides a framework of authority and accountability for timely decision making that is aligned to the Group's organisational requirements in areas of procurement, contracting, human resources and financial management.

  (ii) Financial Performance

  Financial performance and non-financial metrics such as sustainability indicators are assessed against the approved budgets and actions are taken to address variances identified periodically. The Board reviews management reports on the Group's operations on a quarterly basis.

- **Policies and Procedures**

  Policies and procedures are formulated in support of the Group's internal control framework to ensure compliance with internal controls and relevant laws and regulations and to govern the business and operations of the Group. These policies and procedures are reviewed regularly and updated as and when necessary to ensure adequacy, effectiveness, and relevance to the changes in the operational needs, business environment or regulatory requirements.

- **Ethical Conduct and Compliance**

  (i) Code of Ethics and Code of Conduct

  The Group's corporate values and standard of ethics and conduct are set out in the Company's Employment Handbook which has been communicated to all employees of the Group.

  (ii) Whistleblowing Policy

  The Whistleblowing Policy outlines the Group's commitment towards enabling the employees and external parties to raise concerns in a responsible manner regarding any wrongdoings or malpractices without fear of reprisal, and to have such concerns independently investigated. All the disclosures made under the policy will be handled with strict confidence. The Policy aims to promote and maintain high standards of corporate governance within the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONTINUED)

KEY ELEMENTS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONTINUED)

The risk management and internal control processes are embedded within the operations of the Group. The key elements of controls that are in place for the year under review are as follows:- (continued)

(b) Internal Controls (continued)

The Group has put in place a system of internal controls based on segregation of duties, independent checks, system access control and multi-tier authorisation processes to ensure control procedures and limits are implemented and complied with. (continued)

- **Ethical Conduct and Compliance (continued)**

(iii) Anti-Corruption Policy

In compliance with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 where a company is strictly liable for the corrupt practices of its associated persons, the Group has established appropriate processes, systems and controls as well as Anti-Corruption Policy approved by the Board to mitigate specific corruption risk the business is exposed to.

The Anti-Corruption Policy sets out the Group's commitment and procedures in preventing acts of bribery and corruption. The policy has adequate procedures to mitigate specific corruption risk the business is exposed to and provides guidance on ethical business conduct for which employees should adhere to.

The Group refreshes its Global Anti-Bribery Compliance course to employees in compliance with the provisions of the Group's Anti-Corruption Policy & Guidelines annually.

INTERNAL AUDIT FUNCTION

The processes for monitoring the risk management and internal control system are embedded in the periodic review undertaken by the internal audit function. The head of internal audit functions reports directly to the ARMC. Prior to 30 June 2022, the Group maintained its own internal audit department. On 2 August 2022, the Group outsourced the internal audit functions to an external professional firm.

The principal responsibilities of the internal auditors are to undertake regular and systematic review of the systems of internal controls to provide reasonable assurance that such systems continue to operate effectively and efficiently. The internal audit is carried out in line with the International Professional Practices Framework. Opportunities for improvements to the system of internal control are identified and presented to the ARMC via internal audit reports whilst the Management formulates relevant action plans to address issues noted on a periodic basis.

During the financial year under review, the Internal Auditor reviewed and conducted audits and assessed the adequacy of the system of internal controls over the following areas: finance, operation, information technology related area and revenue & collection. Three (3) Internal Audit Reports were issued and presented to the Audit Committee with the audit observations and recommended corrective actions. There were no significant deficiencies in controls detected.

The internal audit work was conducted in accordance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing and generally aligned with the internal control standards prescribed by the Committee on Sponsoring Organisations (COSO) 2013 as recommended by the Institute of Internal Auditors.

The ARMC reviews the reports from the Internal and External Auditors on issues relating to internal controls and financial reporting and reports to the Board its conclusion on the effectiveness of the risk management and internal control system.

There were no material internal control failures or any reported weaknesses that have resulted in material financial losses or contingencies during the financial year under review.

The total costs incurred in FY2022 to maintain the internal audit function were approximately RM240,333.

CONCLUSION

The Board has received assurance from Chief Financial Officer that the Group's risk management and internal control system are operating adequately and effectively, in all material aspects. The Board confirms that it has reviewed the effectiveness of the risk management and internal control system and is not aware of any significant weakness or deficiency for the financial year under review and up to the date of approval of this Statement on Risk Management and Internal Control.

There were no material losses, contingency or uncertainty arisen from any inadequacy or failure of Group's system of internal control that would require a separate disclosure in the Group's financial statements. The Board believes that the Group's risk management and internal control system are adequate and effective to safeguard the interests of shareholders, customers, employees and the Group's assets.

The Board will continue to maintain an on-going commitment to strengthen the Group's Risk Management and Internal Control system.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control ("Statement") pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 31 December 2022, and reported to the Board that nothing has come to their attention that causes them to believe the statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Guidelines, nor is the Statement factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and Management thereon. The report from the External Auditor was made solely for, and directed solely to the Board of Directors in connection with their compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and for no other purposes or parties. The External Auditors do not assume responsibility to any person other than the Board of Directors in respect of any aspect of this report.

FINANCIAL STATEMENTS

Directors' Report • 51

Statement by Directors and Statutory Declaration • 56

Independent Auditors' Report • 57

Income Statement • 62

Statements of Comprehensive Income • 63

Statements of Financial Position • 64

Consolidated Statement of Changes in Equity • 66

Statements of Changes in Equity • 67

Statements of Cash Flows • 68

Notes to the Financial Statements • 70

DIRECTORS’
REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, ship owning and ship operating.

The principal activities of the subsidiaries are disclosed in Note 14 to the financial statements.

There have been no significant changes to these principal activities during the financial year.

FINANCIAL RESULTS

	Group RM’000	Company RM’000
Profit for the financial year, attributable to equity holders of the Company	93,181	149,221

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

During the financial year, the Directors declared:

i) A interim single-tier special dividend of 6.5 sen per share, amounting to RM65 million; and
ii) A interim single-tier special dividend of 3.5 sen per share, amounting to RM35 million

Both dividends were paid on 5 January 2023.

The Directors did not recommend the payment of a final dividend for the financial year ended 31 December 2022.

SHARES AND DEBENTURES

The Company did not issue any shares or debentures during the financial year.

DIRECTORS' REPORT

(CONTINUED)

DIRECTORS

The Directors of the Company and its subsidiaries in office since the beginning of the current financial year to the date of this report are:

Directors of the Company:

Dato' Goh Cheng Huat** (appointed on 13 May 2022)
Lin Junliang, Troy** (appointed on 20 June 2022)
Ooi Teik Huat** (appointed on 13 January 2023)
Yeoh Khoon Cheng
Elsie Kok Yin Mei
Dato' Chin Yoke Kan** (appointed on 13 May 2022 and resigned on 13 January 2023)
Dato' Chin Yoke Choon (appointed on 20 June 2022 and resigned on 13 January 2023)
Datuk Tan Hong Lai (appointed on 22 July 2022 and resigned on 13 January 2023)
Lim Soon Huat (resigned on 22 July 2022)
The late Dato' Mohd Zafer Bin Mohd Hashim (resigned on 30 May 2022)
Hor Weng Yew** (retired on 30 May 2022)
Tay Beng Chai (retired on 30 May 2022)
Tho Leong Chye (resigned on 18 May 2022)

** These directors are also directors of the Company's subsidiaries.

Directors of the Company's subsidiaries:

Chwa Poh Kew (resigned on 30 June 2022)
Tan Siew Min (resigned on 30 June 2022)
Lee Chee Seong (resigned on 20 June 2022)
Ooi Pooi Teng (resigned on 20 June 2022)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The Directors' remuneration are as follows:

	Group and Company	
	2022	**2021**
	RM'000	**RM'000**
Directors of the Group and Company		
Executive Directors:		
Fees	156	120
Attendance fees	14	7
	170	127

DIRECTORS' BENEFITS (CONTINUED)

The Directors' remuneration are as follows: (continued)

	Group and Company 2022 RM'000	2021 RM'000
Directors of the Group and Company		
Non-executive Directors:		
Fees	340	396
Attendance fees	43	28
	383	424
Total	553	551

During the financial year, a Directors' and Officers' Liability Insurance up to an aggregate limit of RM20,000,000 was maintained for the Directors and officers of the Company with a total insurance premium paid of RM34,500.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of Directors who held office at the end of the financial year in shares of the Company were as follows:

	Number of ordinary shares At date of appointment	During the financial year Bought	Sold	At 31.12.2022
Direct interest				
Dato' Goh Cheng Huat	160,000,000	–	–	**160,000,000**
Indirect interest				
Dato' Goh Cheng Huat #	150,000	–	–	**150,000**
Dato' Chin Yoke Kan *	160,000,000	–	–	**160,000,000**
Dato' Chin Yoke Choon *	160,000,000	–	–	**160,000,000**

Deemed interest by virtue of Section 8 of the Companies Act 2016 through shares held by his spouse.
* Deemed interest by virtue of Section 8 of the Companies Act 2016 through shares held in Tunas Capital Sdn Bhd.

By virtue of their interests in the ordinary shares of the Company, Dato' Goh Cheng Huat, Dato' Chin Yoke Kan and Dato' Chin Yoke Choon are also deemed to be interested in the ordinary shares of all the subsidiaries to the extent the Company has an interest.

None of the other Directors holding office at 31 December 2022 had any interest in the shares of the Company or its related corporations during the financial year.

DIRECTORS' REPORT

(CONTINUED)

OTHER STATUTORY INFORMATION

(a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and

  (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

  (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

  (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) At the date of this report, there does not exist:

  (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

  (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.

(f) In the opinion of the Directors:

  (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and

  (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS

Details of significant events during the financial year are disclosed in Note 34 to the financial statements.

SUBSEQUENT EVENT

Details of subsequent event to the financial year are disclosed in Note 35 to the financial statements.

AUDITORS

The auditors, Ernst & Young PLT, retire and do not seek for re-appointment at the forthcoming Annual General Meeting ("AGM") of the Company.

Auditors' remuneration is as follows:

	Group RM'000	Company RM'000
Ernst and Young PLT		
- Statutory audit	440	206
- Other services	18	18
	458	224

Signed on behalf of the Board in accordance with a resolution of the Directors dated 28 April 2023

Dato' Goh Cheng Huat | **Ooi Teik Huat**

STATEMENT BY **DIRECTORS**

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Dato' Goh Cheng Huat and Ooi Teik Huat, being two of the Directors of Malaysian Bulk Carriers Berhad, do hereby state that in the opinion of the Directors, the financial statements set out on pages **from 62 to 116** are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 28 April 2023

Dato' Goh Cheng Huat

Ooi Teik Huat

STATUTORY **DECLARATION**

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Ooi Teik Huat, being the Director primarily responsible for the financial management of Malaysian Bulk Carriers Berhad, do solemnly and sincerely declare that the financial statements set out on pages **from 62 to 116** are in my opinion correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed Ooi Teik Huat at
Petaling Jaya in Selangor Darul Ehsan
on 28 April 2023

Ooi Teik Huat

Before me,

INDEPENDENT

AUDITORS' REPORT

TO THE MEMBERS OF MALAYSIAN BULK CARRIERS BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Malaysian Bulk Carriers Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 62 to 116.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Key audit matters in respect of the audit of the financial statements

(1) Recoverable amounts of vessels classified as property, plant and equipment and right-of-use ("ROU") assets

Refer to Note 2.15 (Accounting policies), Note 3 (Significant accounting judgements and estimates), Note 12 (Property, plant and equipment) and Note 13 (Right-of-use assets).

The Group and the Company regularly monitor the recoverable amounts of their fleet on a vessel-by-vessel basis, including whenever there is indication that vessels may be impaired i.e the carrying amounts of the vessels exceeds their recoverable amounts. The recoverable amounts of the vessels are estimated based on the higher of fair value less cost to sell and value in use ("VIU").

INDEPENDENT AUDITORS' REPORT

(CONTINUED)

Key audit matters in respect of the audit of the financial statements (continued)

(1) Recoverable amounts of vessels classified as property, plant and equipment and right-of-use ("ROU") assets (continued)

For fair value less cost to sell, management assesses this with the involvement of an external vessel valuation expert. The methodology applied is based on past transactions in the industry for vessels with comparable characteristics. As for the VIU, management estimates the VIU using a discounted cash flow ("DCF") model which involves estimating the expected future cash flows from the vessels over the remaining lease term and where appropriate over the useful lives of the vessels, and applying a suitable discount rate to calculate the net present value of those cash flows.

Assessing the recoverable amounts of the vessels is complex and it involves significant management's judgement, including assumptions that are affected by expected future market and economic conditions. Accordingly, we have identified this to be an area of audit focus.

Our response

We obtained an understanding of management's process for assessing the recoverable amounts of vessels classified as property, plant and equipment and ROU assets.

