

MALAYSIAN BULK CARRIERS BERHAD
Registration No. 198801008597 (175953-W)
(Incorporated in Malaysia)

MINUTES OF THE THIRTY-FOURTH ANNUAL GENERAL MEETING OF THE COMPANY 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.

PRESENT:-

DIRECTORS

Mr Yeoh Khoon Cheng	- <i>Independent Non-Executive Chairman</i>
Dato' Goh Cheng Huat	- <i>Group Managing Director</i>
Mr Lin JunLiang, Troy	- <i>Non-Independent Non-Executive Director</i>
Madam Elsie Kok Yin Mei	- <i>Independent Non-Executive Director</i>
Mr Ooi Teik Huat	- <i>Executive Director and Chief Financial Officer</i>

IN ATTENDANCE

Mr Lo Zhi Herng, Terry	- <i>Finance Manager</i>
Ms Julia Tan Bee Choo	- <i>Senior Manager</i>
Ms Tan Ai Ning	- <i>Company Secretary</i>
Mr Chong Tse Heng	- <i>Audit Engagement Partner, Ernst & Young PLT</i>

The list of shareholders, proxies and invitees who participated in the Meeting are set out in the attendance Sheets and shall form an integral part of these Minutes.

1. CHAIRMAN

The Chairman of the Meeting, Mr Yeoh Khoon Cheng, welcomed all shareholders, proxies and guests to the Thirty-Fourth Annual General Meeting ("**34th AGM**") of the Company which conducted through live streaming and online remote participation by using Remote Participation and Electronic Voting Facilities, in accordance with Section 327 of the Companies Act 2016 and Clause 73 of the Constitution of the Company.

The Chairman introduced his fellow Board members, the Company Secretary and external auditors who were present at the meeting.

2. SUMMARY OF PROXIES RECEIVED

As part of good governance, the Company Secretary informed the meeting that the Company had received in total of 58 proxy forms from shareholders for a total of 464,699,337 ordinary shares representing 46.47% of the total issued shares of the Company.

Out of those, there were 17 shareholders who have appointed the Chairman of the Meeting as proxy to vote on their behalf and the shares so represented were 144,087,367 ordinary shares representing 14.41% of the issued share capital of the Company.

3. QUORUM

The Company Secretary confirmed that a quorum was present. With the requisite quorum being present, the Chairman called the meeting to order at 10:03 a.m.

4. NOTICE

With the consent of the meeting, the Notice convening the meeting having been circulated for the prescribed period was taken as read.

5. POLLING AND ADMINISTRATIVE DETAILS

In accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 34th AGM must be voted by poll. Pursuant to Clause 87 of the Constitution of the Company, the Chairman then demanded for a poll to be taken for all the resolutions set forth in the Notice convening the Meeting.

The Chairman informed the Meeting that the Company had appointed Boardroom Share Registrars Sdn Bhd, the Company's Share Registrar as Poll Administrator to conduct the electronic polling process and SKY Corporate Services Sdn Bhd as Scrutineer who has verified the attendees and data for voting aside conducting quality assurance and accountability on the electronic polling procedure and process as well as the eventual poll results.

Shareholders and proxies were further informed that they could commence to vote on the resolutions any time throughout the Meeting until the closure of the voting session.

The Chairman then invited the Poll Administrator to play a video, guiding shareholders and proxies on how the electronic and remote poll voting would be conducted and the housekeeping rules for the electronic and remote poll voting process.

6. PRESENTATIONS ON BUSINESS OPERATIONS AND RESULTS

At the invitation of the Chairman, the Executive Director and Chief Financial Officer, Mr Ooi Teik Huat gave a review of the business operations and results of the Company for the financial year ended 31 December 2022.

The Chairman further highlighted that the Company has adopted a no-gift policy for all general meetings.

7. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS

The Audited Financial Statements for the financial year ended 31 December 2022 together with the Directors' and Auditors' Reports thereon, which had been circulated to all the shareholders for the prescribed period, were tabled for discussion.

The Chairman explained that this agenda item is meant for discussion only as Section 340 of the Companies Act 2016 does not require a formal approval by the shareholders, hence, it will not be put for voting.

