

THIS CIRCULAR TO SHAREHOLDERS OF MALAYSIAN BULK CARRIERS BERHAD ("MBC" OR THE "COMPANY") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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MALAYSIAN BULK CARRIERS BERHAD

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

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:

PROPOSED NEW SHAREHOLDERS' MANDATE FOR THE DISPOSAL OF ALAM KEKAL, A BULK CARRIER, BY KEKAL SHIPPING PTE LTD, AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF MALAYSIAN BULK CARRIERS BERHAD TO A NON-RELATED THIRD PARTY TO BE IDENTIFIED FOR A DISPOSAL CONSIDERATION TO BE DETERMINED AND SATISFIED ENTIRELY IN CASH ("PROPOSED DISPOSAL MANDATE")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser



197201001092 (12738-U)
A Participating Organisation of Bursa Malaysia Securities Berhad
A Trading Participant of Bursa Malaysia Derivatives Berhad

Inter-Pacific Securities Sdn Bhd

Registration No. 197201001092 (12738-U)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting of the Company ("**EGM**") 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 on Monday, 31 July 2023 at 11:30 a.m., or at any adjournment thereof. The Notice of EGM together with the Proxy Form, Administrative Guide and this Circular can be downloaded from Bursa Securities' website at <https://www.bursamalaysia.com> and the Company's website at <https://www.maybulk.com.my>.

You are entitled to attend, participate and vote remotely at the EGM using the Remote Participation and Electronic Voting ("**RPEV**") facilities provided by Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at <https://meeting.boardroomlimited.my>. If you are unable to attend and vote remotely at the EGM, you are entitled to appoint proxy(ies) by completing and lodging the Proxy Form enclosed in the Circular in accordance with the instructions therein to 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 EGM or any adjournment thereof. Alternatively, shareholder(s) may submit the electronic Proxy Form ("**e-Proxy Form**") using RPEV facilities at <https://meeting.boardroomlimited.my>, not less than forty-eight (48) hours before the time set for holding the EGM or any adjournment thereof. The lodging of the Proxy Form / e-Proxy Form will not preclude you from attending, participating and voting remotely in person at the EGM should you subsequently wish to do so, but if you do, your proxy(ies) shall be precluded from attending the EGM.

Day, date and time of the EGM : Monday, 31 July 2023 at 11:30 a.m. or at any adjournment thereof

Last day, date and time to lodge the Proxy Form / e-Proxy Form : Saturday, 29 July 2023 at 11:30 a.m.

This Circular is dated 14 July 2023

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	- Companies Act 2016
Alam Kekal	- A bulk carrier together with all equipment, machinery and tools attached to it including spare parts, galley and accommodation fittings
Board	- Board of Directors of the Company
Bursa Securities	- Bursa Malaysia Securities Berhad
Circular	- This circular to Shareholders in relation to the Proposed Disposal Mandate
Definitive Agreement	- Definitive agreement to be entered into between Kekal Shipping and a future purchaser to be identified in respect of the disposal of Alam Kekal
Directors	- The directors of the Company shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction was agreed upon, a director or chief executive of the Company, its subsidiary or holding company
Disposal Consideration	- The consideration for the disposal of Alam Kekal to be determined later subject to the terms as set out in Section 2.4 of this Circular which will be satisfied entirely in cash
EGM	- Extraordinary general meeting of the Company
EPS	- Earnings per Share
FYE	- Financial year ended 31 December
GP	- Gross profit
Interpac or the Adviser	- Inter-Pacific Securities Sdn Bhd
Kekal Shipping	- Kekal Shipping Pte Ltd, a company incorporated in accordance with the laws of Singapore and an indirect wholly-owned subsidiary of the Company
Listing Requirements	- Main Market Listing Requirements of Bursa Securities, as amended from time to time
LPD	- 30 June 2023, being the latest practicable date prior to the date of this Circular

DEFINITIONS (CONT'D)

Major Shareholder(s)	<ul style="list-style-type: none">- Person(s) who have an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is:<ul style="list-style-type: none">(a) 10% or more of the total number of voting shares in the Company; or(b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company. <p>For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act. A Major Shareholder includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the Company, or any other corporation which is its subsidiary or holding company</p>
MBC or the Company	- Malaysian Bulk Carriers Berhad
MBC Group or the Group	- Collectively, the Company and its subsidiaries
MBC Share(s) or Share(s)	- Ordinary share(s) in the Company
NA	- Net assets
NBV	- Net book value
PAT	- Profit after taxation
Proposed Disposal Mandate	- Proposed disposal of Alam Kekal to a non-related party for a total cash consideration to be determined later
RM and Sen	- Ringgit Malaysia and sen respectively
Shareholder(s)	- Registered holder(s) of MBC Shares
USD	- United States Dollars

All references to “you” or “your” in this Circular are to the Shareholders.

In this Circular, words referring to the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any statute, rules, regulations or legislation is a reference to such statute, rules, regulations or legislation currently in force and as may be amended from time to time and any re-enactment thereof.

Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated. Any discrepancies in the figures included in this Circular between the amounts stated, actual figures and the totals thereof are due to rounding.

DEFINITIONS (CONT'D)

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that the Company's plans and objectives will be achieved.

Unless otherwise stated, the exchange rate of USD1.00 : RM4.6650, being the middle rate as at 5:00 p.m. on the LPD as published by Bank Negara Malaysia, is used throughout this Circular.

Any exchange rate translation in this Circular is provided solely for the convenience of the Shareholders and should not be constituted as representative that the translated amount stated in this Circular could have been or would have been converted into such other amounts or vice versa.

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EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposed Disposal Mandate. Shareholders are advised to read the Circular in its entirety for further details and not to rely solely on this Executive Summary in forming a decision on the Proposed Disposal Mandate before voting at the EGM.