In respect of the fair value less costs to sell of the vessels, we performed amongst other, the following procedures:

- considered the objectivity, independence, expertise and experience of the external vessel valuation expert;
- obtained an understanding of the methodology adopted by the vessel valuation expert in estimating the fair value of the vessels and assessed whether such methodology is consistent with those used in the industry; and
- involved our internal valuation specialists in the assessment of valuation report to perform benchmarking against actual contracted transactions, recent market transactions and shipping intelligence reports, taking into consideration comparable characteristics including the vessel type, builder, year of built and cargo capacity.

In respect of the value in use cash flows, we performed amongst others, the following procedures:

- evaluated and assessed the appropriateness of the methodology and approach applied, including industry benchmarking;
- evaluated the key assumptions used particularly the short-term and the long-term charter rates applied in the cash flows by comparing to industry data; and
- involved internal valuation specialists in the assessment of the appropriateness of the discount rate. This included an assessment of the specific inputs to the discount rate, including the risk-free rate, equity risk premium and beta, along with gearing and cost of debt. Such inputs were benchmarked either against risk rates in specific international markets in which the Group operates or equivalent data for peer companies.

Key audit matters in respect of the audit of the financial statements (continued)

(2) Impairment of investments in subsidiaries at Company level

Refer to Note 2.15 (Accounting policies), Note 3 (Significant accounting judgements and estimates) and Note 14 (Subsidiaries).

As at 31 December 2022, the carrying amount of the Company's investments in subsidiaries (net of accumulated impairment loss) amounted to RM311.28 million, representing approximately 47.7% of the Company's total assets.

The Company performs an impairment assessment of its investment in subsidiaries whenever there is an indication that the investments may be impaired or the impairment loss made previously may be reversed. In performing the impairment assessment, the Company estimates the recoverable amounts of the related subsidiaries by making reference to the fair value of their assets and liabilities including the recoverable amounts of the vessels held by the subsidiaries. The recoverable amounts of the vessels are determined based on the higher of fair value less cost to sell and value in use ("VIU") as further explained in the 'Key audit matter relating to the recoverable amounts of the vessels classified as property, plant and equipment and right of use assets ("ROU") assets'.

Arising from the impairment assessment, the Company recorded a net reversal of impairment loss of RM33.95 million during the current financial year.

The impairment assessment is complex and it involves significant management's judgement. Accordingly, we have identified this to be an area of audit focus.

Our response

We performed amongst others, the following audit procedures:

- discussed and evaluated management's assessment on the indications of impairment of the investments in subsidiaries including factors that may indicate the impairment loss previously made may be reversed;
- obtained an understanding of and assessed the appropriateness of the methodology and approach used in the impairment assessment; and
- evaluated the reasonableness of the fair value of the assets and liabilities of the subsidiaries including the assumptions applied in determining the recoverable amounts of the vessels either through fair value less costs to sell or value in use, as part of the impairment assessment. Further specific audit procedures in respect of fair value less costs to sell and value in use of the vessels are explained in our response to the 'Key audit matter relating to the recoverable amounts of the vessels classified as property, plant and equipment and right of use assets ("ROU") assets'.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

INDEPENDENT AUDITORS' REPORT

(CONTINUED)

Information other than the financial statements and auditors' report thereon (continued)

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern;

Auditors' responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation; and

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 14 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Chong Tse Heng
No. 03179/05/2023 J
Chartered Accountant

Kuala Lumpur, Malaysia
28 April 2023

INCOME **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	4	**154,779**	207,044	**39,948**	35,256
Voyage expenses		**(27,197)**	(25,951)	**(19,889)**	(15,025)
		127,582	181,093	**20,059**	20,231
Operating expenses		**(79,835)**	(88,083)	**(15,452)**	(11,800)
Operating profit		**47,747**	93,010	**4,607**	8,431
Gain on disposal of property, plant and equipment		**50,058**	98,014	**–**	5
Intangible assets written off		**(181)**	–	**(181)**	–
Net reversal of impairment loss/ (impairment loss) on					
- vessels		**–**	3,086	**–**	–
- right-of-use assets		**–**	11,747	**–**	–
- investments in subsidiaries		**–**	–	**33,954**	133,769
- amount due from subsidiaries		**–**	–	**(2,216)**	11,692
Gain/(loss) on liquidation of subsidiaries		**1,996**	(539)	**–**	5
Gain on disposal of a subsidiary		**–**	–	**117,021**	–
Other operating income, net	5	**5,575**	2,436	**2,529**	1,124
Administration expenses		**(8,155)**	(8,650)	**(6,023)**	(5,175)
		97,040	199,104	**149,691**	149,851
Finance costs	6	**(3,746)**	(10,588)	**(417)**	(328)
Share of results of joint ventures		**–**	(4)	**–**	–
Gain on derecognition of joint venture		**–**	6,869	**–**	–
Profit before taxation	6	**93,294**	195,381	**149,274**	149,523
Taxation	9	**(113)**	(136)	**(53)**	(78)
Profit for the year		**93,181**	195,245	**149,221**	149,445
Attributable to:					
Equity holders of the Company		**93,181**	195,245	**149,221**	149,445
Earnings per share (sen)	10	**9.32**	19.52		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF
COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit for the year	**93,181**	195,245	**149,221**	149,445
Other comprehensive income/(loss):				
Items that will be reclassified to profit or loss				
Currency translation differences	**26,893**	3,766	**18,207**	10,905
Net change in cash flow hedge	**(48)**	2,627	**–**	–
Reclassification of reserves from equity to profit or loss upon the liquidation of:				
- a subsidiary	**(1,996)**	–	**–**	–
- a joint venture	**–**	(6,869)	**–**	–
Total comprehensive income for the year	**118,030**	194,769	**167,428**	160,350
Total comprehensive income attributable to:				
Equity holders of the Company	**118,030**	194,769	**167,428**	160,350

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF
FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Assets					
Non-current assets					
Intangible assets	11	**111**	382	**111**	382
Property, plant and equipment	12	**230,820**	338,878	**118,597**	115,733
Right-of-use assets	13	**10,921**	55,034	**6**	305
Subsidiaries	14	**–**	–	**311,278**	386,485
Total non-current assets		**241,852**	394,294	**429,992**	502,905
Current assets					
Consumable stores	16	**3,352**	6,999	**2,970**	3,127
Receivables and other current assets	17	**7,421**	11,455	**3,915**	2,213
Contract assets	4	**–**	756	**–**	756
Amounts due from subsidiaries	18	**–**	–	**79**	668
Short term deposits	19	**321,909**	18,000	**197,277**	15,800
Cash and bank balances		**57,390**	189,174	**11,664**	14,788
		390,072	226,384	**215,905**	37,352
Non-current assets classified as held for sale	20	**7,342**	6,945	**7,342**	6,945
Total current assets		**397,414**	233,329	**223,247**	44,297
Total assets		**639,266**	627,623	**653,239**	547,202

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Equity and liabilities					
Equity attributable to equity holders of the Company					
Share capital	21	**338,791**	338,791	**338,791**	338,791
Cash flow hedge reserve	22(a)	**–**	48	**–**	–
Foreign currency translation reserve	22(b)	**143,778**	118,881	**427,850**	409,643
Retained earnings/ (accumulated losses)		**4,483**	11,302	**(259,069)**	(308,290)
Total equity		**487,052**	469,022	**507,572**	440,144
Non-current liabilities					
Borrowings	24	**–**	59,102	**–**	–
Lease liabilities	25	**–**	30,508	**–**	255
Derivative financial liabilities	26	**–**	314	**–**	–
Total non-current liabilities		**–**	89,924	**–**	255
Current liabilities					
Payables and other liabilities	23	**18,160**	15,833	**7,624**	6,113
Dividend payable		**100,000**	–	**100,000**	–
Contract liabilities	4	**903**	1,808	**560**	–
Amounts due to subsidiaries	18	**–**	–	**37,476**	100,614
Borrowings	24	**–**	6,806	**–**	–
Lease liabilities	25	**33,111**	43,686	**7**	76
Derivative financial liabilities	26	**–**	522	**–**	–
Provision for taxation		**40**	22	**–**	–
Total current liabilities		**152,214**	68,677	**145,667**	106,803
Total liabilities		**152,214**	158,601	**145,667**	107,058
Total equity and liabilities		**639,266**	627,623	**653,239**	547,202

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	← Attributable to Equity Holders of the Company				→
			← Non-distributable	→	
	Share capital RM'000	Retained earnings/ (accumulated losses) RM'000	Cash flow hedge reserve (Note 22(a)) RM'000	Foreign currency translation reserve (Note 22(b)) RM'000	Total equity RM'000
Group					
At 1 January 2022	**338,791**	**11,302**	**48**	**118,881**	**469,022**
Total comprehensive income/(loss) for the year	**–**	**93,181**	**(48)**	**24,897**	**118,030**
Dividends declared (Note 27)	**–**	**(100,000)**	**–**	**–**	**(100,000)**
At 31 December 2022	**338,791**	**4,483**	**–**	**143,778**	**487,052**
At 1 January 2021	338,791	(183,943)	(2,579)	121,984	274,253
Total comprehensive income/(loss) for the year	–	195,245	2,627	(3,103)	194,769
At 31 December 2021	338,791	11,302	48	118,881	469,022

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF
CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

			Non-distributable	
	Share capital RM'000	Accumulated losses RM'000	Foreign currency translation reserve (Note 22(b)) RM'000	Total RM'000
Company				
At 1 January 2022	**338,791**	**(308,290)**	**409,643**	**440,144**
Total comprehensive income for the year	**–**	**149,221**	**18,207**	**167,428**
Dividends declared (Note 27)	**–**	**(100,000)**	**–**	**(100,000)**
At 31 December 2022	**338,791**	**(259,069)**	**427,850**	**507,572**
At 1 January 2021	338,791	(457,735)	398,738	279,794
Total comprehensive income for the year	–	149,445	10,905	160,350
At 31 December 2021	338,791	(308,290)	409,643	440,144

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Cash flows from operating activities				
Profit before taxation	**93,294**	195,381	**149,274**	149,523
Adjustments for:				
Amortisation of intangible assets	**209**	374	**209**	374
Depreciation of property, plant and equipment	**12,148**	19,064	**5,424**	4,758
Depreciation of right-of-use assets	**44,370**	27,404	**75**	75
Provision for expected credit losses on trade receivables	**228**	–	**–**	–
Fair value changes in derivative	**–**	22	**–**	–
Discontinuation of hedge instrument	**(603)**	–	**–**	–
Dividend income	**–**	–	**(2,300)**	–
Gain on remeasurement of existing equity interest	**–**	(112)	**–**	–
Gain on disposal of property, plant and equipment	**(50,058)**	(98,014)	**–**	(5)
Intangible assets written off	**181**	–	**181**	–
Unrealised foreign exchange (gain)/loss	**(4,819)**	287	**(4,840)**	191
Interest income	**(5,230)**	(367)	**(462)**	(171)
Finance costs	**3,746**	10,588	**417**	328
(Net reversal of impairment loss)/ impairment loss on				
- vessels	**–**	(3,086)	**–**	–
- right-of-use assets	**–**	(11,747)	**–**	–
- investments in subsidiaries	**–**	–	**(33,954)**	(133,769)
- amount due from subsidiaries	**–**	–	**2,216**	(11,692)
Lease modification	**(18)**	(1,179)	**(18)**	–
Share of results of joint ventures	**–**	4	**–**	–
(Gain)/loss on liquidation of a subsidiary	**(1,996)**	539	**–**	(5)
Gain on disposal of a subsidiary	**–**	–	**(117,021)**	–
Gain on derecognition of joint venture	**–**	(6,869)	**–**	–
Operating profit before working capital changes	**91,452**	132,289	**(799)**	9,607
Changes in working capital:				
Consumable stores	**3,693**	(840)	**264**	(1,304)
Receivables and other current assets	**6,804**	12,435	**(2,190)**	6,383
Contract assets	**756**	(672)	**757**	(757)
Payables and other liabilities	**5,125**	(6,688)	**1,597**	972
Contract liabilities	**(905)**	(1,371)	**560**	(1,310)
Subsidiaries	**–**	–	**(81,508)**	2,139
Cash generated from/(used in) operations	**106,925**	135,153	**(81,319)**	15,730
Tax paid, net of tax refund	**(179)**	(279)	**(122)**	(215)
Net cash generated from/(used in) operating activities	**106,746**	134,874	**(81,441)**	15,515

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash flows from investing activities				
Acquisition of property, plant and equipment	**(1,797)**	(3,110)	**(1,797)**	–
Acquisition of intangible assets	**(111)**	(63)	**(111)**	(63)
Redemption of preference shares in subsidiary	**–**	–	**144,014**	–
Proceeds from disposal of subsidiary	**–**	–	**119,352**	–
Dividends from subsidiaries	**–**	–	**2,300**	–
Dividends from joint ventures	**–**	16,716	**–**	–
Interest received	**5,230**	367	**347**	171
Proceeds from disposal of property, plant and equipment and non-current assets classified as held for sale	**160,584**	269,943	**14**	5
Acquisition of a subsidiary, net of cash acquired	**–**	319	**–**	–
Net cash generated from investing activities	**163,906**	284,172	**264,119**	113
Cash flows from financing activities				
Finance costs paid	**(3,190)**	(10,329)	**(417)**	(298)
Payments for derivatives	**(285)**	–	**–**	–
Repayment of borrowings	**(66,470)**	(181,312)	**–**	–
Payment of principal portion of lease liabilities	**(42,161)**	(59,180)	**(82)**	(74)
Net cash used in financing activities	**(112,106)**	(250,821)	**(499)**	(372)
Net change in cash and cash equivalents	**158,546**	168,225	**182,179**	15,256
Effects of foreign exchange rate changes	**13,579**	63	**(3,826)**	307
Cash and cash equivalents brought forward	**207,174**	38,886	**30,588**	15,025
Cash and cash equivalents carried forward	**379,299**	207,174	**208,941**	30,588
Cash and cash equivalents comprise:				
Short term deposits	**321,909**	18,000	**197,277**	15,800
Cash and bank balances	**57,390**	189,174	**11,664**	14,788
	379,299	207,174	**208,941**	30,588

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
- 31 DECEMBER 2022

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is at Suite 8.01, Level 8, Menara Binjai, No 2 Jalan Binjai, 50450 Kuala Lumpur Wilayah Persekutuan, Malaysia.