Thereafter, the Chairman opened to the floor for questions. There were questions received prior to and during the meeting, relating to the Group's operations and financial results. The questions were dealt with by Mr Ooi Teik Huat at the meeting.

The list of questions and answers is attached as Annexure A and Annexure B to the Minutes of the 34th AGM respectively.

After having addressed all the questions raised, it was recorded that the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2022 together with the Directors' and Auditors' Report thereon were properly received by the shareholders.

8. ORDINARY RESOLUTION 1
DIRECTORS' FEES OF RM495,659 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Chairman informed that Ordinary Resolution 1 is to seek shareholders' approval for payment of Directors' fees of RM495,659 for the financial year ended 31 December 2022.

9. ORDINARY RESOLUTION 2
MEETING ALLOWANCES TO THE DIRECTORS UP TO AN AMOUNT OF RM100,000 FOR THE PERIOD FROM 1 JULY 2023 TO 30 JUNE 2024

The Chairman informed that Ordinary Resolution 2 is to seek shareholder's approval for 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.

**10. ORDINARY RESOLUTION 3
RE-ELECTION OF MR YEOH KHOON CHENG PURSUANT TO ARTICLE 121 OF THE CONSTITUTION
OF THE COMPANY**

The Chairman, being an interested party in Ordinary Resolution 3, invited Dato' Goh Cheng Huat to take over the Chair.

The Meeting was informed that in accordance with Article 121 of the Constitution of the Company, Mr Yeoh Khooon Cheng retired from the Board and being eligible, offered himself for re-election.

Dato' Goh Cheng Huat handed the Chair back to the Chairman to continue with the meeting proceeding.

**11. ORDINARY RESOLUTION 4
RE-ELECTION OF MR LIN JUNLIANG, TROY PURSUANT TO ARTICLE 128 OF THE CONSTITUTION
OF THE COMPANY**

The Chairman informed that Ordinary Resolution 4 is on the re-election of Mr Lin JunLiang, Troy who retired from the Board pursuant to Article 128 of the Constitution of the Company and being eligible, offered himself for re-election.

**12. ORDINARY RESOLUTION 5
RE-ELECTION OF MR OOI TEIK HUAT PURSUANT TO ARTICLE 128 OF THE CONSTITUTION OF THE
COMPANY**

The Chairman informed that Ordinary Resolution 5 is on the re-election of Mr Ooi Teik Huat who retired from the Board pursuant to Article 128 of the Constitution of the Company and being eligible, offered himself for re-election.

**13. ORDINARY RESOLUTION 6
AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT
2016**

The Chairman informed that Ordinary Resolution 6 is to consider and if thought fit, pass an ordinary resolution to renew the general mandate to allot and issue shares of the Company not exceeding ten per centum (10%) of the total number of issued shares of the Company pursuant to Section 75 and 76 of the Companies Act 2016.

14. ORDINARY RESOLUTION 7
PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Chairman informed that Ordinary Resolution 7 is to seek shareholders' approval on the proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations and in the ordinary course of the Group.

The Chairman further informed that the interested Directors and persons connected to them would abstain from voting on the resolution.

15. POLLING PROCESS

Shareholders and proxies were given another two (2) minutes to cast their votes. The Chairman further informed that in his capacity as Chairman of the Meeting, he has been appointed as proxy for a number of shareholders and will be voting in accordance with the instructions given.

The Chairman declared the polling closed at 10.47 a.m. for the votes to be tabulated by the Poll Administrator and verified by the Scrutineer. The meeting resumed at 11.02 a.m. for the declaration of the results of the poll.

16. ANNOUNCEMENT OF RESULTS

ORDINARY RESOLUTION 1
DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Ordinary Resolution 1 was voted by poll and the results of the poll were presented to the meeting as follows:-

Votes in favour		Votes against		Results
No. of Shareholders:	341	No. of Shareholders:	139	Accepted
No. of Shares:	465,544,909	No. of Shares:	2,366,953	
% of Voted Shares:	99.4941	% of Voted Shares:	0.5059	

Based on the above results, the Chairman declared that Ordinary Resolution 1 was carried. Accordingly, it was RESOLVED:-

That the payment of Directors' fees of RM495,659 for the financial year ended 31 December 2022 be and is hereby approved.