Key information	Description	Reference in Circular																				
Summary of the Proposed Disposal Mandate	The Proposed Disposal Mandate involves the proposed disposal of Alam Kekal to a non-related third party to be identified for a Disposal Consideration to be determined and satisfied entirely in cash. The Proposed Disposal Mandate shall continue to be in force for a period of 1 year from the receipt of the authority granted by the Shareholders unless revoked or varied by resolution passed by the Shareholders at a general meeting.	Sections 2 and 2.1																				
Original cost and date of investment	Alam Kekal was purchased by the MBC Group on 26 October 2018 at an original cost of approximately USD29.5 million (equivalent to approximately RM121.94 million as at the date of acquisition).	Section 2.2																				
Basis of and justification for determining the Disposal Consideration	<p>The Disposal Consideration shall be determined by the Board at a later date upon identifying a buyer and shall be subject to the following:</p> <p>(i) the Disposal Consideration shall be at a price which the Board deems fair and reasonable after taking into account relevant factors including but not limited to the market valuation for Alam Kekal performed by an independent valuer to be appointed, the expected movement in the bulk shipping rates and the availability of buyers for Alam Kekal.</p> <p>(ii) the valuation of Alam Kekal shall be based on a valuation date no earlier than 3 months before the signing of the Definitive Agreement; and</p> <p>(iii) the Disposal Consideration shall not be lower than 90% of the market value as determined by the independent valuer to be appointed.</p> <p>The Company is unable to determine the Disposal Consideration at this juncture due to the following:</p> <p>(a) the Disposal Consideration is subject to negotiations with the buyer to be identified and shall depend mainly on the market value of Alam Kekal at that point in time; and</p> <p>(b) the valuation of Alam Kekal is dependent on various factors including the dry bulk charter rate as well as the supply of and demand for similar vessels at that point in time.</p>	Section 2.4																				
Utilisation of proceeds from the disposal of Alam Kekal	<p>The indicative proceeds from the disposal of Alam Kekal are intended to be utilised in the following manner:</p> <table><thead><tr><th colspan="2">Utilisation of proceeds</th><th>Estimated timeframe for utilisation from the completion of the disposal of Alam Kekal</th><th>RM'000</th></tr></thead><tbody><tr><td>(i)</td><td>Future business expansion</td><td>Within 24 months</td><td>126,275</td></tr><tr><td>(ii)</td><td>Working capital</td><td>Within 12 months</td><td>10,875</td></tr><tr><td>(iii)</td><td>Estimated expenses for the disposal of Alam Kekal</td><td>Immediate</td><td>2,800</td></tr><tr><td colspan="2">Total</td><td></td><td>139,950</td></tr></tbody></table>	Utilisation of proceeds		Estimated timeframe for utilisation from the completion of the disposal of Alam Kekal	RM'000	(i)	Future business expansion	Within 24 months	126,275	(ii)	Working capital	Within 12 months	10,875	(iii)	Estimated expenses for the disposal of Alam Kekal	Immediate	2,800	Total			139,950	Section 2.6
Utilisation of proceeds		Estimated timeframe for utilisation from the completion of the disposal of Alam Kekal	RM'000																			
(i)	Future business expansion	Within 24 months	126,275																			
(ii)	Working capital	Within 12 months	10,875																			
(iii)	Estimated expenses for the disposal of Alam Kekal	Immediate	2,800																			
Total			139,950																			

EXECUTIVE SUMMARY (CONT'D)

Key information	Description	Reference in Circular
Rationale	<p>The Proposed Disposal Mandate will:</p> <ul style="list-style-type: none"> (i) provide an opportunity for the Group to realise the value of its asset at a favourable price and realise a gain on disposal; (ii) make available funds for future business expansion and working capital requirements of the Group; and (iii) facilitate a timely sale of Alam Kekal as and when opportunities arise for the Group. 	Section 3
Risk factors in relation to the Proposed Disposal Mandate	<ul style="list-style-type: none"> (i) Loss of income from Alam Kekal Upon completion of the disposal of Alam Kekal, Alam Kekal will no longer be owned by the Group and as such, the Group will lose a source of revenue and potential profit contribution from Alam Kekal in the future. (ii) Foreign exchange risk As the Disposal Consideration will be settled in USD, the actual RM value of the cash received may be impacted by any adverse fluctuation in the USD:RM exchange rate. (iii) Contractual risk MBC may be subject to certain legal and contractual risks pursuant to the Definitive Agreement to be entered into. 	Section 4
Effects of the Proposed Disposal Mandate	<p>The Proposed Disposal Mandate will:</p> <ul style="list-style-type: none"> (i) not have any effect on the issued share capital and shareholdings of the substantial Shareholders in the Company; and (ii) increase the NA and earnings of the Group due to the gain on disposal arising from the disposal of Alam Kekal assuming the Disposal Consideration is higher than the carrying value of Alam Kekal upon completion. 	Section 5
Approvals required	<p>The Proposed Disposal Mandate is subject to the following approvals being obtained:</p> <ul style="list-style-type: none"> (i) Shareholders at the forthcoming EGM; and (ii) any other relevant authorities and/or parties, if required. 	Section 6
Interests of Directors, Major Shareholders and/or persons connected to them	None of the Directors, Major Shareholders and/or persons connected to them will have any interest, direct or indirect, in the Proposed Disposal Mandate as Alam Kekal is intended to be sold to a non-related party.	Section 9
Directors' statement and recommendation	<p>The Board, having considered the current and prospective financial position, needs and capacity of the Group, and after careful deliberation as well as taking into consideration the rationale and all other aspects of the Proposed Disposal Mandate, is of the opinion that the Proposed Disposal Mandate is in the best interests of the Company.</p> <p>Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed Disposal Mandate to be tabled at the forthcoming EGM.</p>	Section 10



MALAYSIAN BULK CARRIERS BERHAD

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

Registered Office

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

14 July 2023

Board of Directors

Yeoh Khoon Cheng (Independent Non-Executive Chairman)
Dato' Goh Cheng Huat (Group Managing Director)
Ooi Teik Huat (Executive Director and Chief Financial Officer)
Elsie Kok Yin Mei (Independent Non-Executive Director)
Mohd. Arif bin Mastol (Independent Non-Executive Director)
Lin JunLiang, Troy (Non-Independent Non-Executive Director)

To: The Shareholders

Dear Sir / Madam,

PROPOSED DISPOSAL MANDATE

1. INTRODUCTION

On 20 June 2023, Interpac had, on behalf of the Board, announced that the Company proposes to obtain a shareholders' mandate for the MBC Group to undertake the disposal of Alam Kekal. The details of the Proposed Disposal Mandate are set out in the ensuing sections.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH RELEVANT INFORMATION ON THE PROPOSED DISPOSAL MANDATE AND TO SET OUT THE VIEWS AND RECOMMENDATION OF THE BOARD AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED DISPOSAL MANDATE WHICH WILL BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY. THE NOTICE OF EGM AND THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED DISPOSAL MANDATE AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED DISPOSAL MANDATE

The Proposed Disposal Mandate involves the proposed disposal of Alam Kekal by the Group to a non-related third party for a disposal consideration to be determined by the Board and on the condition that it is not lower than 90% of the market value as determined by the independent valuer to be appointed. The Disposal Consideration shall be satisfied entirely in cash based on the terms to be set out in the Definitive Agreement.

As at the LPD, the Company is in discussions with brokers to identify potential purchasers for Alam Kekal. The Board will make the necessary announcement(s) to Bursa Securities as and when there are developments relating to the Proposed Disposal Mandate, including the expiry and non-renewal of the shareholders' mandate, if any.

Nevertheless, Shareholders should take note that there is no assurance that the Group will be able to identify a buyer for Alam Kekal or if identified, be able to reach an agreement with the buyer that is acceptable to the Board. The disposal of Alam Kekal shall be subject to the terms as set out in Section 2.1 below and will depend on a number of factors, including but not limited to, the following:

- (i) the expected movement in the bulk shipping rates (i.e. if bulk shipping rates are expected to increase in the short term, the Group may be able to fetch a better price for Alam Kekal if it is offered for sale after the rates increase, and vice versa); and
- (ii) the availability of buyers for Alam Kekal which would allow the Group to consider multiple bids for the vessel.

2.1 Terms of the Proposed Disposal Mandate

(i) Mandate period

If the resolution pertaining to the Proposed Disposal Mandate is approved by the Shareholders at the EGM, the Proposed Disposal Mandate shall continue to be in force for a period of 1 year from the receipt of the authority granted by the Shareholders unless revoked or varied by resolution passed by the Shareholders at a general meeting.