The principal activities of the Company are investment holding, ship owning and ship operating.

The principal activities of the subsidiaries are disclosed in Note 14.

There have been no significant changes to these principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 April 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except otherwise indicated.

2.2 Changes in accounting policies

On 1 January 2022, the Group and the Company adopted the following new and amended MFRSs and interpretation mandatory for annual financial periods beginning on or after 1 January 2022.

Description	Effective for annual periods beginning on or after
Annual Improvement to MFRS Standards 2018 - 2020 Cycle	1 January 2022
MFRS 3: Reference to the Conceptual Framework (Amendments to MFRS 3 Business Combinations)	1 January 2022
MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use (Amendments to MFRS 116 Property, Plant and Equipment)	1 January 2022
MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets)	1 January 2022

Adoption of the above standards and interpretation did not have any material impact on the financial statements of the Group and of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective

The standards, amendments and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed as below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
MFRS 17: Insurance Contracts	1 January 2023
MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendments to MFRS 17 Insurance Contracts)	1 January 2023
MFRS 101: Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2023
MFRS 108: Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)	1 January 2023
MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 Income Taxes)	1 January 2023
MFRS 101: Classification of Liabilities as Current or Non-current (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2024
MFRS 16: Lease Liability in a Sale and Leaseback (Amendments to MFRS 16 Leases)	1 January 2024
MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	Deferred

The Directors expect that the adoption of the above standards, amendments and interpretations will have no material impact on the financial statements in the period of initial applications.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied by the subsidiaries for transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The consideration transferred for the acquisition of a subsidiary is measured at the fair value of the assets given, the equity instruments issued and liabilities incurred or assumed at the date of exchange, as well as any contingent consideration given. Acquisition related costs are expensed off in the income statement as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed are initially measured at fair value as at acquisition date.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation (continued)

Goodwill is measured as the excess of consideration transferred, and the amount recognised for non-controlling interest over the fair value of the Group's share of the identifiable net assets acquired. In the event that the fair value of the Group's share of identifiable net assets acquired exceeds the amount of consideration transferred, the entire resulting gain is recognised in the income statement of the Group.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

2.5 Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the ability to direct the activities of the investee that significantly affect the investee's return.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in profit or loss.

2.6 Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

On acquisition of an investment in joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the joint venture's profit or loss for the period in which the investment is acquired.

A joint venture is equity accounted for from the date on which the investee becomes a joint venture.

Under the equity method, on initial recognition the investment in a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture after the date of acquisition. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture. The interest in a joint venture is the carrying amount of the investment in the joint venture determined using the equity method together with any long-term receivables or loans that, in substance, form an extension of the Group's net investment in the joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in joint venture. The Group determines at the end of each reporting period whether there is any objective evidence that investment in a joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Joint ventures (continued)

In the investor's separate financial statements, investment in joint ventures is accounted for at cost less impairment losses. On disposal of such investment, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.7 Consumable stores

Consumable stores such as lubricant oil stocks, bunkers and ship provisions are stated at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. In arriving at the net realisable value, due allowance is made for all damaged, obsolete and slow-moving items.

Cost is determined on a first-in, first-out basis and includes freight and handling charges.

2.8 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at each financial year end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Costs relating to computer software acquired, which are not an integral part of related hardware, are capitalised and amortised on a straight-line basis over their useful life of 3 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2.9 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and to the Company and the cost of the item can be measured reliably.

When a major new equipment is installed or significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise the major new equipment or such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Leasehold properties are depreciated over the shorter of their estimated useful lives and the lease terms.

Assets under construction are not depreciated as these assets are not yet available for use.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Property, plant and equipment (continued)

Depreciation of new vessels is calculated using the straight-line method to write off the cost, less estimated scrap value over their estimated useful lives of 25 years, whilst for used vessels purchased, depreciation is calculated using the straight-line method to write off the cost less estimated scrap value over their remaining useful lives. Cost includes the cost of any major enhancement which increases the future benefits from the vessels beyond their previously assessed standard of performance and is depreciated over the vessels' remaining useful lives. Expenditure for maintenance and repairs and replacement of equipment are charged to profit or loss when incurred.

Dry docking costs, which enhance the useful lives of the vessels, are capitalised in the year in which they are incurred and amortised over periods between 2 to 3 years until the next dry docking.

For acquisitions and disposals of vessels and dry docking costs during the financial year, depreciation is provided from the day of acquisition and to the earlier of the day before disposal or the day classified as asset held for sale respectively. Fully depreciated assets are retained in the books until they are no longer in use.

For other assets, depreciation is computed on a straight-line basis over the estimated useful lives of the assets from the month of acquisition and to the month before disposal as follows:

Office equipment	3 - 5 years
Renovations	3 years
Furniture and fittings	10 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.10 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial assets (continued)

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group and the Company. The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost includes trade and other receivables, and loan to subsidiaries included under non-current financial assets.

(ii) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss. This category includes derivative instruments.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when the rights to receive cash flows from the asset have expired.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. When estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information.

The Group and the Company consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.12 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.13 Foreign currency

(i) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates, i.e. the functional currency. The functional currency of the Company is United States Dollar (USD). The financial statements of the Group and of the Company are presented in Ringgit Malaysia (RM), and all values are rounded to the nearest thousand (RM'000) except otherwise indicated.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Foreign currency (continued)

(ii) Foreign currency transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than each entity's functional currency, i.e. foreign currencies, are translated into the functional currency at exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the closing exchange rates ruling at the reporting date. Exchange differences arising on the settlement of monetary items or on translating monetary items at reporting date are recognised in profit or loss. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate prevailing at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated at exchange rates at the date when the fair value is determined. Any exchange component of a gain or loss on a non-monetary item is recognised directly in other comprehensive income if the gain or loss on the fair value of the non-monetary item is recognised directly in other comprehensive income. Any exchange component of a gain or loss on a non-monetary item is recognised directly in profit or loss if the gain or loss on the fair value of the non-monetary item is recognised in profit or loss.

(iii) Consolidation of financial statements of foreign operations

The results and financial position of the Company and its subsidiaries, whose functional currencies are not the presentation currency of the Group, are translated into the presentation currency of the Group at average exchange rates prevailing at the date of the transactions and at the closing exchange rates as at reporting date respectively. All resulting exchange differences are recognised in other comprehensive income as a foreign currency translation reserve and are subsequently reclassified to profit or loss upon disposal of the foreign operation.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and fixed deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.15 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group and the Company estimate the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group and the Company that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group and the Company do not have any non-derivative financial liabilities designated at fair value through profit or loss.

(ii) Financial liabilities carried at amortised cost

This is the category most relevant to the Group and the Company. After initial recognition, payables, other liabilities, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss. This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.18 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Vessels	2 - 4 years
Office lease	3 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policy in Note 2.15 Impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses the interest rate implicit in the lease, when it is practicable to determine, otherwise the incremental borrowing rate of the Group at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Leases (continued)

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of vessels (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.19 Income tax

(i) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income. Current taxes are recognised in profit or loss.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Income tax (continued)

(ii) Deferred tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.20 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.21 Derivative financial instruments and hedge accounting

Derivatives are categorised as trading unless they are designated as hedging instruments.

Derivative contracts are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates and documents certain derivatives as hedging instruments against the variability of future cash flows from highly probable forecast transactions. The effectiveness of such hedge is assessed at the inception and verified at regular intervals to ensure that the hedge has remained and is expected to remain highly effective.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Derivative financial instruments and hedge accounting (continued)

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts accumulated in equity are recycled to profit or loss in the periods in which the hedged item affects profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recycled when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recorded in equity is immediately transferred to profit or loss.

2.22 Dividends

Dividends declared on ordinary shares are accounted for as an appropriation of retained profits in the period in which they are approved.

2.23 Income recognition

(i) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Contracts for voyage charter include provisions whereby the charterer is required to pay demurrage if the time spent for loading or discharging the cargo exceeds the amount of time specified in the contract. Conversely, the ship-owner may be required to pay despatch if the time spent is less than that specified in the contract. Demurrage and despatch give rise to variable consideration.

Cost to obtain a contract

The Group pays commission to brokers for each contract that they obtain for freight services. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense commissions (included under voyage expenses) because the amortisation period of the asset that the Group otherwise would have used is one year or less.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Income recognition (continued)

(i) Revenue from contracts with customers (continued)

Contract balances

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

A contract liability is the obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(a) Revenue from freight services

Voyage charter

All freight income and voyage expenses are recognised rateably over the voyage duration as the freight services are rendered, determined based on the percentage of the estimated duration of the voyage completed at the reporting date. According to this method, freight income and related expenses are recognised in profit or loss according to the contracts entered into between the charter parties from the vessel's load date to the discharge of the cargo. The voyage begins from the loading to the discharging of cargo for the voyage (load-to-discharge). This applies to all spot transports and transport under Contracts of Affreightment (COAs). Costs directly attributable to relocating the vessel to the load port under the contract are capitalised to the extent that they are recoverable. Demurrage is recognised if the claim is considered probable.

Time charter

Revenue from time charter is recognised on a straight-line basis over the period of each charter, as service is performed.

(b) Brokerage and commission and ship management income are recognised when services are rendered.

(ii) Other revenue

(a) Dividend income is recognised when the Group's right to receive payment is established.

(b) Interest income is recognised on time-apportioned using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the related services are rendered. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.25 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

The Group has entered into non-cancellable operating lease contracts to charter in vessels. Where the unavoidable costs of meeting the obligations under these contracts exceed the economic benefits expected to be received, an onerous contract provision is recognised.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.26 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any differences are recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 Segment reporting

Segmental information are reported in a manner consistent with the internal reporting provided to the Executive Director of the Company who conducts a regular review for allocation of resources and assessment of performance of the operating segments.

2.28 Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or common significant influence. Related parties may be individuals including close members of the individuals, or corporate entities.

2.29 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the financial statements of the Group and of the Company requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group and the Company based their assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group and of the Company. Such changes are reflected in the assumptions when they occur.

(i) Recoverable amounts of vessels and right-of-use assets

The recoverable amount of vessel is determined based on the higher of its fair value less costs to sell and its value in use, whereas the recoverable amount of right-of-use asset is based on its value in use. When value in use calculation is undertaken, management estimates the expected future cash flows from the asset or cash generating unit ("CGU") by applying a suitable discount rate to calculate the present value of those cash flows. When fair value less costs to sell is used, management engages the services of professional valuers to determine the fair values based on past transactions in the industry with comparable characteristics. The carrying amounts of the Group's and of the Company's vessels and right-of-use assets are disclosed in Note 12 and Note 13 respectively.

(ii) Impairment of investments in subsidiaries

The Company assesses at the end of each reporting period whether there is indication that the investments are impaired or the impairment loss made previously may be reversed. Management considers various internal and external factors including the financial position of the subsidiaries.

In performing the impairment assessment, the Company estimates the recoverable amounts of the investments in subsidiaries by making reference to the fair value of their assets and liabilities including the recoverable amounts of the vessels held by the subsidiaries. The recoverable amounts of the vessels are determined based on the higher of fair value less cost to sell and value in use ("VIU"). The carrying amounts of the Company's investments in subsidiaries as at 31 December 2022 are disclosed in Note 14.