ORDINARY RESOLUTION 2

MEETING ALLOWANCES TO DIRECTORS FOR THE PERIOD FROM 1 JULY 2023 TO 30 JUNE 2024

Ordinary Resolution 2 was voted by poll and the results of the poll were presented to the meeting as follows:-

Votes in favour		Votes against		Results
No. of Shareholders:	332	No. of Shareholders:	143	Accepted
No. of Shares:	465,716,728	No. of Shares:	2,192,144	
% of Voted Shares:	99.5315	% of Voted Shares:	0.4685	

Based on the above results, the Chairman declared that Ordinary Resolution 2 was carried. Accordingly, it was RESOLVED:-

That the payment of meeting allowances to Directors up to an amount of RM100,000 for the period from 1 July 2023 to 30 June 2024 be and is hereby approved.

ORDINARY RESOLUTION 3

RE-ELECTION OF DIRECTOR – MR YEOH KHOON CHENG

Ordinary Resolution 3 was voted by poll and the results of the poll were presented to the meeting as follows:-

Votes in favour		Votes against		Results
No. of Shareholders:	381	No. of Shareholders:	93	Accepted
No. of Shares:	464,966,261	No. of Shares:	2,620,194	
% of Voted Shares:	99.4396	% of Voted Shares:	0.5604	

Based on the above results, the Chairman declared that Ordinary Resolution 3 was carried. Accordingly, it was RESOLVED:-

That the retiring Director, namely Mr Yeoh Khoon Cheng be and is hereby re-elected as Director of the Company.

ORDINARY RESOLUTION 4

RE-ELECTION OF DIRECTOR – MR LIN JUNLIANG, TROY

Ordinary Resolution 4 was voted by poll and the results of the poll were presented to the meeting as follows:-

Votes in favour		Votes against		Results
No. of Shareholders:	379	No. of Shareholders:	94	Accepted
No. of Shares:	464,365,911	No. of Shares:	3,228,634	
% of Voted Shares:	99.3095	% of Voted Shares:	0.6905	

Based on the above results, the Chairman declared that Ordinary Resolution 4 was carried. Accordingly, it was RESOLVED:-

That the retiring Director, namely Mr Lin JunLiang, Troy be and is hereby re-elected as Director of the Company.

ORDINARY RESOLUTION 5 **RE-ELECTION OF DIRECTOR – MR OOI TEIK HUAT**

Ordinary Resolution 5 was voted by poll and the results of the poll were presented to the meeting as follows:-

Votes in favour		Votes against		Results
No. of Shareholders:	385	No. of Shareholders:	90	Accepted
No. of Shares:	465,180,991	No. of Shares:	2,410,474	
% of Voted Shares:	99.4845	% of Voted Shares:	0.5155	

Based on the above results, the Chairman declared that Ordinary Resolution 5 was carried. Accordingly, it was RESOLVED:-

That the retiring Director, namely Mr Ooi Teik Huat be and is hereby re-elected as Director of the Company.

ORDINARY RESOLUTION 6 **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 & 76 OF THE COMPANIES ACT 2016**

Ordinary Resolution 6 was voted by poll and the results of the poll were presented to the meeting as follows:-

Votes in favour		Votes against		Results
No. of Shareholders:	384	No. of Shareholders:	99	Accepted
No. of Shares:	465,630,420	No. of Shares:	2,709,104	
% of Voted Shares:	99.4216	% of Voted Shares:	0.5784	

Based on the above results, the Chairman declared that Ordinary Resolution 6 was carried. Accordingly, it was RESOLVED:-

That pursuant to Sections 75 and 76 of the Companies Act 2016, 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 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 Companies Act 2016 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.