The mandate period of one year will provide the Group flexibility to negotiate the sale of Alam Kekal and capitalise on favourable pricing conditions as and when opportunities arise.

(ii) Scope of authority

The Board is authorised and empowered to determine, decide, execute and implement with full discretion all matters relating to the disposal of Alam Kekal under the Proposed Disposal Mandate, including but not limited to, the timing of disposal, the target purchaser and the disposal consideration during the mandate period set out in item (i) above.

Notwithstanding the above, if there is any material variation to the Proposed Disposal Mandate, the Company will seek its shareholders' approval for the material variation in compliance with Paragraph 8.22 of the Listing Requirements.

2.2 The details of Alam Kekal

Alam Kekal was one of 3 vessels ordered by the Group in 2016 as part of a portfolio rebalancing exercise and to maintain a modern fleet of more fuel efficient economical vessels. Alam Kekal was the first ship to be delivered from this order and was received by the Group in October 2018.

Further details of Alam Kekal are as follows:

Name of vessel	: Alam Kekal
Type	: Kamsarmax
Dead weight tonnage	: 82,079
Registered owner	: Kekal Shipping
Flag	: Singapore
Place of registry	: Singapore
Year built	: 2018
Age	: 5
Builder's name	: Oshima Shipbuilding Co., Ltd
Current use	: Under charter ⁽¹⁾
Date of investment	: 26 October 2018
Original cost of investment	: RM121,937,267
Audited NBV as at 31 December 2022	: RM112,222,279

Note:

(1) *As at the date of this Circular, Alam Kekal has been chartered by a third-party to transport cargo, the details of which are as follows:*

Type of charter	: Time charter
Voyage details	: From Kandla Port, Gujarat, India to the Port of Longview, Washington, United States of America for unloading of cargo
Estimated period of contract	: Up to 14 November 2023 (maximum duration)
Contract value	: Approximately USD1.97 million based on the maximum duration

For information, in the event a Definitive Agreement is entered into while Alam Kekal is undertaking a charter voyage, the disposal of Alam Kekal will only be completed after the completion of the said charter voyage and Alam Kekal is delivered to the agreed port of delivery.

2.3 Information on the Vendor

Kekal Shipping was incorporated in Singapore on 23 October 2015 as a private company limited by shares. Kekal Shipping is a wholly-owned subsidiary of New Johnson Holdings Ltd, which is a wholly-owned subsidiary of Lightwell Shipping Inc which is in turn, a wholly-owned subsidiary of MBC.

As at the LPD, the issued share capital of Kekal Shipping is USD50,000.00 comprising 50,000 ordinary shares. Kekal Shipping is principally involved as an owner and operator of vessels and only operates Alam Kekal.

As at the LPD, the directors of Kekal Shipping are Dato' Goh Cheng Huat, Lin JunLiang, Troy and Ooi Teik Huat.

2.4 Basis of and justification for determining the Disposal Consideration

The Disposal Consideration shall be determined by the Board at a later date upon identifying a buyer and shall be subject to the following:

- (i) the Disposal Consideration shall be at a price which the Board deems fair and reasonable after taking into account relevant factors including but not limited to the following:
 - (a) market valuation for Alam Kekal performed by an independent valuer to be appointed;
 - (b) the expected movement in the bulk shipping rates (i.e. if bulk shipping rates are expected to increase in the short term, the Group may be able to fetch a better price for Alam Kekal if it is offered for sale after the rates increase, and vice versa); and
 - (c) the availability of buyers for Alam Kekal which would allow the Group to consider multiple bids for the vessel.
- (ii) the valuation of Alam Kekal shall be based on a valuation date no earlier than 3 months before the signing of the Definitive Agreement; and
- (iii) the disposal consideration shall not be lower than 90% of the market value as determined by the independent valuer to be appointed.

The Company is unable to determine the Disposal Consideration at this juncture due to the following:

- (a) the Disposal Consideration is subject to negotiations with the buyer to be identified and shall depend mainly on the market value of Alam Kekal at that point in time; and
- (b) the valuation of Alam Kekal is dependent on various factors including the dry bulk charter rate as well as the supply of and demand for similar vessels at that point in time.

The Company has fixed a maximum discount of 10% of the market value as determined by the independent valuer to be appointed and the Company would have more flexibility when negotiating the final Disposal Consideration, thereby increasing the likelihood of securing a buyer. Nevertheless, it is the intention of the Company to maximise the Disposal Consideration to be received for the disposal of Alam Kekal.

The Board does not intend to dispose of Alam Kekal at a price lower than its audited NBV of approximately USD25.43 million (equivalent to approximately RM112.22 million as at 31 December 2022). For the avoidance of doubt, the valuation of Alam Kekal is mainly determined by the dry bulk charter rate which is subject to market forces from time to time. In the event such rates fall, the market value of Alam Kekal shall decrease in tandem, and vice versa.

The Company will make an immediate announcement upon the signing of the Definitive Agreement and such announcement shall include the details of the disposal of Alam Kekal including the basis and justification for the final Disposal Consideration in accordance with Chapter 10 of the Listing Requirements.

2.5 Expected proforma gain from the disposal of Alam Kekal

Based on the audited consolidated financial statements of MBC for the FYE 2022 and an indicative Disposal Consideration of USD30.00 million (equivalent to approximately RM139.95 million) as provided through verbal enquiries with ship brokers, the disposal of Alam Kekal is expected to give rise to a proforma gain of approximately RM24.93 million to the Group. The proforma gain is calculated as follows:

	RM'000
Illustrative Disposal Consideration	139,950
Less:	
- NBV of Alam Kekal as at 31 December 2022	(112,222)
- Estimated agent's commission and other estimated expenses	(2,800)
Proforma gain on disposal	24,928

The actual gain from the disposal of Alam Kekal can only be ascertained upon its completion.

2.6 Utilisation of proceeds from the disposal of Alam Kekal

The proceeds from the disposal of Alam Kekal are intended to be utilised in the following manner:

Utilisation of proceeds		Estimated timeframe for utilisation from the completion of the disposal of Alam Kekal	RM'000
(i)	Future business expansion	Within 24 months	126,275
(ii)	Working capital	Within 12 months	10,875
(iii)	Estimated expenses for the disposal of Alam Kekal	Immediate	2,800
Total			(1)139,950

Note:

(1) Based on an illustrative Disposal Consideration of USD30.00 million.

The actual proceeds from the disposal of Alam Kekal are dependent on the eventual Disposal Consideration to be determined as well as the prevailing USD:RM exchange rate at the point of completion of the disposal of Alam Kekal. Any variation to the proceeds received by the Group will be adjusted accordingly to/from the proceeds allocated for the future business expansion.

Pending the utilisation of the proceeds from the disposal of Alam Kekal, the unutilised proceeds shall be placed in interest-bearing deposits and/or money market financial instruments with licensed financial institutions. Any interest earned from interest-bearing deposits and/or gains from investments in money market financial instruments will be utilised for working capital as further set out in item (ii) below which may include payment of staff salaries and other operating and administrative expenses.

(i) **Future business expansion**

As at the LPD, the Group is principally engaged in ownership and operating of vessels as well as ship management.