4. REVENUE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue from contracts with customers:				
- Freight and charter hire	**154,466**	206,228	**39,948**	35,256
- Ship brokerage and management	**313**	816	**–**	–
	154,779	207,044	**39,948**	35,256

Revenue from contracts with customers is recognised over time when services are transferred.

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Contract balances				
Trade receivables (Note 17)	**5,337**	6,366	**2,933**	128
Contract assets	**–**	756	**–**	756
Contract liabilities	**903**	1,808	**560**	–

Contract assets are initially recognised for revenue earned from freight services rendered for voyage charterers as billing is only upon the complete loading of cargo. Contract assets relate to receivables in respect of uncompleted voyages at reporting date. As such, the balances of this account vary and depend on the number of uncompleted voyages at the end of the year.

Contract liabilities represent charter hire received in advance for freight services at reporting date and the balances of this account vary depending on the billing cycle on time charters. The amount of revenue recognised in the financial year that was included in contract liabilities of the Group at the beginning of the year was RM1,808,000 (2021: RM3,179,000).

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

5. OTHER OPERATING INCOME, NET

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Interest income	**5,230**	367	**462**	171
Dividend income	**–**	–	**2,300**	–
Income from shared services	**210**	315	**493**	1,057
Foreign exchange (loss)/gain, net				
- realised	**(5,842)**	(8)	**(5,586)**	(22)
- unrealised	**4,819**	(287)	**4,840**	(191)
Provision for expected credit losses on trade receivables (Note 17)	**(228)**	–	**–**	–
Offhire claim from owner (Note 25)	**553**	541	**–**	–
Lease modification (Note 25)	**18**	1,179	**18**	–
Fair value changes in derivatives	**–**	(22)	**–**	–
Gain on discontinuation of hedge instrument	**603**	–	**–**	–
Gain on remeasurement of existing equity interest	**–**	112	**–**	–
Other income	**212**	239	**2**	109
	5,575	2,436	**2,529**	1,124

6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Auditors' remuneration				
- current year	**440**	328	**206**	114
- under provision in prior year	**22**	33	**24**	8
- other services	**18**	18	**18**	18
Amortisation of intangible assets (Note 11)	**209**	374	**209**	374
Depreciation of property, plant and equipment (Note 12)	**12,148**	19,064	**5,424**	4,758
Depreciation of right-of-use assets (Note 13)	**44,370**	27,404	**75**	75
Personnel expenses (Note 7)	**15,086**	27,686	**6,893**	6,208
Non-executive Directors' remuneration (Note 8)	**383**	424	**383**	424
Finance costs				
- term loans	**597**	6,210	**–**	–
- revolving credit	**411**	341	**411**	314
- lease liabilities (Note 25)	**2,371**	3,466	**6**	14
- others	**367**	571	**–**	–
	3,746	10,588	**417**	328

7. PERSONNEL EXPENSES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Wages, salaries and bonus	**10,296**	18,274	**5,017**	4,654
Pension costs				
- defined contribution plans	**266**	342	**231**	237
Social security costs	**10**	15	**8**	8
Other staff related expenses	**4,514**	9,055	**1,637**	1,309
	15,086	27,686	**6,893**	6,208

Included in personnel expenses of the Group and of the Company are Executive Directors' remuneration amounting to RM170,000 (2021: RM127,000) and RM170,000 (2021: RM127,000) respectively, as further disclosed in Note 8.

8. DIRECTORS' REMUNERATION

	Group and Company	
	2022 RM'000	2021 RM'000
Directors of the Group and Company		
Executive Directors:		
Fees	**156**	120
Attendance fees	**14**	7
	170	127
Non-executive Directors:		
Fees	**340**	396
Attendance fees	**43**	28
	383	424
Total	**553**	551

9. TAXATION

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Income tax:				
Malaysian income tax	**109**	132	**97**	85
Foreign tax	**45**	21	**–**	–
Over provision in prior years	**(41)**	(17)	**(44)**	(7)
	113	136	**53**	78

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

9. TAXATION (CONTINUED)

Malaysian income tax is calculated at the Malaysian statutory income tax rate of 24% (2021: 24%) of the estimated assessable profit for the year. Taxation in foreign jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and the Company is as follows:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Profit before taxation	**93,294**	195,381	**149,274**	149,523
Taxation at Malaysian tax rate	**22,391**	46,891	**35,825**	35,885
Effects of different tax rates in foreign jurisdictions	**(19)**	(9)	**–**	–
Tax exempt shipping income	**(16,677)**	(38,020)	**(29,396)**	(2,537)
Results of companies incorporated in British Virgin Islands (BVI)	**(555)**	612	**–**	–
Income not subject to tax	**(9,062)**	(19,183)	**(8,168)**	(34,911)
Expenses not deductible for tax purposes	**4,076**	9,862	**1,836**	1,648
Over provision in prior years	**(41)**	(17)	**(44)**	(7)
Taxation for the year	**113**	136	**53**	78

10. EARNINGS PER SHARE

Basic earnings per share

The basic earnings per share is based on the Group's profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2022	**2021**
Group's profit attributable to equity holders of the Company (RM'000)	**93,181**	195,245
Weighted average number of ordinary shares in issue ('000)	**1,000,000**	1,000,000
Basic earnings per share (sen)	**9.32**	19.52

There are no potential ordinary shares in issue as at the reporting date and therefore, diluted profit per share has not been presented.

11. INTANGIBLE ASSETS

Group	Computer software RM'000	Asset in progress RM'000	Total RM'000
At 31 December 2022			
Cost			
At 1 January 2022	**3,689**	**–**	**3,689**
Additions	**–**	**111**	**111**
Write off	**(4,454)**	**–**	**(4,454)**
Translation difference	**801**	**–**	**801**
At 31 December 2022	**36**	**111**	**147**
Accumulated amortisation			
At 1 January 2022	**3,307**	**–**	**3,307**
Amortisation for the year (Note 6)	**209**	**–**	**209**
Write off	**(4,273)**	**–**	**(4,273)**
Translation difference	**793**	**–**	**793**
At 31 December 2022	**36**	**–**	**36**
Net carrying amount			
At 31 December 2022	**–**	**111**	**111**
At 31 December 2021			
Cost			
At 1 January 2021	3,536	–	3,536
Additions	63	–	63
Translation difference	90	–	90
At 31 December 2021	3,689	–	3,689
Accumulated amortisation			
At 1 January 2021	2,867	–	2,867
Amortisation for the year (Note 6)	374	–	374
Translation difference	66	–	66
At 31 December 2021	3,307	–	3,307
Net carrying amount			
At 31 December 2021	382	–	382

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

11. INTANGIBLE ASSETS (CONTINUED)

Company	Computer software RM'000	Asset in progress RM'000	Total RM'000
At 31 December 2022			
Cost			
At 1 January 2022	**2,426**	**–**	**2,426**
Additions	**–**	**111**	**111**
Write off	**(3,227)**	**–**	**(3,227)**
Translation difference	**801**	**–**	**801**
At 31 December 2022	**–**	**111**	**111**
Accumulated amortisation			
At 1 January 2022	**2,044**	**–**	**2,044**
Amortisation for the year (Note 6)	**209**	**–**	**209**
Write off	**(3,046)**	**–**	**(3,046)**
Translation difference	**793**	**–**	**793**
At 31 December 2022	**–**	**–**	**–**
Net carrying amount			
At 31 December 2022	**–**	**111**	**111**
At 31 December 2021			
Cost			
At 1 January 2021	2,277	–	2,277
Additions	63	–	63
Translation difference	86	–	86
At 31 December 2021	2,426	–	2,426
Accumulated amortisation			
At 1 January 2021	1,608	–	1,608
Amortisation for the year (Note 6)	374	–	374
Translation difference	62	–	62
At 31 December 2021	2,044	–	2,044
Net carrying amount			
At 31 December 2021	382	–	382

12. PROPERTY, PLANT AND EQUIPMENT

Group	Vessels RM'000	Dry docking RM'000	Leasehold properties RM'000	Office equipment, renovations, furniture and fittings RM'000	Total RM'000
Cost					
At 1 January 2022	**374,499**	**3,096**	**–**	**1,925**	**379,520**
Additions	**–**	**1,754**	**–**	**43**	**1,797**
Disposals and write off	**(123,308)**	**(1,501)**	**–**	**(1,023)**	**(125,832)**
Translation difference	**14,356**	**97**	**–**	**(659)**	**13,794**
At 31 December 2022	**265,547**	**3,446**	**–**	**286**	**269,279**
Accumulated depreciation and impairment loss					
At 1 January 2022	**38,626**	**216**	**–**	**1,800**	**40,642**
Charge for the year (Note 6)	**10,622**	**1,452**	**–**	**74**	**12,148**
Disposals and write off	**(14,061)**	**(252)**	**–**	**(993)**	**(15,306)**
Translation difference	**1,610**	**25**	**–**	**(660)**	**975**
At 31 December 2022	**36,797**	**1,441**	**–**	**221**	**38,459**
Net carrying amount					
At 31 December 2022	**228,750**	**2,005**	**–**	**65**	**230,820**

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Vessels RM'000	Dry docking RM'000	Leasehold properties RM'000	Office equipment, renovations, furniture and fittings RM'000	Total RM'000
Cost					
At 1 January 2021	584,000	2,623	9,571	3,595	599,789
Additions	–	3,099	–	11	3,110
Disposals and write off	(223,323)	(2,623)	–	(1,812)	(227,758)
Reclassified as held for sale (Note 20)	–	–	(9,938)	–	(9,938)
Translation difference	13,822	(3)	367	131	14,317
At 31 December 2021	374,499	3,096	–	1,925	379,520
Accumulated depreciation and impairment loss					
At 1 January 2021	125,891	1,093	2,784	3,404	133,172
Charge for the year (Note 6)	18,106	766	106	86	19,064
Disposals and write off	(102,665)	(1,609)	–	(1,812)	(106,086)
Impairment loss on vessels	(3,086)	–	–	–	(3,086)
Reclassified as held for sale (Note 20)	–	–	(2,993)	–	(2,993)
Translation difference	380	(34)	103	122	571
At 31 December 2021	38,626	216	–	1,800	40,642
Net carrying amount					
At 31 December 2021	335,873	2,880	–	125	338,878

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Vessel RM'000	Dry docking RM'000	Leasehold properties RM'000	Office equipment, renovations, furniture and fittings RM'000	Total RM'000
Cost					
At 1 January 2022	**127,899**	**–**	**–**	**3,359**	**131,258**
Additions	**–**	**1,754**	**–**	**43**	**1,797**
Disposals and write off	**–**	**–**	**–**	**(620)**	**(620)**
Translation difference	**7,310**	**5**	**–**	**(670)**	**6,645**
At 31 December 2022	**135,209**	**1,759**	**–**	**2,112**	**139,080**
Accumulated depreciation					
At 1 January 2022	**12,268**	**–**	**–**	**3,257**	**15,525**
Charge for the year (Note 6)	**4,620**	**736**	**–**	**68**	**5,424**
Disposals and write off	**–**	**–**	**–**	**(606)**	**(606)**
Translation difference	**811**	**1**	**–**	**(672)**	**140**
At 31 December 2022	**17,699**	**737**	**–**	**2,047**	**20,483**
Net carrying amount					
At 31 December 2022	**117,510**	**1,022**	**–**	**65**	**118,597**

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	**Vessel RM'000**	**Leasehold properties RM'000**	**Office equipment, renovations, furniture and fittings RM'000**	**Total RM'000**
Cost				
At 1 January 2021	123,179	9,571	4,521	137,271
Disposals and write off	–	–	(1,261)	(1,261)
Reclassified as held for sale (Note 20)	–	(9,938)	–	(9,938)
Translation difference	4,720	367	99	5,186
At 31 December 2021	127,899	–	3,359	131,258
Accumulated depreciation				
At 1 January 2021	7,507	2,784	4,357	14,648
Charge for the year (Note 6)	4,583	106	69	4,758
Disposals and write off	–	–	(1,261)	(1,261)
Reclassified as held for sale (Note 20)	–	(2,993)	–	(2,993)
Translation difference	178	103	92	373
At 31 December 2021	12,268	–	3,257	15,525
Net carrying amount				
At 31 December 2021	115,631	–	102	115,733

(a) As at previous financial year ended 31 December 2021, vessels with an aggregate net carrying amount of RM335,873,000 were pledged as security for loans obtained by the Group (Note 24).

(b) During the year, the Group carried out an assessment of the recoverable amounts of its vessels. The recoverable amounts are determined based on the higher of fair value less costs to sell or value-in-use. The fair value less costs to sell was determined by an independent valuer taking into consideration of past transactions in the industry with comparable characteristics. For value in use, management estimated the cash flows (by applying the short term and long term charter rates that are comparable to industry data) for the vessels over the remaining lease term and where appropriate over the useful lives of the vessels and discounting them at 9% (2021: 8%).