ORDINARY RESOLUTION 7

PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Ordinary Resolution 7 was voted by poll and the results of the poll were presented to the meeting as follows:-

Votes in favour		Votes against		Results
No. of Shareholders:	394	No. of Shareholders:	82	Accepted
No. of Shares:	147,194,146	No. of Shares:	251,459	
% of Voted Shares:	99.8295	% of Voted Shares:	0.1705	

Based on the above results, the Chairman declared that Ordinary Resolution 7 was carried. Accordingly, it was RESOLVED:-

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 Annual General Meeting 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 Annual General Meeting of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Companies Act 2016); 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.

17. CONCLUSION

There being no other business to be transacted, the meeting concluded at 11.03 a.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

- signed -

CHAIRMAN

ANNEXURE A

QUESTIONS FROM SHAREHOLDERS AND PROXIES PRIOR TO THE 34TH AGM

1. Requests for door gifts, e-wallets, e-vouchers

- *Tee Beng Ngo*
- *Stephen Lye Tuck Meng*
- *Lee Chew Foong*

The Company's Response:

The Board appreciate that shareholders have taken effort to join this meeting. However, the Company has adopted a "no-gift" policy for all its general meetings.

2. Company's business direction, its core business and the long-term strategy of the Group and whether the Group will be diversifying or expand the business capacity.

- *Chong Thin Tuck*
- *Chang Yee Fong*

The Company's Response:

As the shareholders would have noticed, the Group attempted to diversify into grocery retail business in the second half of 2022 with the proposed collaboration and proposed heads of agreement with a retail chain. However, the efforts were aborted due to unforeseen circumstances.

In the early part of 2023, the Group diversified its business into racking and storage business by the acquisition of EMT Systems Sdn Bhd ("**EMTS**") for a total consideration of RM70 million.

The Board is still open to evaluate good business opportunity to invest in. If the Board found anything feasible, an appropriate announcement will be made.

3. Comments on meeting platform and infrastructure

- *Leong Wen Chew*
- *Chong Kum Fatt*

The Company's Response:

We have taken note of your comments and will direct them to Boardroom for future improvement.

ANNEXURE B

QUESTIONS FROM SHAREHOLDERS AND PROXIES DURING THE 34TH AGM

1. (a) How much does the Company spend on this virtual AGM?
(b) How would the BOD kindly give e-wallet as a token of appreciation for attending today's RPV.
(c) I would like to request a printed hardcopy of the Company's annual report.
- *Teh Peng Tin*

The Company's Response:

- (a) The total cost for a virtual AGM and the subsequent Extraordinary General Meeting held later on the same day is lower compared to holding physical general meetings, primarily due to the significant number of shareholders attending the meetings. The fee quoted for the virtual meetings was comparable to the fees quoted by other service providers.
- (b) The Company has adopted a "no-gift" policy for all its general meetings.
- (c) In the email calling for the general meeting, the Company has included a requisition form for a hardcopy annual report. Shareholders may submit their request by email and the Company will gladly send them a hardcopy of the annual report.

2. Kindly allow us to vote when the meeting starts and not keep us waiting long.
- *Stephen Lye Tuck Meng*

The Company's Response:

Shareholders were allowed to vote from the commencement of the meeting.

3. As at end of March, we still have around RM220 million in cash. Is the Company planning on acquiring other businesses with this money or will it be returned to shareholders in the form of dividends?
- *Lim Hock Sing*

The Company's Response:

The Company is open to explore new businesses and will make an appropriate announcement if we have identified any feasible investment.

4. MBC has been reducing the size of fleet and currently owned 2 and 1 long term charter. Any plan to continue to dispose the vessel or return the long-term charter when contract ends? Any plan to purchase new vessel?
- *Sim Lai Huat*

The Company's Response:

The Company does not have any plan to add new vessels to the fleet at the moment. The long term charter in vessel has been returned to the owner in early May 2023 upon expiration of the lease as the charter rate was not feasible for the Company to continue with the chartering vessel.

5. Can the Company share its plan of the future of our shipping/bulkers business? Will this be expanded or sold off and the Company move into other business segment now that there is a new controlling shareholder?

- *Lim Hock Sing*

The Company's Response:

This question was addressed earlier (question 2 - Annexure A).