The Group has been looking for new strategic business opportunities to diversify its revenue streams to mitigate the risk of overdependence on its existing core business which is subject to fluctuations in ship charter rates which are beyond the Group's control. In this regard, the Group had entered into the following agreements in the last 12 months:

- (a) on 15 August 2022, the Company entered into a collaboration agreement with Tunas Manja Sdn Bhd ("**TMSB**") to undertake grocery retail business and other grocery retail related businesses ("**Collaboration Agreement**"). On 14 November 2022, as the conditions precedent of the Proposed Collaboration had not been fulfilled and extension of time was not granted by TMSB, the Proposed Collaboration was terminated;
- (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 the 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; and
- (c) 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 representing 100% equity interest in EMT Systems Sdn Bhd ("**EMTS**") for a total consideration of RM70,000,000 ("**EMTS SSA**"). This acquisition was completed on 30 January 2023.

The Group intends to utilise up to RM126.28 million of the sale proceeds from the disposal of Alam Kekal to finance future business expansion opportunities including any suitable and viable business(es) / investment(s) and/or strategic acquisition(s) within 24 months from completion of the disposal of Alam Kekal.

After taking into consideration its existing working capital requirements as further set out in item (ii) below as well as the estimated expenses relating to the disposal of Alam Kekal, the Group has allocated the balance of the proceeds from the disposal of Alam Kekal for future business expansion. This is in line with the Group's ongoing efforts to identify new strategic business opportunities to diversify its revenue streams.

As at the LPD, the Group is in the process of identifying suitable and viable business(es) / investment(s) and/or strategic acquisition(s) to increase its revenue streams. Such future business expansion may not necessarily be related to the existing business of the Group. Nevertheless, the Group will ensure that it has the necessary expertise and personnel to manage such future business expansion.

The Company will make the necessary announcement(s) as required by the Listing Requirements as and when it has entered into any agreement in relation to an acquisition and/or investment. In the event that shareholders' approval and/or other regulatory approvals are required under the Listing Requirements and/or other relevant rules / guidelines for the acquisition / investment, the necessary approval(s) will be sought.

If the Company is unable to identify suitable acquisitions / investments within 24 months from the completion of the disposal of Alam Kekal, the timeframe for utilisation of proceeds that has been allocated for the said purpose will be extended and announced. The Company will disclose the status of utilisation in its quarterly results announcements until it has fully utilised the amount allocated for future business expansion.

(ii) **Working capital**

The Group intends to utilise the proceeds from the disposal of Alam Kekal for working capital purposes in the following manner:

Utilisation of proceeds	RM'000
Purchases of raw materials and voyage expenses ⁽¹⁾	9,300
Payment of staff salaries	700
Operating and administrative expenses such as utilities, rental costs, transportation costs and other miscellaneous items ⁽²⁾	875
Total	10,875

Notes:

- (1) *Inclusive of purchases of steel products by EMTS as well as voyage expenses for the other bulk carrier operated by the Group as set out below:*

	RM'000
<i>Purchases of steel products by EMTS</i>	<i>7,000</i>
<i>Voyage expenses for the other bulk carrier operated by the Group</i>	<i>2,300</i>
Total	9,300

- (2) *The actual breakdown of the operating and administrative expenses cannot be determined at this juncture, as it will depend on the actual operating and administrative requirements of the Group at the relevant time.*

(iii) **Estimated expenses for the disposal of Alam Kekal**

The estimated expenses relating to the disposal of Alam Kekal comprise of the commission payable to the ship agent as well as other estimated expenses including legal fees relating to the Definitive Agreement. These expenses are estimated to be approximately 2% of the illustrative Disposal Consideration of USD30.00 million, which is in line with the agent commission rate paid by the Group for previous disposal of vessels.

For information purposes only, the breakdown of the estimated expenses for the Proposed Disposal Mandate is illustrated below:

Estimated expenses	RM'000
Professional fees ⁽¹⁾	250
Printing, despatch, EGM expenses and miscellaneous expenses	50
	300

Note:

- (1) *Comprises estimated professional fees payable to the adviser, solicitors, and company secretary.*

The estimated expenses for the Proposed Disposal Mandate of approximately RM300,000 shall be paid from the Group's internally generated funds.

2.7 Liabilities that remain with the Group and guarantees provided by the Group

There are no liabilities, including contingent liabilities, in relation to Alam Kekal which are expected to remain with the Group upon completion of the disposal of Alam Kekal, save for the obligations and liabilities that may be included in the Definitive Agreement for the disposal of Alam Kekal in the future, which may include liabilities arising from representations and warranties to be given by the Group relating to matters such as the ownership and condition of Alam Kekal as well as any claims and encumbrances relating to Alam Kekal and any indemnities in connection with potential claims and obligations (such as taxes and regulatory penalties) arising from the operations of Alam Kekal during the period prior to the completion of the Definitive Agreement.

In addition, there will be no guarantees expected to be given by the Group to the eventual purchaser pursuant to the disposal of Alam Kekal.

2.8 Cash company or Practice Note 17 listed issuer

The disposal of Alam Kekal will not result in the Company becoming a cash company, a Practice Note 17 listed issuer or having inadequate level of operations to warrant continued trading or listing on the Official List as defined under the Listing Requirements.

3. RATIONALE

3.1 Rationale for the disposal of Alam Kekal

The disposal of Alam Kekal is an opportunity for MBC to realise the value of its asset at a favourable price due to the high dry bulk charter rates since 2021 up until now resulting from the increased demand in commodities amid a global economic recovery which has increased the market value of Alam Kekal. Based on an illustrative Disposal Consideration of USD30.00 million (equivalent to approximately RM139.95 million), MBC is expected to realise an estimated gain on disposal of approximately RM24.93 million (after deducting estimated expenses for the disposal of Alam Kekal).

The average daily time charter equivalent rates have increased from USD8,676 for the FYE 2020 to a high of USD18,886 for the FYE 2022, which has resulted in an increase in the valuation of Alam Kekal as compared to prior years. However, the average daily time charter equivalent rate for the 6-month FPE 30 June 2023 has reduced by approximately 15.95% to USD15,874. The Group intends to monetise this asset at a favourable price as soon as possible to avoid the risk of a continued decline in the daily time charter equivalent rate which will negatively impact the market valuation of Alam Kekal.

Furthermore, the disposal proceeds received will be utilised for the purposes as set out in Section 2.6 of this Circular whereby a majority of the proceeds will be used to fund the Group's future business expansion and working capital requirements.

3.2 Rationale for the Proposed Disposal Mandate

Obtaining the authority of the Shareholders for the disposal of Alam Kekal upfront will provide the Group the flexibility to negotiate the sale of Alam Kekal and capitalise on favourable pricing conditions as and when opportunities arise. This will also enable the Group to complete the disposal of Alam Kekal in a timelier manner, as compared to seeking the Shareholders' approval for the disposal of Alam Kekal only after an agreement is entered into with a potential buyer. This may also be in line with delivery expectations of any future buyer and offer the Group more leverage in price negotiations.

3.3 Operations and future plans of the Group

As at the LPD, the Group is principally engaged in the business of ownership and operating of vessels as well as ship management. On 18 January 2023, the Group completed the acquisition of EMTS which is an end-to-end racking systems, logistics storage and retail display solutions provider. Following this acquisition, the Group generates revenue from operating dry bulk carriers (including Alam Kekal) as well as from its ownership of EMTS.