Arising from the assessment, there is no further impairment or reversal of impairment loss to be recognised during the current financial year (2021: reversal of impairment loss of RM3,086,000).

The fair value measurement was categorised as Level 3 fair value as defined in Note 2.29.

(c) During the year, the Group disposed of a vessel (2021: 3 vessels) which gave rise to a gain on disposal of RM50,058,000 (2021: RM98,009,000).

13. RIGHT-OF-USE ASSETS

Group	Vessels RM'000	Office lease RM'000	Total RM'000
At 31 December 2022			
Cost			
At 1 January 2022	**176,008**	**448**	**176,456**
Lease modification	**(2,288)**	**(224)**	**(2,512)**
Translation difference	**10,059**	**–**	**10,059**
At 31 December 2022	**183,779**	**224**	**184,003**
Accumulated depreciation and impairment loss			
At 1 January 2022	**121,279**	**143**	**121,422**
Charge for the year (Note 6)	**44,295**	**75**	**44,370**
Translation difference	**7,290**	**–**	**7,290**
At 31 December 2022	**172,864**	**218**	**173,082**
Net carrying amount			
At 31 December 2022	**10,915**	**6**	**10,921**
At 31 December 2021			
Cost			
At 1 January 2021	209,241	448	209,689
Additions	20,528	–	20,528
Termination	(59,759)	–	(59,759)
Translation difference	5,998	–	5,998
At 31 December 2021	176,008	448	176,456
Accumulated depreciation and impairment loss			
At 1 January 2021	159,816	68	159,884
Charge for the year (Note 6)	27,329	75	27,404
Termination	(58,769)	–	(58,769)
Reversal of impairment loss on vessels	(11,747)	–	(11,747)
Translation difference	4,650	–	4,650
At 31 December 2021	121,279	143	121,422
Net carrying amount			
At 31 December 2021	54,729	305	55,034

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

13. RIGHT-OF-USE ASSETS (CONTINUED)

Company	**Office lease RM'000**
At 31 December 2022	
Cost	
At 1 January 2022	**448**
Lease modification	**(224)**
At 31 December 2022	**224**
Accumulated depreciation	
At 1 January 2022	**143**
Charge for the year (Note 6)	**75**
At 31 December 2022	**218**
Net carrying amount	
At 31 December 2022	**6**
At 31 December 2021	
Cost	
At 31 December 2021	448
Accumulated depreciation	
At 1 January 2021	68
Charge for the year (Note 6)	75
At 31 December 2021	143
Net carrying amount	
At 31 December 2021	305

During the year, the Group carried out an assessment of the recoverable amounts of its vessels. The recoverable amounts are determined based on the value-in-use which management estimated the cash flows (by applying the short term and long term charter rates that are are comparable to industry data) from the vessels over the remaining lease term and discounting them at 9% (2021: 8%). As a result of the assessment, no impairment or reversal of impairment loss on the vessels is being recognised (2021: reversal of impairment loss of RM11,747,000) for the financial year ended 31 December 2022.

The value-in-use measurement was categorised as Level 3 fair value as defined in Note 2.29.

14. SUBSIDIARIES

	Company 2022 RM'000	Company 2021 RM'000
Unquoted shares, at cost		
At 1 January	**1,474,777**	1,414,419
Subscription of redeemable preference shares ("RPS")	**16,762**	6,299
Redemption of redeemable preference shares ("RPS")	**(144,014)**	–
Disposal of a subsidiary	**(2,331)**	–
Liquidation of a subsidiary	**–**	(111)
Translation difference	**82,618**	54,170
Unquoted shares, at cost	**1,427,812**	1,474,777
Less: Accumulated impairment loss		
At 1 January	**(1,088,292)**	(1,176,956)
Net reversal of impairment loss	**33,954**	133,769
Translation difference	**(62,196)**	(45,105)
At 31 December	**(1,116,534)**	(1,088,292)
At 31 December	**311,278**	386,485

During the financial year, the Company subscribed to 1,000 units (2021: 375 units) of RPS at USD4,000 per unit issued by a subsidiary, Velorum Shipping Pte Ltd, by capitalising the amount due from the subsidiary amounting to RM16,762,000 (2021: RM6,299,000).

During the financial year, New Johnson Holdings Limited and Lightwell Shipping Inc. had redeemed 4,810 units and 3,500 units of RPS respectively at USD4,000 per unit from the Company, by cash payment amounting to RM78,743,000 and RM65,271,000 respectively.

During the year, the Company disposed off a subsidiary, New Johnson Holdings Limited to another wholly owned subsidiary, Lightwell Shipping Inc. for a cash consideration of RM119,352,000. This resulted in a gain on disposal of RM117,021,000 as disclosed in Note 14.

The Company performs an impairment assessment of its investments in subsidiaries whenever there is an indication that the investments may be impaired or the impairment loss made previously may be reversed. In performing the impairment assessment, the Company estimates the recoverable amounts of the related subsidiaries by making reference to the fair value of their assets and liabilities including the recoverable amounts of the vessels held by the subsidiaries. The recoverable amounts of the vessels are determined based on the higher of fair value less cost to sell and value in use ("VIU") as further explained in Note 12(b) and 13. As a result of the impairment assessment, the Company recognised a net reversal of impairment loss of RM33.95 million (2021: RM133.77 million).

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

14. SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

Company	Country of incorporation	Equity interest 2022	Equity interest 2021	Principal activities
PSM Perkapalan Sdn Bhd	Malaysia	**100%**	100%	Manager of ships
Pacific Ship-Managers Sdn Bhd	Malaysia	**100%**	100%	Ship operator, shipbroker and general shipping
- Spectrapoint Sdn Bhd	Malaysia	**100%**	100%	Investment holding
New Johnson Holdings Limited [6]	British Virgin Islands (BVI)	**–**	100%	Investment holding
Lightwell Shipping Inc	BVI	**100%**	100%	Investment holding
- Everspeed Enterprises Limited	BVI	**100%**	100%	Ship operator
- Novel Bright Assets Limited [4]	BVI	**100%**	100%	Investment holding
- Brilliant Star Shipping Pte Ltd [4]	Singapore	**100%**	100%	Owner and operator of vessels
- New Johnson Holdings Limited [6]	BVI	**100%**	–	Investment holding
- Madu Shipping Pte Ltd [2][4]	Singapore	**100%**	100%	Owner and operator of vessels
- Molek Shipping Pte Ltd [2][4]	Singapore	**100%**	100%	Owner and operator of vessels
- Sejahtera Shipping Pte Ltd [2][4]	Singapore	**100%**	100%	Owner and operator of vessels
- Kekal Shipping Pte Ltd [1]	Singapore	**100%**	100%	Owner and operator of vessels
- Kukuh Shipping Pte Ltd [1]	Singapore	**100%**	100%	Owner and operator of vessels
- Manis Shipping Pte Ltd [5]	Singapore	**–**	100%	Owner and operator of vessels
- Padu Shipping Pte Ltd [5]	Singapore	**–**	100%	Owner and operator of vessels
Alam Budi Sdn Bhd [2]	Malaysia	**100%**	100%	Owner and operator of vessels
Velorum Shipping Pte Ltd [1]	Singapore	**100%**	100%	Ship operator
MBC Capital Management Sdn Bhd [2]	Malaysia	**100%**	100%	Investment holding
MBC Retail Sdn Bhd [2][4]	Malaysia	**100%**	–	Retail

[1] Subsidiaries audited by a member firm of Ernst & Young Global
[2] Subsidiaries not carrying on any business activities during the financial year
[3] Subsidiaries in members' voluntary winding-up
[4] Not audited by Ernst & Young PLT or a member firm of Ernst & Young Global
[5] Manis Shipping Pte Ltd and Padu Shipping Pte Ltd were liquidated during the year.
[6] A direct subsidiary under the Company in prior financial year

15. JOINT VENTURES

	Group 2022 RM'000	2021 RM'000
Unquoted shares, at cost	–	39,786
Share of post-acquisition profits or losses	–	(46,542)
Translation difference	–	6,869
	–	113
Derecognition	–	(113)
	–	–

The summarised financial information of the joint ventures, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	2022 RM'000	2021 RM'000
Loss for the year	–	(8)
Dividends received from joint ventures during the year	–	16,716

During the previous financial year, the Group acquired the remaining equity interests in Novel Bright Assets Limited and Brilliant Star Shipping Pte Ltd which became subsidiaries of the Group.

16. CONSUMABLE STORES

Consumable stores are stated at cost.

Consumable stores of the Group and the Company of RM15,662,000 (2021: RM13,491,000) and RM14,808,000 (2021: RM9,582,000) respectively were charged to income statements during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

17. RECEIVABLES AND OTHER CURRENT ASSETS

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Trade receivables:				
- third parties	**5,567**	8,156	**2,933**	128
Less: Provision for expected credit losses				
Third parties:				
At 1 January	**(1,790)**	(1,724)	**–**	–
Charge for the year (Note 5)	**(228)**	–	**–**	–
Write off	**1,790**	–	**–**	–
Translation difference	**(2)**	(66)	**–**	–
At 31 December	**(230)**	(1,790)	**–**	–
Trade receivables, net (Note 4)	**5,337**	6,366	**2,933**	128
Tax recoverable	**720**	636	**475**	406
Deposits (refundable)	**110**	120	**97**	83
Prepayments	**281**	1,928	**129**	627
Other receivables	**973**	1,756	**281**	165
Amounts due from related parties	**–**	649	**–**	804
	7,421	11,455	**3,915**	2,213

Amounts due from related parties relate to advances for procurement of supplies and services on behalf of the Group. These balances were unsecured, interest-free and repayable on demand.

Trade receivables are non-interest bearing and are generally due upon invoicing. They are recognised at their original invoiced amounts, which represent their fair values on initial recognition.

17. RECEIVABLES AND OTHER CURRENT ASSETS (CONTINUED)

The ageing analysis of trade receivables is as follows:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Past due less than 6 months not impaired	**5,337**	6,149	**2,933**	128
Past due over 6 months not impaired	**–**	217	**–**	–
Impaired	**230**	1,790	**–**	–
	5,567	8,156	**2,933**	128

Trade receivables are mainly due from customers that have good credit ratings. As at reporting date, the Group and the Company have significant concentration of credit risk in the form of outstanding balances due from 2 (2021: 4) and 1 (2021: 1) customers respectively, representing 96% (2021: 84%) and 100% (2021: 100%) of the Group's and the Company's trade receivables respectively.

At the reporting date, trade receivable that is impaired relates to a debtor which is assessed for expected credit losses individually in accordance with MFRS 9 Financial Instruments.

18. AMOUNTS DUE FROM/TO SUBSIDIARIES

	Company	
	2022 RM'000	**2021 RM'000**
Amounts due from subsidiaries	**2,330**	703
Less: Accumulated impairment losses	**(2,251)**	(35)
	79	668
Amounts due to subsidiaries	**37,476**	100,614

Balances with subsidiaries are unsecured, interest-free and repayable on demand. Funds are centralised at Group level and made available to subsidiaries as and when required.

The Company recognised impairment loss on amounts due from subsidiaries of RM2,216,000 (2021: reversal of impairment loss of RM11,692,000) for the financial year ended 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

19. SHORT TERM DEPOSITS

At the reporting date, the short term deposits of the Group and the Company have the same maturities of less than 60 days (2021: less than 31 days) with weighted average interest rate of 3.48% (2021: 1.70%) and 3.01% (2021: 1.70%) per annum respectively.

20. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Non-current assets held for sale comprise of leasehold property which the Group expects to sell within the next 12 months from the reporting date.

As at the reporting date, the carrying amount of leasehold property reclassified as held for sale is as follows:

	Group and Company	
	2022	**2021**
	RM'000	**RM'000**
Leasehold property	**7,342**	6,945

21. SHARE CAPITAL

	Number of ordinary shares			
	2022	**2021**	**2022**	**2021**
	('000)	**('000)**	**RM'000**	**RM'000**
Group and Company				
Issued and fully paid:				
At 1 January and 31 December	**1,000,000**	1,000,000	**338,791**	338,791

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

22. RESERVES

(a) Cash flow hedge reserve

The cash flow hedge reserve represents the cumulative effective portion of gains and losses arising on changes in fair value of hedging instruments entered into for cash flow hedges which will be reclassified to the income statement only when the hedged transaction affects profit or loss.

(b) Foreign currency translation reserve

Foreign currency translation reserve comprise foreign exchange differences arising from the translation of financial statements of those entities, whose functional currencies are different from that of the Group's presentation currency.