6. Will 2023 be better than 2022 or be worse due to new challenges?

- *Teh Kian Lang*

The Company's Response:

The vessel market rebounded at the end of February driven mainly by restocking demand in China with strong import of Indonesian coal due to anticipated increase in energy consumption.

However, there was a pullback in May as China faces lingering challenges especially with the property sector and high levels of unemployment among young adults.

The dry bulk market continued its downward trend till the end of year 2022 due to seasonal factors and easing congestion. We expect freight rates to be volatile and generally at levels below year 2022 as congestion has eased to pre-Covid levels coupled with global high inflation and interest rates which will further put pressure on industrial demand in year 2023. With the acquisition of EMTS, it will help diversify the Group's revenue stream.

7. MBC spent RM70 million to acquire EMTS, is the price paid too high looking at profit guarantee of RM6 million.

- *Sim Lai Huat*

The Company's Response:

The Board is guided by valuation report by BDO Capital Consultants Sdn Bhd as announced by the Company on 18 January 2023.

The value of EMTS is determined based on discounted cash flows basis as set out in their valuation report dated 16 January 2023. The payback period is between 6 to 8 years.

8. MBC is diversifying its business to minimise the risk of depending on the bulk carriers business. Is MBC looking into new business opportunity besides EMTS?

- *Sim Lai Huat*

The Company's Response:

The Board is still open to evaluate good business opportunities to invest in. If the Board found anything feasible, an appropriate announcement will be made.

- 9. Out of the 3 operating vessels, which vessels are currently working on long-term contracts? Can management please share the tenure and charter rates for these vessels, and how are these locked-in charters rates if compared to spot rate and operating cost?**

- *Chua Song Yun*

The Company's Response:

This question was addressed in the earlier presentation by Mr Ooi Teik Huat.

Currently, the Company's fleet comprises 2 vessels, namely, Alam Kuasa which is under a long term charter and Alam Kekal which is a short term time charter.

The charter rates for the vessels could not be disclosed due to confidentiality.

- 10. (a) Does our company's long-term direction is to slowly exit the dry bulk vessels businesses, and focus on Shelving and Storage Solution?**

(b) If so, for good corporate governance, can the board please return the proceeds from the disposal and excess capital to shareholders, instead of buying into businesses that may not benefit minority shareholders.

- *Chua Song Yun*

The Company's Response:

The Board is still open to evaluate good business opportunities to invest in. If the Board found anything feasible, an appropriate announcement will be made.

Nonetheless, if no feasible opportunities are available, the Company is also open to explore into other options.

- 11. What has been ailing our Company for so long and what & when can our Company start making profits & pay dividends?**

- *Ho Yueh Weng*

The Company's Response:

The Company has been profitable in year 2021 and 2022 and has continue to be profitable in the first quarter of 2023. The Company has paid out RM100 million in dividends in January 2023.

- 12. (a) What is the group's strategy to add value to the company moving forward?**

(b) Any bonus issue to reward loyal shareholders?

(c) Any e vouchers for attendees of this virtual meeting?

- *Goh Pek Hong*

The Company's Response:

(a) In the early part of 2023, the Group diversified its business into racking and storage business by the acquisition of EMTS for a total consideration of RM70 million.

The Board is still open to evaluate good business opportunities to invest in. If the Board found anything feasible, an appropriate announcement will be made.

- (b) The Company has paid out RM100 million in dividends in January 2023.
- (c) The Company has adopted a “no-gift” policy for all its general meetings.

13. Understand that our company acquired EMTS from Goh Ting Hong for RM70 million.

- (a) Are Goh Ting Hong and EMTS related to our largest shareholder Dato' Goh Cheng Huat?**
- (b) Is this a related party transaction? Should this be approved by disinterested shareholders?**
- (c) The amount of RM70 million is around 15% of the total equity. Does it trigger the SC threshold that requires approval from shareholders?**

I am not suggesting that we should not acquire EMTS or diversify; however, for good corporate governance, any major change of company direction, especially if it is a related party transaction, it should be properly presented to and approved by shareholders.