Moving forward, the Group expects the dry bulk charter rates to be lower than in FYE 2022 as congestion has eased to pre-pandemic levels coupled with high levels of domestic coal production in China that will limit demand for dry bulk shipping of coal as China reduces its imports.

As at the LPD, the Group is in the process of identifying suitable and viable business(es) / investment(s) and/or strategic acquisition(s) to increase its revenue streams and mitigate the risk of overdependence on its dry bulk shipping business which is subject to fluctuations in dry bulk charter rates which are beyond the Group's control.

Premised on the above and after taking into consideration future investments in business opportunities to be identified, the Board believes that the disposal of Alam Kekal will contribute positively to the Group in the long term.

4. RISK FACTORS

4.1 Loss of income from Alam Kekal

The Group received ownership of Alam Kekal in October 2018 and has been operating the vessel since then. The revenue and GP generated by Alam Kekal as well as its contribution to the total revenue and GP of the Group for the FYEs 2020 to 2022 and for the 1st quarter of 2023 are as follows:

	Audited			Unaudited 3-month financial period ended 31 March 2023
	FYE 2020	FYE 2021	FYE 2022	
Revenue (RM'000)				
- Group	175,986	207,044	154,779	35,091
- Alam Kekal ⁽¹⁾	15,999	39,548	40,473	5,126
% revenue contribution from Alam Kekal to the Group	9.09%	19.10%	26.15%	14.61%
GP (RM'000)				
- Group	133,846	181,093	127,582	29,749
- Alam Kekal ⁽²⁾	12,961	37,632	39,436	4,843
% GP contribution from Alam Kekal to the Group	9.70%	20.80%	30.91%	16.30%
Daily time charter equivalent rate (USD)	8,676	18,092	18,886	17,307

Notes:

(1) Based on the revenue of Kekal Shipping, being the owner of Alam Kekal.

(2) Based on the revenue less voyage expenses incurred by Kekal Shipping, being the owner of Alam Kekal.

Upon completion of the disposal of Alam Kekal, Alam Kekal will no longer be owned by the Group and as such, the Group will lose a source of revenue and potential profit contribution from Alam Kekal in the future.

Nevertheless, the Board is of the view that the disposal of Alam Kekal will not result in any material adverse impact on the Group's financial performance moving forward and the disposal of Alam Kekal is in line with the Group's strategy on reducing its over-reliance on its existing core business which is subject to fluctuations in ship charter rates which are beyond the Group's control.

4.2 Foreign exchange risk

The Disposal Consideration will be settled and remitted to the Company in USD. As such, the Disposal Consideration to be received by the Group may be impacted by any adverse fluctuation of USD against RM if and when converted into RM. Therefore, any significant exchange rate fluctuations in the future may have an adverse impact on the quantum of the Disposal Consideration to be converted in RM by the Group.

4.3 Contractual risk

MBC may be subject to certain legal risks at the point of disposal of Alam Kekal pursuant to the Definitive Agreement. Additionally, the Group may also be subject to certain contractual risks such as specific performance or payment of liquidated damages as a result of non-fulfilment of its obligations under the Definitive Agreement. In this respect, the Group will endeavour to fulfil its obligations under the Definitive Agreement to minimise the contractual risk.

5. EFFECTS OF THE PROPOSED DISPOSAL MANDATE

5.1 Share capital

The disposal of Alam Kekal will not have any effect on the issued share capital of the Company as it does not involve any issuance of new Shares.

5.2 NA, NA per Share and gearing

The pro forma effects of the disposal of Alam Kekal on the NA, NA per Share and gearing of the Group based on the audited consolidated financial statements as at 31 December 2022 on the assumption that the disposal of Alam Kekal had been effected on that date and based on an illustrative Disposal Consideration of USD30 million (equivalent to approximately RM139.95 million) is as follows:

	Audited as at 31 December 2022	After the disposal of Alam Kekal
	RM'000	RM'000
Share capital	338,791	338,791
Foreign currency translation reserve	143,778	143,778
Retained earnings	4,483	⁽¹⁾ 29,411
Shareholders' funds / NA	487,052	511,980
No. of shares in issue ('000)	1,000,000	1,000,000
NA per share (RM)	0.49	0.51
Total borrowings ⁽²⁾ (RM'000)	33,111	33,111
Gearing (times)	0.07	0.06

Notes:

- (1) After taking into consideration the net gain from the disposal of Alam Kekal of approximately RM24.93 million as further illustrated in Section 5.4 below.
- (2) Total borrowings comprises lease liabilities.

5.3 Substantial Shareholders' shareholdings

The disposal of Alam Kekal will not have any effect on the shareholdings of the substantial Shareholders in the Company.

5.4 Earnings and EPS

The effects of the disposal of Alam Kekal on the earnings and EPS of the Group based on the audited consolidated financial statements for the FYE 2022 on the assumption that the disposal of Alam Kekal had been effected on 1 January 2022 and based on an illustrative Disposal Consideration of USD30 million (equivalent to approximately RM139.95 million) is as follows:

	RM'000
PAT for the FYE 2022	93,181
Add: Net gain from the disposal of Alam Kekal ⁽¹⁾	24,928
Pro forma PAT	118,109
No. of shares in issue ('000)	1,000,000
Pro forma EPS (sen)	11.81

Note:

(1) Net gain from the disposal of Alam Kekal is computed as follows:

	RM'000
<i>Illustrative Disposal Consideration</i>	139,950
Less: NBV of Alam Kekal as at 31 December 2022	(112,222)
Less: Estimated expenses for the disposal of Alam Kekal	(2,800)
Net gain from the disposal of Alam Kekal	24,928

The actual gain from the disposal of Alam Kekal will depend on the actual Disposal Consideration, NBV of Alam Kekal, actual expenses incurred for the Proposed Disposal Mandate as well as the prevailing USD:RM exchange rate at the time of completion.

5.5 Convertible securities

As at the LPD, the Company does not have any outstanding convertible securities.

6. APPROVALS REQUIRED

The Proposed Disposal Mandate is subject to the following approvals being obtained:

- (i) the Shareholders at the forthcoming EGM; and
- (ii) any other relevant regulatory authorities and/or parties, if required.

The highest illustrative percentage ratio applicable to the disposal of Alam Kekal pursuant to paragraph 10.02(g) of the Listing Requirements is 28.47%, computed based on the illustrative Disposal Consideration of USD30.00 million (equivalent to approximately RM138.68 million as at 31 May 2023, being the latest practicable date prior to the announcement of the Proposed Disposal Mandate) compared to the audited consolidated NA of MBC as at 31 December 2022.

7. CONDITIONALITY

The Proposed Disposal Mandate is not conditional upon any other corporate exercises being undertaken or proposed to be undertaken by the Company.

8. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

On 16 May 2023, the Company announced that it proposes to undertake a proposed reduction of RM275.0 million of the issued share capital of the Company pursuant to Section 116 of the Act ("**Capital Reduction**"). On 15 June 2023, the Company had obtained the approval of the Shareholders for the Capital Reduction. As at the LPD, the Capital Reduction is pending the sanction of the High Court of Malaya pursuant to Section 116 of the Act.