23. PAYABLES AND OTHER LIABILITIES

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Trade payables	**1,690**	2,194	**11**	260
Accruals	**3,922**	8,643	**2,845**	5,274
Due to ship managers and agents:				
- third parties	**6,554**	–	**3,481**	–
- related parties	**–**	102	**–**	–
Amounts due to related parties	**–**	3,705	**–**	415
Other payables	**5,994**	1,189	**1,287**	164
	18,160	15,833	**7,624**	6,113

Trade payables generally have average credit terms of 30 to 90 (2021: 30 to 90) days.

Amounts due to related parties are in respect of shared services cost and reimbursable expenses. These balances are unsecured, interest-free and repayable on demand.

24. BORROWINGS

	Group	
	2022 RM'000	**2021 RM'000**
Term loans - secured	**–**	65,908
Repayable within 12 months	**–**	(6,806)
Repayable after 12 months	**–**	59,102

Maturity of borrowings is analysed as follows:

Within 1 year	**–**	6,806
Between 1 and 5 years	**–**	27,294
More than 5 years	**–**	31,808
	–	65,908

The borrowings were denominated in United States Dollar.

The securities for secured loans are disclosed in Note 12(a).

The borrowings as at previous financial year end bore interest at a weighted average rate of 2.24% per annum.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

25. LEASE LIABILITIES

Group as a lessee

The Group has lease contracts for vessels and office lease of less than 1 year lease term. The leased vessels are subleased to its customers.

The Group also has certain leases of vessels, computers and other equipment with lease terms of 12 months or less or of low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
At 1 January	**74,194**	111,849	**331**	405
Addition	**–**	20,528	**–**	–
Accretion of interest (Note 6)	**2,371**	3,466	**6**	14
Payment of lease liabilities	**(43,979)**	(62,105)	**(88)**	(88)
Offhire claim from owner (Note 5)	**(553)**	(541)	**–**	–
Lease modification	**(2,530)**	(2,169)	**(242)**	–
Translation difference	**3,608**	3,166	**–**	–
At 31 December	**33,111**	74,194	**7**	331
Repayable within 12 months	**33,111**	43,686	**7**	76
Repayable after 12 months	**–**	30,508	**–**	255
	33,111	74,194	**7**	331

The following are amounts recognised in profit or loss:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Income from subleasing right-of-use assets	**63,378**	51,355	**–**	–
Lease modification (Note 5)	**18**	1,179	**18**	–
Offhire claim from owner (Note 5)	**553**	541	**–**	–
Depreciation of right-of-use assets (Note 6)	**44,370**	27,404	**75**	75
Interest expense on lease liabilities (Note 6)	**2,371**	3,466	**6**	14
Expense relating to leases of low-value assets (included in administration expenses)	**8**	9	**7**	7

The Group and the Company had total cash outflows for leases of RM44,540,000 (2021: RM62,655,000) and RM95,000 (2021: RM95,000) respectively for the financial year ended 31 December 2022.

26. DERIVATIVE FINANCIAL LIABILITIES

Derivatives are financial instruments that derive their value in response to changes in interest rates, financial instrument prices and foreign exchange rates. The type of derivatives used by the Group and the fair value gain or loss on the derivative financial instruments are set out below.

	Group	
	2022 RM'000	**2021 RM'000**
Current		
Hedging derivatives		
Cash flow hedge		
Interest rate swap	–	(522)
Non-current		
Hedging derivatives		
Cash flow hedge		
Interest rate swap	–	(314)

Cash flow hedge

The Group uses interest rate swaps to manage the variability of future cash flows attributable to interest rate fluctuation on its borrowings. Gains and losses arising from the effective portion of the hedges are deferred in equity until the variability on the cash flow affects profit or loss, at which time the gains or losses are transferred to profit or loss.

The net gain or loss on cash flow hedges reclassified from other comprehensive income to the income statement is recognised in "Other operating income, net". During the financial year, gain on discontinuation of hedge instrument amounting to RM603,000 (2021: loss in cash flow hedge amount of RM267,000) was recycled from other comprehensive income to the income statement of the Group. The notional amount is included in Note 31(b).

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

27. DIVIDENDS

	Group and Company	
	2022	**2021**
	RM'000	**RM'000**
In respect of financial year ended:		
31 December 2022		
Special dividend of 6.5 sen, single tier	**65,000**	–
Special dividend of 3.5 sen, single tier	**35,000**	–
	100,000	–

28. COMMITMENTS

	Group	
	2022	**2021**
	RM'000	**RM'000**
(a) Operating lease commitments - as lessor		
Due within 1 year	**–**	23,007
(b) Contract of affreightment (COA)		
Due within 1 year	**23,500**	22,230
Due later than 1 year and not later than 5 years	**94,067**	88,981
Due later than 5 years	**86,212**	103,781
	203,779	214,992

The amounts comprise of estimated freight receivable under a 15-year COA with TNB Fuel Services Sdn Bhd (a subsidiary of Tenaga Nasional Berhad).

29. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to related party information disclosed elsewhere in the financial statements, the following significant transactions with related parties at mutually agreed amounts took place during the financial years:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Transactions with companies in which certain former* shareholders of the Company have substantial interest				
Income earned:				
Charter hire income	**–**	50,471	**–**	–
Commercial fee	**314**	816	**–**	–
Income from shared services	**130**	315	**130**	315
	444	51,602	**130**	315
Expenditure incurred:				
Commercial fee	**2,180**	9,310	**470**	1,218
Dry docking cost	**–**	1,760	**–**	–
Shared services cost	**1,078**	3,998	**231**	701
Management fee	**364**	1,252	**–**	–
Crewing agents fee	**61**	206	**41**	127
Commission on disposal of vessels	**–**	2,783	**–**	–
Procurement fee	**77**	228	**77**	228
Share registration fee	**7**	12	**7**	12
Supervision fee	**–**	402	**–**	140
	3,767	19,951	**826**	2,426

* Pertains to Pacific Carriers Limited which ceased to be a substantial shareholder in the current financial year.

	Company	
	2022 RM'000	2021 RM'000
Transactions with subsidiaries		
Income earned:		
Income from shared services	**298**	742
Dividend income	**2,300**	–
	2,598	742
Expenditure incurred:		
Management fee	**208**	208

Directors are considered as the key management personnel. The remuneration of Directors is disclosed in Note 8.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

30. SEGMENT INFORMATION

Segmental reporting is not presented as the Group is principally engaged in the dry bulk shipping services internationally. As the Group's shipping activities cover the world's shipping lanes, the Directors do not consider it meaningful to allocate revenue, results, assets and liabilities to specific geographical segments. This is consistent with internal reporting currently practiced.

Major customers

Revenue from four major customers (2021: four) amounted to RM129,953,000 (2021: RM130,951,000) represents 84% (2021: 63%) of the total revenue of the Group.

31. FINANCIAL RISK MANAGEMENT

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include currency risk, interest rate risk, liquidity risk and credit risk. The board of directors reviews and agrees policies and procedures for the management of these risks.

(a) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group has investments in foreign subsidiaries, whose net assets are measured in their functional currency which is the United States Dollars, and are subject to foreign currency translation differences upon translation into Ringgit Malaysia for consolidation purposes.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and Company's profit before tax to a reasonable possible change in the RM exchange rate against the functional currency of the Group and Company, with all other variables held constant.

	Increase/(decrease) in profit before taxation			
	Group		**Company**	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
RM - strengthened by 5%	1,512	894	1,464	780
RM - weakened by 5%	(1,512)	(894)	(1,464)	(780)

(b) Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk relates primarily to interest-bearing debts. The Group manages its interest rate exposure by closely monitoring the debt market and where necessary, maintaining a prudent mix of fixed and floating rate borrowings and a mix of interest revision dates. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

In the prior financial year, the Group had interest rate swap agreements with notional amounts totaling USD11,803,000 whereby it received variable rates equal to LIBOR and paid fixed rate between 2.610% and 3.045% per annum on the notional amounts.

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Interest rate risk (continued)

Sensitivity analysis for interest rate risk

At end of the reporting period, if interest rates had been 25 basis point higher/lower with all other variables held constant, the Group's profit after tax would have been RMNil (2021: RM120,000) higher/lower (2021: lower/higher).

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatch of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's exposure to liquidity risk is manageable and is addressed via internal funding as well as through sourcing of external borrowings. It is the Group's policy for the placing of surplus funds to be managed centrally.

Analysis of undiscounted financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Within 1 year RM'000	**1 to 5 years RM'000**	**More than 5 years RM'000**	**Total RM'000**
Group				
At 31 December 2022				
Payables and other liabilities	**18,160**	**–**	**–**	**18,160**
Lease liabilities	**35,340**	**–**	**–**	**35,340**
	53,500	**–**	**–**	**53,500**
At 31 December 2021				
Payables and other liabilities	15,833	–	–	15,833
Borrowings	8,552	31,833	32,187	72,572
Lease liabilities	45,955	32,623	–	78,578
Derivative financial liabilities	522	314	–	836
	70,862	64,770	32,187	167,819

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

	Within 1 year RM'000	1 to 5 years RM'000	Total RM'000
Company			
At 31 December 2022			
Payables and other liabilities	**7,624**	**–**	**7,624**
Dividend payable	**100,000**	**–**	**100,000**
Lease liabilities	**7**	**–**	**7**
Amounts due to subsidiaries	**37,476**	**–**	**37,476**
	145,107	**–**	**145,107**
At 31 December 2021			
Payables and other liabilities	6,113	–	6,113
Lease liabilities	87	270	357
Amounts due to subsidiaries	100,614	–	100,614
	106,814	270	107,084

(d) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables.

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit monitoring procedures. Credit risks are minimised and monitored by strictly limiting the Group's association to business partners with good credit ratings. Trade receivables are monitored on an on-going basis via Group management reporting procedures.

Advances are made to subsidiaries in support of their respective principal activities. Surplus cash is placed with a number of reputable banks.

At the reporting date, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

32. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. The Group manages its capital structure by taking into account its current and projected cash flow, expansion and capital expenditure commitments. Where necessary, adjustments to the amount of dividends paid to shareholders or the issuance of new shares may be considered. The Group does not adopt any formal dividend policy. The debt to equity ratio of the Group for the year ended 31 December 2022 was 0.07:1 (2021: 0.30:1).

The Group monitors capital on the basis of the carrying amount of equity as presented in the statements of financial position.

32. CAPITAL MANAGEMENT (CONTINUED)

No changes were made in the objectives, policies or processes during the financial years ended 31 December 2022 and 2021.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

33. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Fair value hierarchy

As at the prior financial year, the Group had designated derivatives as Level 2. Interest rate swaps are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties and forward rates and interest rate curves.

There was no financial instrument being transferred between Level 1 and 2 during the financial year.

(b) The fair value of financial assets and liabilities by classes whose carrying amounts are reasonable approximation of fair value are as follows:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Financial assets at amortised cost:				
Trade and other receivables	**6,420**	8,891	**3,311**	1,180
Short term deposits	**321,909**	18,000	**197,277**	15,800
Cash and bank balances	**57,390**	189,174	**11,664**	14,788
Amounts due from subsidiaries	**–**	–	**79**	668
	385,719	216,065	**212,331**	32,436
Financial liabilities carried at amortised cost:				
Borrowings	**–**	65,908	**–**	–
Lease liabilities	**33,111**	74,194	**7**	331
Payables and other liabilities	**18,160**	15,833	**7,624**	6,113
Dividend payable	**100,000**	–	**100,000**	–
Amounts due to subsidiaries	**–**	–	**37,476**	100,614
	151,271	155,935	**145,107**	107,058
Financial liability carried at fair value through other comprehensive income:				
Derivative financial liabilities	**–**	836	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

34. SIGNIFICANT EVENTS

(a) On 15 August 2022, the Company:

i. entered into a conditional collaboration agreement with Tunas Manja Sdn Bhd ("TMSB"), a company in which the then Executive Directors Dato' Chin Yoke Kan and Dato' Chin Yoke Choon have substantial interest, to undertake grocery retail business and other grocery retail related business ("Proposed Collaboration");

ii. proposed to diversify its existing business to include grocery business ("Proposed Diversification"); and

iii. proposed to enter into new recurrent related party transaction of a revenue nature with certain related parties following the Proposed Collaboration and Proposed Diversification ("Proposed RRPT")

On 14 November 2022, as the conditions precedent of the Proposed Collaboration have not been fulfilled and extension of time was not granted by TMSB, the above Proposed Collaboration was terminated. Consequently, the Company has also decided not to proceed with the Proposed Diversification and Proposed RRPT.

(b) On 26 August 2022, the Company entered into a Heads of Agreement ("HOA") with Dato' Chin Yoke Kan, Dato' Chin Yoke Choon, Chin Polling, Chin Poh Yung and Chin Poh Yun ("TMSB Vendors") for acquisition of the entire issued and paid up capital of TMSB, its subsidiaries and other companies owned by the TMSB Vendors for a purchase consideration to be determined later.

On 13 January 2023, the Company and TMSB Vendors entered into a deed of mutual termination to terminate the HOA.