- Chua Song Yun

The Company's Response:

- (a) Goh Ting Hong is not considered a related party to Dato' Goh Cheng Huat pursuant to the Main Market Listing Requirement.
- (b) The acquisition is a non-related party transaction as none of the Directors, major shareholders and/or persons connected with them have any interest, direct or indirect, in the acquisition of EMTS.
- (c) The Company has sought appropriate legal advice from the investment banker, which led to the decision to proceed with the acquisition and make the necessary announcement. With guidance from the principal advisor, the highest percentage ratio applicable for the acquisition pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 14.92% which is below 25%, thus shareholders' approval is not required.

14. Understand that there is a profit guarantee terms of RM6 million from the Vendor of EMTS. If the profit is achieved what will happen? Does the vendor just pay the differences, or the whole valuation of the EMTS is discounted accordingly to the achieved profit?

- Chua Song Yun

The Company's Response:

In the event that EMTS fails to achieve the Profit Guarantee, the vendors shall on demand from the Company make payment for the Profit Guarantee shortfall amount to the Company.

15. How many vessels is currently operating in 2023 and any plan to increase the number of operating vessel?

- *Chong Thin Tuck*

The Company's Response:

Currently, the Company owns 2 Kamsarmax vessels and there is no plan to add new tonnage to the fleet.

16. (a) With the disposal of vessels past 2 years, what are the group future business direction to generate more revenue & profit?

(b) Along with vessels disposal, how many headcounts number being reduced & in percentage ratio?

- *Kan Soon Kong*

The Company's Response:

(a) In the early part of 2023, the Group diversified its business into racking and storage business by the acquisition of EMTS for a total consideration of RM70 million. The Board is open to evaluate good business to invest in. If the Board found anything feasible, an appropriate announcement will be made.

(b) All crew on board the vessels are outsourced from crew suppliers and are not permanent staff of the Company. Hence, the Company is not obligated to cover the expenses of the outsourced staff upon disposal of the vessels.

17. (a) What is the rationale for the proposed capital reduction of RM275 million?

(b) What are the pros and cons for such exercise?

(c) Is this to make way for future dividend payment?

- *Law Kung Hoo*

The Company's Response:

The current balance sheet structure at the Company's level has limited the Board's ability to carry out certain corporate transactions. For example:

1. Distribution out of profit

Section 131(1) of Companies Act 2016 states that a company may only make a distribution to the shareholders out of profits of the company available if the company is solvent.

2. Share Buy-Backs

Chapter 12 of the Main Market Listing Requirements, specifically paragraph 12.10 states that a listed issuer must ensure that the proposed purchase of own shares is made wholly out of retained profits of the listed corporation. Paragraph 12.10 (2) further states that for the purposes of calculating the total amount of retained profits available for effecting a share buy-back, the listed corporation must not use the amount of retained profits available on a group basis.

The capital reduction will enable the Company to eliminate its accumulated losses to reflect more accurately the value of its underlying assets and financial position and enhance the Company's ability to declare and pay dividends out of its retained earnings in the future.

18. (a) What is the company's future outlook?

(b) May I know when physical AGM will resume?

(c) I humbly request BOD to give e-wallet or e-voucher to attendees as a token of appreciation today our company is celebrating its 34th anniversary.

I believe the token sum is small, manageable and within annual budgeted expenses.

- Francis A/L S A Benedict

The Company's Response:

(a) This was addressed in the earlier questions.

(b) The management will consider holding physical general meetings in the future.

(c) The Company has adopted a "no-gift" policy for all its general meetings.

19. How minimum wage affect the Company?

- Hiu Chee Keong

The Company's Response:

All employees of the Company had been paid according to the market rates and the minimum wage has no impact on the Company as all employees are paid above the minimum wage rate.

20. What's the Board have in place to enhance the Company share price and can the Company pay more dividend for the coming year?

- Liew Chee Seng

The Company's Response:

The share price of the Company is determined by the demand and supply of the share market, as such, the Company is in no position to comment.

In respect of the payment of dividends, it would depend on the profitability and financial commitment of the Company. Appropriate announcements will be made, if any.