Save for the Capital Reduction, there are no other corporate exercises which have been announced by the Company but are pending completion before the date of this Circular.

9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

None of the Directors, major Shareholders and/or persons connected to them will have any interest, direct or indirect, in the Proposed Disposal Mandate as Alam Kekal is intended to be sold to non-related parties only.

10. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered the current and prospective financial position, needs and capacity of the Group, and after careful deliberation as well as taking into consideration the rationale and all other aspects of the Proposed Disposal Mandate, is of the opinion that the Proposed Disposal Mandate is in the best interests of the Company.

Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed Disposal Mandate to be tabled at the forthcoming EGM.

11. TENTATIVE TIMELINE

Subject to all relevant approvals being obtained and the identification of a buyer for Alam Kekal, the disposal of Alam Kekal is expected to be completed by the 4th quarter of 2023. The tentative timetable for the disposal of Alam Kekal is as follows:

Date	Events
31 July 2023	▪ EGM for the Proposed Disposal Mandate
By the 4 th quarter of 2023	▪ Signing of the Definitive Agreement ▪ Completion of the disposal of Alam Kekal

12. EGM

The EGM, the notice of which is enclosed with this Circular, will be conducted on a virtual basis and 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 via RPEV facilities at <https://meeting.boardroomlimited.my> on the date and time indicated below or at any adjournment thereof, for the purpose of considering and if thought fit, passing the resolution, with or without any modifications, to give effect to the Proposed Disposal Mandate.

Day, date and time of the EGM : Monday, 31 July 2023 at 11:30 a.m.

If you are unable to attend and vote in person at the EGM, you may appoint a proxy or proxies to attend and vote on your behalf by completing, signing and returning the enclosed Proxy Form in accordance with the instructions contained therein as soon as possible, so as to arrive at the office of the Share Registrar, Boardroom Share Registrars Sdn Bhd or alternatively, you may lodge your Proxy Form by electronic means through Boardroom Smart Investor Portal at <https://meeting.boardroomlimited.my> or via e-mail to bsr.helpdesk@boardroomlimited.com. The completed Proxy Form must be deposited / lodged not less than forty-eight (48) hours before the date and time appointed for holding the EGM as indicated above or at any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the EGM should you subsequently decide to do so and in such an event, your Proxy Form shall be deemed to have been revoked.

Shareholders are advised to refer to the Administrative Guide for the EGM on the registration and voting process for the EGM.

13. FURTHER INFORMATION

You are requested to refer to the enclosed appendices for further information.

Yours faithfully,
For and on behalf of the Board of
MALAYSIAN BULK CARRIERS BERHAD

YEOH KHOON CHENG
Independent Non-Executive Chairman

APPENDIX I – FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and the Directors collectively and individually accept full responsibility for the completeness and accuracy of the information contained in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements contained in this Circular or other facts, the omission of which would make any statement in this Circular false or misleading.

2. CONSENT AND CONFLICT OF INTEREST

Interpac, being the Adviser for the Proposed Disposal Mandate, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

Interpac confirms that it is not aware of any conflict of interest which exists or is likely to exist in relation to its role as the Adviser for the Proposed Disposal Mandate.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

Material commitments

As at the LPD, the Board is not aware of any material commitments incurred or known to be incurred by the Group.

Contingent liabilities

As at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by the Group which upon becoming enforceable, may have a material impact on the financial results or position of the Group.

4. MATERIAL LITIGATION

As at the LPD, the Board confirmed that neither the Company nor its subsidiaries are engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which has or would have a material and adverse effect on the financial position or business of the Group and the Board confirmed that there are no proceedings pending or threatened against the Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at Suite 8.01, Level 8, Menara Binjai, No 2 Jalan Binjai, 50450 Kuala Lumpur, Wilayah Persekutuan, Malaysia during normal business hours from Monday to Friday (except public holidays) following the date of this Circular up to and including the date of the EGM of the Company:

- (i) the Constitution of the Company;
- (ii) audited consolidated financial statements of the Company for the FYE 2021 and FYE 2022 as well as the unaudited interim financial report of the Company for the 3-month financial period ended 31 March 2023; and
- (iii) the letter of consent and conflict of interest referred to in Section 2 of this Appendix I.



MALAYSIAN BULK CARRIERS BERHAD

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("**EGM**") 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 on Monday, 31 July 2023 at 11:30 a.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolution with or without any modifications:

ORDINARY RESOLUTION

PROPOSED NEW SHAREHOLDERS' MANDATE FOR THE DISPOSAL OF ALAM KEKAL, A BULK CARRIER, BY KEKAL SHIPPING PTE LTD, AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF MBC TO A NON-RELATED THIRD PARTY TO BE IDENTIFIED FOR A DISPOSAL CONSIDERATION TO BE DETERMINED AND SATISFIED ENTIRELY IN CASH

"**THAT** subject to all approvals being obtained from the relevant authorities and/or parties, where required/applicable, approval be and is hereby given to the Board of Directors of the Company ("**Board**") to undertake the disposal of Alam Kekal subject to the terms as set out in the circular to shareholders dated 14 July 2023;

THAT the authority conferred by this ordinary resolution shall be in force for a period of 1 year upon the passing of this ordinary resolution or until such authority is revoked or varied by resolution passed by the Shareholders at a general meeting, whichever is earlier;

AND THAT the Board be and is hereby empowered and authorised to take all such steps and do all acts and things to approve and execute all necessary documents and/ or agreements (including, without limitation, affixing the Company's common seal, where necessary) as the Board may consider necessary, expedient and/or relevant to finalise, implement and give full effect to and complete the disposal of Alam Kekal with full power to assent to or make any modifications, variations and/or amendments as may be required by the relevant parties and/or authorities or as may be deemed necessary or desirable by the Board and to take all steps and actions as may be required by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company in order to finalise, implement and give full effect to and complete the disposal of Alam Kekal."

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

14 July 2023
Kuala Lumpur

Notes:

1. The EGM 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 EGM in order to register, participate and vote remotely via the RPEV facilities.

Please refer to the Administrative Guide for Shareholders for the EGM 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 EGM. Members/proxies/corporate representatives are not allowed to physically present nor admitted at the Broadcast Venue on the day of the EGM.
3. Pursuant to Paragraph 8.29(A) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the EGM 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 EGM 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 Proxy Form 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 EGM or any adjournment thereof, failing which, the instrument of proxy shall not be treated as valid.

Alternatively, the Proxy Form 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 Tuesday, 25 July 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.
11. In view of the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of the EGM at short notice. Kindly check Bursa Malaysia Securities Berhad's website and the Company's website at www.maybulk.com.my for the latest updates on the status of the EGM.

Personal Data Privacy

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, participate and vote at the EGM 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 EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (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.



MALAYSIAN BULK CARRIERS BERHAD

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

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

- MEETING : **EXTRAORDINARY GENERAL MEETING**
DATE : Monday, 31 July 2023
TIME : 11:30 a.m.
BROADCAST VENUE : Level 12, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia
- Meeting platform : <https://meeting.boardroomlimited.my> ("**Virtual Meeting Portal**")
- Mode of communication : 1) You may type your question(s) in the meeting platform. The Messaging window facility will open concurrently with the Virtual Meeting Portal one (1) hour before the scheduled commencement of the Extraordinary General Meeting ("**EGM**" or "**Meeting**"), i.e. from **11:30 a.m. on Monday, 31 July 2023**.
- 2) You may submit questions relating to the agenda items of the EGM in advance via Boardroom's website at <https://investor.boardroomlimited.com>, commencing from 14 July 2023 and in any event no later than **Saturday, 29 July 2023 at 11:30 a.m.**

For further details on the mode of communication, please refer to note 5 of this Administrative Guide.