(c) During the year, the Company disposed off a subsidiary, New Johnson Holdings Limited to another wholly owned subsidiary, Lightwell Shipping Inc. for a cash consideration of RM119,352,000. This resulted in a gain on disposal of RM117,021,000 to the Company as disclosed in Note 14.

35. SUBSEQUENT EVENT

On 18 January 2023, the Company entered into a Share Sale Agreement with Grand East Metal (Kulim) Sdn Bhd and Goh Ting Hong for the acquisition of 1,000,000 ordinary shares in EMT Systems Sdn Bhd for a total consideration of RM70,000,000.

The acquisition was completed on 30 January 2023.

36. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Borrowings RM'000	Lease liabilities RM'000	Derivative financial liabilities RM'000	Total RM'000
Group				
At 1 January 2022	**65,908**	**74,194**	**836**	**140,938**
Cash flows:				
- Repayment/payment	**(66,470)**	**(42,161)**	**(285)**	**(108,916)**
- Finance costs paid	**(819)**	**(2,371)**	**–**	**(3,190)**
Non-cash changes:				
- Finance costs	**1,375**	**2,371**	**–**	**3,746**
- Changes in fair values	**–**	**–**	**(555)**	**(555)**
- Lease modification	**–**	**(2,530)**	**–**	**(2,530)**
- Others	**(178)**	**–**	**–**	**(178)**
- Translation difference	**184**	**3,608**	**4**	**3,796**
At 31 December 2022	**–**	**33,111**	**–**	**33,111**
At 1 January 2021	237,344	111,849	3,335	352,528
Cash flows:				
- Repayment/payment	(181,312)	(59,180)	–	(240,492)
- Finance costs paid	(6,863)	(3,466)	–	(10,329)
Non-cash changes:				
- Addition	–	20,528	–	20,528
- Finance costs	7,122	3,466	–	10,588
- Changes in fair values	–	–	(2,605)	(2,605)
- Lease modification	–	(2,169)	–	(2,169)
- Others	320	–	–	320
- Translation difference	9,297	3,166	106	12,569
At 31 December 2021	65,908	74,194	836	140,938

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

36. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONTINUED)

	Borrowings RM'000	Lease liabilities RM'000	Total RM'000
Company			
At 1 January 2022	**–**	**331**	**331**
Cash flows:			
- Repayment/payment	**–**	**(82)**	**(82)**
- Finance costs paid	**(411)**	**(6)**	**(417)**
Non-cash changes:			
- Lease modification	**–**	**(242)**	**(242)**
- Finance costs	**411**	**6**	**417**
At 31 December 2022	**–**	**7**	**7**
At 1 January 2021	–	405	405
Cash flows:			
- Repayment/payment	–	(74)	(74)
- Finance costs paid	(284)	(14)	(298)
Non-cash changes:			
- Finance costs	314	14	328
- Others	(20)	–	(20)
- Translation difference	(10)	–	(10)
At 31 December 2021	–	331	331

LIST OF
PROPERTIES HELD

Address/Description	Existing Use/ Approximate Area	Tenure/Date of Expiry of Lease	Age of Building	Net Book Value @ 31.12.2022 RM'000
Level 17 (East Wing) PJ Tower No. 18, Jalan Persiaran Barat Off Jalan Timur 46050 Petaling Jaya Selangor Darul Ehsan	Office/ 5,447 sq. ft.	99 Year Lease/ 11.9.2088	25 Years	1,825
Level 17 (West Wing) PJ Tower No. 18, Jalan Persiaran Barat Off Jalan Timur 46050 Petaling Jaya Selangor Darul Ehsan	Office/ 5,511 sq. ft.	99 Year Lease/ 11.9.2088	25 Years	1,846
Level 18 (East Wing) PJ Tower No. 18, Jalan Persiaran Barat Off Jalan Timur 46050 Petaling Jaya Selangor Darul Ehsan	Office/ 5,447 sq. ft.	99 Year Lease/ 11.9.2088	25 Years	1,825
Level 18 (West Wing) PJ Tower No. 18, Jalan Persiaran Barat Off Jalan Timur 46050 Petaling Jaya Selangor Darul Ehsan	Office/ 5,511 sq. ft.	99 Year Lease/ 11.9.2088	25 Years	1,846

Note:
All properties were acquired on 12 July 2001.

ANALYSIS OF **SHAREHOLDINGS**
AS AT 31 MARCH 2023

Issued Shares	:	1,000,000,000
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	748	4.45	21,291	0.00
100 to 1,000	1,869	11.11	1,320,524	0.13
1,001 to 10,000	8,705	51.75	42,536,499	4.25
10,001 to 100,000	4,731	28.12	157,854,113	15.79
100,001 to less than 5% of Issued Shares	768	4.57	338,267,573	33.83
5% and above of issued shares	2	0.01	460,000,000	46.00
	16,823	100.00	1,000,000,000	100.00

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

	Direct Interest		Deemed Interest	
Name of Substantial Shareholders	No. of Issued Shares	% of Issued Shares	No. of Issued Shares	% of Issued Shares
Dato' Goh Cheng Huat	320,000,000	32.00	–	–
PPB Group Berhad	140,000,000	14.00	20,000[(1)]	–

Notes :

(1) Deemed interested by virtue of its substantial shareholdings in Cathay Screen Cinemas Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

DIRECTORS' SHAREHOLDINGS

	Direct Interest		Deemed Interest	
Name of Directors	No. of Issued Shares	% of Issued Shares	No. of Issued Shares	% of Issued Shares
Dato' Goh Cheng Huat	320,000,000	32.00	–	–
Lin JunLiang, Troy	–	–	–	–
Yeoh Khoon Cheng	–	–	–	–
Elsie Kok Yin Mei	–	–	–	–
Ooi Teik Huat	–	–	–	–

THE THIRTY LARGEST SHAREHOLDERS

(As per Record of Depositors as at 31 March 2023)

	Name of Shareholders	No. of Issued Shares	% of Issued Shares
1.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR GOH CHENG HUAT (SMART)	320,000,000	32.00
2.	PPB GROUP BERHAD	140,000,000	14.00
3.	PACIFIC CARRIERS LIMITED	24,615,000	2.46
4.	JANAKI @ MALLIKA A/P PALANIAPPAN	20,000,000	2.00
5.	KASI A/L K L PALANIAPPAN	15,000,000	1.50
6.	MUHAMAD ALOYSIUS HENG	5,145,100	0.52
7.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK JULIUS BAER & CO. LTD. (SINGAPORE BCH)	5,075,000	0.51
8.	DINSHAW A/L J MANECKSHA	5,000,000	0.50
9.	PUBLIC INVEST NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MUHAMAD ALOYSIUS HENG (M)	4,504,600	0.45
10.	GOH CHEAH HONG	4,441,000	0.44
11.	CHIN CHIN SEONG	4,220,800	0.42
12.	ONG BENG KEE	3,500,000	0.35
13.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PERUMAL A/L MANIMARAN	2,800,000	0.28
14.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KER FOON LOO	2,730,000	0.27
15.	LOW CHU MOOI	2,693,700	0.27
16.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TNTT REALTY SDN BHD	2,320,900	0.23
17.	GAN KOK KENG	2,300,000	0.23
18.	KERAJAAN NEGERI PAHANG	2,153,850	0.22
19.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOH OOI CHAT (E-BBB/BBA)	2,100,000	0.21
20.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR SOON SEONG KEAT (PB)	2,050,000	0.21
21.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KEK LIAN LYE	1,944,700	0.19
22.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LE WEE YAP	1,885,200	0.19
23.	YII MING SUNG	1,866,100	0.19
24.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LE WEE TACK	1,844,700	0.18
25.	KAH HIN LOONG SDN BHD	1,810,250	0.18
26.	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD FOR LOH KOOI CHUAN (8728-1501)	1,801,200	0.18
27.	SOON SEONG KEAT	1,800,000	0.18
28.	CHANG YEE FONG	1,600,000	0.16
29.	YEO KOON LIAN	1,495,000	0.15
30.	WONG SOO CHAI @ WONG CHICK WAI	1,393,800	0.14
Total		**588,090,900**	**58.81**

ADDITIONAL **COMPLIANCE INFORMATION**

The following information is provided in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:

1. UTILISATION OF PROCEEDS

During the financial year, there were no proceeds raised from any corporate proposal.

2. AUDIT AND NON-AUDIT FEES

The details of the audit and non-audit fees paid/payable to the external auditors for the financial year ended 31 December 2022 are set out below:

	Company RM	Group RM
Fees paid/payable to Ernst & Young PLT		
• Audit	230,000	462,000
• Non-Audit	18,000	18,000
	248,000	480,000

3. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and/or its subsidiaries involving directors' and major shareholders' interests subsisting as at 31 December 2022 or entered into during the financial year ended 31 December 2022 except as disclosed in the Financial Statements as set out in this Annual Report.

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (RRPT)

The details of the RRPT entered into by the Company and its subsidiaries during the financial year under review are disclosed in Note 29 to the Financial Statements on page 109.

DIRECTORS' RESPONSIBILITY **STATEMENT**

FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by law to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year, and of the results and cash flows, and changes in equity of the Group and of the Company for the financial year.

In preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2022, the Directors ensured that:

- The financial statements complied with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs"), the Companies Act 2016 ("the Act") and the Main Market Listing Requirements of Bursa Securities Malaysia Berhad ("MMLR")
- Appropriate accounting policies are used and consistently applied
- The going concern basis used in the preparation of the financial statements are appropriate
- Where judgements and estimates are made, they are reasonable and prudent

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company, enabling them to ensure that the financial statements comply with MFRSs, IFRSs, the Act and MMLR.

The Directors are responsible for taking such steps as are reasonably available to them to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.

This statement was approved by the Board of Directors on 28 April 2023.

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Fourth Annual General Meeting ("34th AGM") of Malaysian Bulk Carriers Berhad ("MBC" or "the Company") will be conducted on a virtual basis through live streaming from the broadcast venue at Level 12, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia ("Broadcast Venue") on Thursday, 15 June 2023 at 10.00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 ("FY2022") together with the Reports of the Directors and the Auditors thereon. **Please refer to Explanatory Note 1**

2. To approve payment of Directors' fees of RM495,659 for the FY2022. **Ordinary Resolution 1**

3. To approve payment of meeting allowances to the Directors up to an amount of RM100,000 for the period from 1 July 2023 to 30 June 2024. **Ordinary Resolution 2**

4. To re-elect Mr Yeoh Khoon Cheng who is retiring by rotation pursuant to Article 121 of the Constitution of the Company. **Ordinary Resolution 3**

5. To re-elect the following Directors who are retiring pursuant to Article 128 of the Constitution of the Company:

   5.1 Mr Lin JunLiang, Troy **Ordinary Resolution 4**

   5.2 Mr Ooi Teik Huat **Ordinary Resolution 5**

6. The External Auditors, Messrs Ernst & Young PLT had expressed their intention to retire and are not seeking re-appointment subsequent to the conclusion of the 34th AGM.

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolutions:

7. **PROPOSED AUTHORITY TO ALLOT AND ISSUE SHARES BY DIRECTORS PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **Ordinary Resolution 6**

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2016 ("Act"), the Directors be and are hereby authorised to allot and issue shares in the Company from time to time until the conclusion of the next Annual General Meeting ("AGM") and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being, subject always to the approval of all relevant regulatory authorities, if required, being obtained for such allotment and issuance.

   THAT in connection with the above, pursuant to Section 85 of the Act and Article 26 of the Constitution of the Company, the shareholders do hereby waive the statutory pre-emptive rights of the offered shares in proportion of their holdings at such price and at such terms to be offered arising from any issuance of new shares above by the Company.

   AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

8. **PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")** **Ordinary Resolution 7**

"THAT subject to Paragraph 10.09 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad, the Company and its subsidiaries ("Group") be and are hereby authorised to enter into recurrent related party transactions of a revenue or trading nature with the Related Parties as set out in Section 2.4 of the Circular to Shareholders dated 29 April 2023, PROVIDED THAT such transactions are necessary for the Group's day-to-day operations and are in the ordinary course of business of the Group and at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company;

THAT such approval shall continue to be in force until:-

(i) the conclusion of the next AGM of the Company following the general meeting at which this Ordinary Resolution shall be passed, at which time it will lapse, unless by a resolution passed at the general meeting, the authority conferred by this resolution is renewed;

(ii) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier;

AND THAT the Directors of the Company and its subsidiaries be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed New Shareholders' Mandate as authorised by this Ordinary Resolution."