1. Virtual EGM

As part of our continuing safety and precautionary measures, the Company ("**MBC**") will conduct its EGM entirely via live streaming and online remote voting using remote participation and electronic voting ("**RPEV**") facilities.

The Broadcast Venue is limited to essential individuals required to be physically present at the venue to organise and conduct the virtual EGM of the Company.

Shareholders are invited to participate and vote at the forthcoming EGM via Boardroom Share Registrars Sdn. Bhd.'s meeting platform at <https://meeting.boardroomlimited.my>. **NO SHAREHOLDERS/PROXIES/ CORPORATE REPRESENTATIVES** should be physically present at or admitted to the Broadcast Venue on the day of the EGM.

2. Entitlement to participate and vote at the EGM

Only a depositor whose name appears on the Record of Depositors of the Company as at Tuesday, 25 July 2023 shall be eligible to participate in the EGM or appoint proxy(ies) or corporate representative(s) to participate and vote on his/her behalf.

As the EGM is a virtual meeting, a shareholder entitled to attend and vote at the Meeting may appoint the Chairman of the Meeting as his/her proxy to attend and vote in his/her stead and indicate his/her voting instructions in the Proxy Form.

3. Voting Procedure – Poll Voting

- i. Voting at the EGM will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- ii. The Company has appointed Boardroom Share Registrars Sdn. Bhd. (“**Boardroom**”) as poll administrator to conduct the poll by way of electronic voting (“**e-Voting**”), and independent scrutineers (“**Scrutineers**”) will be appointed to verify the results of the poll.
- iii. For the purposes of this EGM, e-Voting may be carried out via personal smart mobile phones, tablets, personal computers or laptops.
- iv. There are two (2) methods for members and proxies who wish to use their personal voting device to vote. The methods are:
 - (a) Use QR Scanner Code given in the email to you; or
 - (b) access via the website URL: <https://meeting.boardroomlimited.my>
- v. Please note that polling will only commence after announcement by the Chairman of poll opening and until such time the Chairman announces closure of the poll. The poll result report will be verified by the Scrutineers, and the results announced thereafter. The Chairman will declare whether the resolutions put to vote are duly passed.
- vi. You must ensure that you are connected to the internet at all times in order to participate and vote remotely when the EGM has commenced. It is therefore your responsibility to ensure that connectivity for the duration of the EGM is maintained. Kindly note that the quality of the connectivity to the Virtual Meeting Portal for the live webcast and remote online voting is dependent on the bandwidth and stability of the internet connection at remote participants' locations.

4. Online Registration Procedure

- i. The RPEV facilities are available to **(i) individual shareholders; (ii) corporate shareholders; (iii) authorised nominees; and (iv) exempt authorised nominees.**
- ii. If you wish to participate in the Meeting, you will be able to view a live webcast of the Meeting, ask questions and submit your votes in real time whilst the Meeting is in progress.
- iii. Kindly follow the steps below on how to request for your login ID and password.

Step 1 – Register online with Boardroom Smart Investor Portal (“BSIP”) (for first time registration only)

[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2 – Submit Request for Remote Participation User ID and Password.]

- a. Access the website: <https://investor.boardroomlimited.com>
- b. Click <<**Register**>> to sign up as a user.
- c. Please select the account type i.e. sign up as “Shareholder” or “Corporate Holder”.
- d. Complete registration with all required information and upload a softcopy of your or representative’s MyKad (front and back) (for Malaysian), or passport (for foreigner) in JPEG, PNG or PDF format (as the case may be).
- e. For corporate holder, kindly attach the authorisation letter as well (template available)
- f. Please enter a valid email address, mobile number and password. Click <<**Sign Up**>>.
- g. You will receive an email from Boardroom for email address verification. Click <<**Verify E-mail Address**>> to proceed with the registration.
- h. Once your email address is verified, you will be re-directed to BSIP Online for verification of your mobile number. Click <<**Request OTP Code**>> and an OTP code will be sent to the registered mobile number. Click <<**Enter**>> to enter the OTP code to complete the process.
- i. An email will be sent to you within one (1) business day informing you on the approval of your BSIP account. You can login to the BSIP at <https://investor.boardroomlimited.com> with the email address and password that you have provided during the registration to proceed with the next step.

***Check if your email address is keyed in correctly.**

***Remember the password that you have keyed in.**

Step 2 – Submit Request for Remote Participation User ID and Password

[Note: Registration for remote access will open on 14 July 2023.]

Individual/ Corporate Members

- Login to <https://investor.boardroomlimited.com> using your User ID and Password given above.
- Select <<**MEETING EVENT(S)**>> from the main menu and select the correct Corporate Event <<**MALAYSIAN BULK CARRIERS BERHAD EXTRAORDINARY GENERAL MEETING**>> from the list of Meeting Events and click <<**Enter**>>.
- Go to <<**VIRTUAL**>> and click on <<**Register for RPEV**>>.
- Tick << **I wish to register for Remote Participation and Electronic Voting (RPEV) and join the meeting virtually**>> and enter your CDS Account Number.
- Read and agree to the General Terms & Conditions and click <<**Register**>>.

Appointment of Proxy

- Login to <https://investor.boardroomlimited.com> using your User ID and Password given above.
- Select <<**MEETING EVENT(S)**>> from the main menu and select the correct Corporate Event << **MALAYSIAN BULK CARRIERS BERHAD EXTRAORDINARY GENERAL MEETING**>> from the list of Meeting Events and click <<**Enter**>>.
- Click on <<**Submit e-Proxy Form**>>.
- For Corporate Shareholder, select the company(ies) you would like to represent
Note: if you wish to appoint more than one (1) company, please click the home button and select “Edit Profile” in order to add the company’s name.
- Enter your CDS Account Number and the number of securities held. Select your proxy - either the Chairperson of the Meeting or individual named proxy(ies).
- Read and accept the terms and conditions by clicking “**Next**”.
- Enter the required particulars of your proxy(ies).
- Indicate your voting instructions - FOR, AGAINST or ABSTAIN, otherwise your proxy(ies) will decide your vote.
- Review and confirm your proxy(ies) appointment.
- Click “Submit”.
- Download or print the e-Proxy form as acknowledgement.

Authorised Nominees and Exempt Authorised Nominees

- Login to <https://investor.boardroomlimited.com> using your User ID and Password given above.
- Select <<**MEETING EVENT(S)**>> from the main menu and select the correct Corporate Event << **MALAYSIAN BULK CARRIERS BERHAD EXTRAORDINARY GENERAL MEETING**>> from the list of Meeting Events and click <<**Enter**>>.
- Click on <<**Submit e-Proxy Form**>>.
- Select the company you would like to represent (if more than one).
- Proceed to download the file format for “**Submission of Proxy Form**”.
- Prepare the file for the appointment of proxy(ies) by inserting the required data.
- Proceed to upload the duly completed proxy appointment file.
- Review and confirm your appointment and click “**Submit**”.
- Download or print the e-Proxy form as acknowledgement.

*Note: if you are the authorised representative(s) for more than one (1) authorised nominee / exempt authorised corporate nominee / corporate shareholder, please click the home button and select “**Edit Profile**” in order to add the company’s name.*

Corporate Shareholders/Authorised Nominees/ Exempt Authorised Nominees/Attorneys, you may also write to bsr.helpdesk@boardroomlimited.com and provide the name of the shareholder, CDS account no. and the Certificate of Appointment of Corporate Representative or Proxy Form (as the case may be). A copy of MyKad or passport and a valid email address are required.

*** Check the email address of Proxy or Corporate Representative is written down correctly.**

- a. You will receive a notification(s) from Boardroom that your request has been received and is being verified.
- b. Upon system verification of your registration against the **EGM Record of Depositors as at 25 July 2023**, you will receive an email from Boardroom either approving or rejecting your registration for remote participation.
- c. You will also receive your remote access User ID and Password along with the email from Boardroom if your registration is approved.
- d. If your registration is rejected, a rejection note will be provided to you via email.

* Please note that the closing date and time to submit your request is by **Saturday, 29 July 2023 at 11:30 a.m.**

Step 3 – Login to Virtual Meeting Portal

[Note: Please note that the quality of the connectivity to the Virtual Meeting Portal for the live webcast and remote online voting is highly dependent on the bandwidth and stability of the internet connectivity available at remote users' locations.]

- a. The Virtual Meeting Portal will open for login one (1) hour before the scheduled commencement of the EGM, i.e. from **10:30 a.m. on Monday, 31 July 2023**.
- b. Please follow the steps given to you in the email along with your remote access User ID and Password to login to the Virtual Meeting Portal (*Refer to Step 2(c) above*).
- c. The steps given will also guide you on how to view the live webcast, submit questions and vote.
- d. The live webcast will end and the Messaging window (for submission of questions) will be disabled once the Chairman announces the closure of the EGM.
- e. You can then logout from the Virtual Meeting Portal.

Note to users of the RPEV facilities:

1. Should your application to join the meeting be approved, Boardroom will facilitate your participation in the live stream meeting and remote voting. Your login to the Virtual Meeting Portal on the day of meeting will indicate your presence at the virtual meeting.
2. If you encounter any issues with login, connecting to the live stream meeting or online voting, please call Boardroom at +603 7890 4700 or send an email to bsr.helpdesk@boardroomlimited.com for assistance.

5. Mode of Communication

Shareholders may submit questions relating to the agenda items of the EGM in advance commencing from 14 July 2023 and in any event no later than 11:30 a.m. on Saturday, 29 July 2023 via Boardroom's website at <https://investor.boardroomlimited.com>, and select <<**SUBMIT QUESTION**>> to pose questions ("**Pre-EGM Meeting Questions**").

Alternatively, you may submit any questions for the Chairman/Board during the EGM using the Messaging window facility which will open concurrently with the Virtual Meeting Portal one (1) hour before the scheduled commencement of the EGM, i.e. from 10:30 a.m. on Monday, 31 July 2023.

The Chairman and management will respond to their best endeavours, questions submitted by shareholders which relate to the matters in the agenda of the EGM. Questions that are similar or on the same matter may be consolidated and answered together.

Please note that no recording or photography of the EGM proceedings is allowed without the prior written permission of the Company.

6. Lodgement of Proxy Form

Please deposit your completed Proxy Form at the office of 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 appointed for the holding of the EGM, i.e. not later than **Saturday, 29 July 2023 at 11:30 a.m.**

Alternatively, the proxy appointment can also be lodged electronically via the “Boardroom Smart Investor Portal” at <https://investor.boardroomlimited.com> which is available to individual shareholders, not less than forty-eight (48) hours before the time appointed for the holding of the EGM, i.e. **Saturday, 29 July 2023 at 11:30 a.m.** For further information, kindly refer to note (4) – “Online Registration Procedure” above.

The lodging of the Proxy Form will not preclude you from personally participating remotely and voting at the EGM should you subsequently wish to do so.

Should you wish to personally participate remotely in the EGM, kindly register your intention to do so via Boardroom’s website at <https://investor.boardroomlimited.com> (refer to note 4 - Steps 1 to 3 above). Please note that upon your registration to personally participate remotely in the EGM, any previous proxy appointment will be deemed revoked. Alternatively, please write in to bsr.helpdesk@boardroomlimited.com to revoke your earlier proxy appointment **no later than Saturday, 29 July 2023 at 11:30 a.m.**

7. Communication guidance

Shareholders are also reminded to monitor the Company’s website and announcements for any changes to the EGM arrangements.

8. No door gifts/vouchers

No door gifts or e-vouchers will be distributed to shareholders/proxies who participate in the EGM.

9. Enquiries

Should you have any enquiry prior to the EGM or if you wish to request technical assistance to participate the EGM, please contact Boardroom during office hours (8:30 a.m. to 5:30 p.m.) as follows:

Boardroom Share Registrars Sdn. Bhd.

Address	:	11 th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13 46200 Petaling Jaya Selangor Darul Ehsan
General line	:	+603 7890 4700
Fax number	:	+603 7890 4670
Email	:	bsr.helpdesk@boardroomlimited.com



MALAYSIAN BULK CARRIERS BERHAD

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

PROXY FORM

CDS Account No.
No. of Shares held

I/We, NRIC/Passport/Registration No.:
(Full name in block letters)

of
(Address)

being a member/members of Malaysian Bulk Carriers Berhad, hereby appoint(s):

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings
		No. of Shares %
Email Address		
Address		

and / or*

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings
		No. of Shares %
Email Address		
Address		

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Extraordinary General Meeting ("EGM") 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 31 July 2023 at 11:30 a.m. or any adjournment thereof in the manner indicated below:

Item	Agenda	Resolution	FOR	AGAINST
1.	Proposed New Shareholders' Mandate for the Disposal of Alam Kekal	Ordinary Resolution		

**delete whichever not applicable*

Please indicate with an 'X' in the space provided whether you wish your votes to be cast for or against the resolution. In the absence of specific direction, your proxy may vote or abstain as he thinks fit.

Dated this.....day of2023

Signature(s) of member(s)



Notes

1.

The EGM 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 EGM in order to register, participate and vote remotely via the RPEV facilities.

Please refer to the Administrative Guide for Shareholders for the EGM 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 EGM. Members/proxies/corporate representatives are not allowed to physically present nor admitted at the Broadcast Venue on the day of the EGM.
3.

Pursuant to Paragraph 8.29(A) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the EGM 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 EGM 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 Proxy Form 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 EGM or any adjournment thereof, failing which, the instrument of proxy shall not be treated as valid.

Alternatively, the Proxy Form 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 Tuesday, 25 July 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.
11.

In view of the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of the EGM at short notice. Kindly check Bursa Malaysia Securities Berhad’s website and the Company’s website at www.maybulk.com.my for the latest updates on the status of the EGM.

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 EGM dated 14 July 2023.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

**The Share Registrar of
MALAYSIAN BULK CARRIERS BERHAD**
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor

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