9. To transact any other business for which due notice shall have been given.

BY ORDER OF THE BOARD

Tai Yit Chan (MAICSA 7009143)(SSM PC No.: 202008001023)
Tan Ai Ning (MAICSA 7015852)(SSM PC No.: 202008000067)
Company Secretaries

29 April 2023
Selangor Darul Ehsan

NOTICE OF ANNUAL GENERAL MEETING

(CONTINUED)

NOTES

1. The 34th AGM will be conducted on a virtual basis through live streaming and online remote voting using the Remote Participation and Electronic Voting ("RPEV") facilities to be provided by Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at https://meeting.boardroomlimited.my. Please follow the procedures provided in the Administrative Guide for the 34th AGM in order to register, participate and vote remotely via the RPEV facilities.

   Please refer to the **Administrative Guide for Shareholders for the 34th AGM** on the procedures to register, participate and vote remotely via the RPEV facilities.

2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the Meeting to be present at the main venue of the AGM. Members/proxies/corporate representatives are not allowed to physically present nor admitted at the Broadcast Venue on the day of the 34th AGM.

3. Pursuant to Paragraph 8.29(A) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the 34th AGM will be conducted by poll rather than a show of hands. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

4. A member of the Company entitled to attend and vote at the 34th AGM is entitled to appoint not more than two (2) proxies to attend and vote instead of him/her. Where a member appoints two (2) proxies to attend the same meeting, the member shall specify the proportion of his/her shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company.

5. Where a member is an authorised nominee, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

6. Where a member is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

7. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised and in the case of corporation, shall be either under seal or under the hand of an officer or attorney duly authorised.

8. The Form of Proxy or the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority shall be deposited at the Share Registrar's office of the Company, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty eight (48) hours before the time for holding the virtual AGM or any adjournment thereof, failing which, the instrument of proxy shall not be treated as valid.

   Alternatively, the Form of Proxy can be electronically submitted via Boardroom Share Registrars' website, Boardroom Smart Investor Online Portal at https://investor.boardroomlimited.com. Please refer to the Administrative Guide for Shareholders for further information on electronic submission.

9. The appointment of the proxy(ies) will be **INVALID** if the Proxy Form / e-Proxy Form is not completed correctly in accordance with the instructions stated in the form.

10. In respect of deposited securities, only members whose names appear on the Record of Depositors on Friday, 9 June 2023 (General Meeting Record of Depositors) shall be eligible to attend the virtual meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

MODE OF COMMUNICATION

Prior to the 34th AGM, shareholders may via Boardroom Smart Investor Online Portal at https://investor.boardroomlimited.com, and proxies/corporate representatives may via bsr.helpdesk@boardroomlimited.com, submit questions relating to resolutions to the Board of Directors, not later than Tuesday, 13 June 2023 at 10.00 a.m. Alternatively, members/proxies/corporate representatives may via real time submission of typed texts via RPEV facilities during the live streaming of the 34th AGM as the primary mode of communication.

EXPLANATORY NOTES

1. Audited Financial Statements

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders. Hence, this item is not put forward for voting.

2. Payment of Directors' fees

Payment of Directors' fees under Section 230(1) of the Act provides amongst others, that the Directors' fees payable to the Directors of the Company and its subsidiaries shall be approved at a general meeting.

Details of the Directors' fees for the FY2022 are set out in the Corporate Governance Statement of this Annual Report and Corporate Governance Report 2022.

3. Payment of Meeting Allowances

The Company has considered various factors in determining the estimated total amount of meeting allowances, which includes the number of scheduled and special meetings for the Board, Board Committees and based on the current number of Directors as well as provisional sum as a contingency for future appointment on the Board and increase in the number of Board and Board Committees meetings.

4. Re-election of Directors

The profiles of the Directors who are standing for re-election under item 4 and 5 of this Agenda are set out in the Board of Directors' profile of the Annual Report 2022.

The Board has through the Nomination and Remuneration Committee ("NRC"), considered the evaluation of the Directors and concurred that they have met the criteria as prescribed by paragraph 2.20A of the Main Market Listing Requirements ("MMLR") of Bursa Securities on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors. In addition, the NRC has also conducted an assessment on the fitness and propriety of the retiring directors including the review of their fit and proper declarations and results of their background checks in accordance with the Fit & Proper Policy. The said retiring directors have abstained from deliberations and decision on their own eligibility and suitability to stand for re-election.

Based on the recommendation of the NRC, the Board is satisfied with the performance and contribution of the following Directors and supports the re-election based on the following justifications:

(a) <u>Re-election of Mr Yeoh Khoon Cheng as Independent Non-Executive Director</u>

Mr Yeoh Khoon Cheng fulfills the requirement of independence set out in the MMLR of Bursa Securities as well as the prescribed criteria under the Malaysian Code on Corporate Governance ("MCCG 2021"). As Chairman of the Audit and Risk Management Committee, he demonstrated sound leadership in assisting the Board in fulfilling its fiduciary duties and responsibilities on the integrity of the Group's financial reporting and its audit processes. He exercised due care and carried out his professional duties proficiently during his tenure as an Independent Non-Executive Director of the Company.

NOTICE OF ANNUAL GENERAL MEETING

(CONTINUED)

(b) Re-election of Mr Lin JunLiang, Troy as Non-Independent Non-Executive Director

In accordance with Article 128 of the Company's Constitution, a Director appointed by the Board shall hold office until the conclusion of the next AGM of the Company and shall then be eligible for re-election. Mr Lin JunLiang,Troy, who was appointed as a Director of the Company on 20 June 2022, retires pursuant to Article 128 of the Company's Constitution and being eligible, has offered himself for re-election at the 34th AGM.

Shareholders' approval is sought for the re-election of Mr Lin JunLiang,Troy under Ordinary Resolution 4. The profile of Mr Lin JunLiang,Troy is listed in the Profile of Directors section.

(c) Re-election of Mr Ooi Teik Huat as Executive Director

In accordance with Article 128 of the Company's Constitution, a Director appointed by the Board shall hold office until the conclusion of the next AGM of the Company and shall then be eligible for re-election. Mr Ooi Teik Huat, who was appointed as a Director of the Company on 13 January 2023, retires pursuant to Article 128 of the Company's Constitution and being eligible, has offered himself for re-election at the 34th AGM.

Shareholders' approval is sought for the re-election of Mr Ooi Teik Huat under Ordinary Resolution 5. The profile of Mr Ooi Teik Huat is listed in the Profile of Directors section.

5. Non-Reappointment of External Auditors

The External Auditors, Messrs Ernst & Young PLT had expressed that they are not seeking re-appointment as External Auditors of the Company subsequent to the conclusion of this AGM. There were no disagreements with the outgoing External Auditors on accounting treatments within the last 12 months. The Company has commenced efforts to identify suitable candidate and will seek to appoint new auditors in place of Messrs Ernst & Young PLT as soon as practicable. With regard to the request of professional clearance in accordance with Section 320 By-Law of the Malaysia Institute of Accountants from the outgoing External Auditors, the succeeding auditors will refer to them prior their appointment. Upon which, the Board of Directors will then appoint new Auditors in compliance with Section 264(5) of the Companies Act 2016. The Company will make further announcement in due course.

6. Proposed Authority to allot and issue shares pursuant to Sections 75 and 76 of the Act

The proposed Ordinary Resolution 6, if passed, serves as a measure to meet the Company's immediate working capital needs in the short term without relying on conventional debt financing which will result in higher finance cost to be incurred for the purpose of funding investment project(s), working capital and/or acquisitions. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

The waiver of pre-emptive rights pursuant to Section 85 of the Act and Article 26 of the Constitution will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

As at the date of this Notice, there was no new shares issued pursuant to the mandate granted to the Directors of the Company at the previous AGM held on 30 May 2022 and which will lapse at the conclusion of the 34th AGM. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make an announcement in respect thereof.

7. Proposed Shareholders' Mandate

The proposed Ordinary Resolution 7, if passed, will empower the Group to enter into recurrent related party transactions of a revenue or trading nature with the Related Parties as set out in Section 2.4 of the Circular to Shareholders dated 29 April 2023, which are necessary for the Group's day-to-day operations and/or in the ordinary course of business of the Group on normal commercial terms and to facilitate the conduct of the Group's business in a timely manner. Details of the Proposed Shareholders' Mandate are set out in the Circular to Shareholders dated 29 April 2023.

PERSONAL DATA PRIVACY

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, participate and vote at the 34th AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 34th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 34th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

This page has been intentionally left blank

MALAYSIAN BULK CARRIERS BERHAD
Registration No.: 198801008597 (175953-W)

PROXY FORM

Number of shares held	CDS Account No.

I/We, ____NRIC/Registration No.______________ ______
of ____
telephone no. ____________________email address ________________being a member/members of MALAYSIAN BULK CARRIERS BERHAD hereby appoint the person(s)below as my/our proxy(ies) to vote for me/us and on my/our behalf at the Thirty-Fourth Annual General Meeting ("34th AGM") of the Company to be conducted on a virtual basis through live streaming from the broadcast venue at Level 12, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 15 June 2023 at 10.00 a.m. and at any adjournment thereof:

Option#	Name of proxy(ies)	NRIC/ Registration No.	Email Address	Proportion of shareholding to be represented
☐ The Chairman of the Meeting				%
☐ **Appoint ONE proxy only** (Please complete details of proxy below)				
				%
☐ **Appoint MORE THAN ONE proxy** (Please complete details of proxies below)				
First Proxy				%
Second Proxy				%
				100%

Please tick ONE box only.

IMPORTANT NOTE
Please (i) tick [√] **ONLY ONE** of the above boxes, (ii) complete the details of your proxy/proxies and the proportion of your holding to be represented (if applicable), and (iii) sign or execute this form. The appointment will be **INVALID** if this form is not completed correctly in accordance with the said instructions.

My/Our proxy/proxies shall vote as indicated below:

No.	Resolutions	For	Against
1	To approve payment of Directors' fees of RM495,659 for the financial year ended 31 December 2022		
2	To approve payment of meeting allowances to the Directors up to an amount of RM100,000 for the period from 1 July 2023 to 30 June 2024		
3	To re-elect Mr Yeoh Khoon Cheng		
4	To re-elect Mr Lin JunLiang, Troy		
5	To re-elect Mr Ooi Teik Huat		
6	To approve the proposed authority to allot and issue shares by Directors pursuant to Sections 75 and 76 of the Companies Act 2016		
7	To approve the proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature		

(Please indicate with an "X" in the space provided how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting on the resolutions at his/their discretion)

Dated this________________ day of ______________2023 Signature of Shareholder:____________________________

Notes:

1. The 34th AGM will be conducted on a virtual basis through live streaming and online remote voting using the Remote Participation and Electronic Voting ("RPEV") facilities to be provided by Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at https://meeting.boardroomlimited.my. Please follow the procedures provided in the Administrative Guide for the 34th AGM in order to register, participate and vote remotely via the RPEV facilities.

   Please refer to the **Administrative Guide for Shareholders for the 34th AGM** on the procedures to register, participate and vote remotely via the RPEV facilities.
2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be present at the main venue of the AGM. Members/proxies/corporate representatives are not allowed to physically present nor admitted at the Broadcast Venue on the day of the 34th AGM.
3. Pursuant to Paragraph 8.29(A) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the 34th AGM will be conducted by poll rather than a show of hands. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.
4. A member of the Company entitled to attend and vote at the 34th AGM is entitled to appoint not more than two (2) proxies to attend and vote instead of him/her. Where a member appoints two (2) proxies to attend the same meeting, the member shall specify the proportion of his/her shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company.
5. Where a member is an authorised nominee, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
7. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised and in the case of corporation, shall be either under seal or under the hand of an officer or attorney duly authorised.
8. The Form of Proxy or the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority shall be deposited at the Share Registrar's office of the Company, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty eight (48) hours before the time for holding the virtual AGM or any adjournment thereof, failing which, the instrument of proxy shall not be treated as valid.

   Alternatively, the Form of Proxy can be electronically submitted via Boardroom Share Registrars' website, Boardroom Smart Investor Online Portal at https://investor.boardroomlimited.com. Please refer to the Administrative Guide for Shareholders for further information on electronic submission
9. The appointment of the proxy(ies) will be **INVALID** if the Proxy Form / e-Proxy Form is not completed correctly in accordance with the instructions stated in the form.
10. In respect of deposited securities, only members whose names appear on the Record of Depositors on Friday, 9 June 2023 (General Meeting Record of Depositors) shall be eligible to attend the virtual meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

Personal Data Privacy:
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the 34th AGM dated 29 April 2023.

Please fold here

Stamp

The Company Secretaries

Malaysian Bulk Carriers Berhad
Registration No.: 198801008597 (175953-W)

c/o Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13
46200 Petaling Jaya, Selangor Darul Ehsan
Malaysia

Please fold here

MALAYSIAN BULK CARRIERS BERHAD
Registration No. 198801008597 (175953-W)

Suite 8.01, Level 8, Menara Binjai
No. 2 Jalan Binjai
50450 Kuala Lumpur
Wilayah Persekutuan, Malaysia

Tel: +603 2386 7899   Fax: +603 22386 7899

www.maybulk.com.my