

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

MINUTES OF THE EXTRAORDINARY 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 MONDAY, 31 JULY 2023 AT 11.30 A.M.

PRESENT:-

DIRECTORS

Mr Yeoh Khoon Cheng	-	<i>Independent Non-Executive Chairman</i>
Dato’ Goh Cheng Huat ¹	-	<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>
Encik Mohd. Arif bin Mastol	-	<i>Independent Non-Executive Director</i>

IN ATTENDANCE

Mr Lo Zhi Heng, Terry	-	<i>Finance Manager</i>
Ms Julia Tan Bee Choo	-	<i>Senior Manager</i>
Ms Tan Ai Ning	-	<i>Company Secretary</i>

¹ Participated via Remote Participation and Electronic Voting Facilities

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 Extraordinary General Meeting (“**EGM**”) 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 and the Company Secretary 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 34 proxy forms from shareholders for a total of 464,627,258 ordinary shares representing 46.46% of the total issued shares of the Company.

Out of those, there were 16 shareholders who have appointed the Chairman of the Meeting as proxy to vote on their behalf and the shares so represented were 143,932,148 ordinary shares representing 14.39% 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 11:33 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

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in the Notice of the EGM 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 the resolution 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 Malaysian Issuing House 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 BY CHIEF FINANCIAL OFFICER

At the invitation of the Chairman, the Executive Director and Chief Financial Officer, Mr Ooi Teik Huat gave a brief presentation on 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 the Company to a non-related third party to be identified for a disposal consideration to be determined and satisfied entirely in cash.

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

7. 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 THE COMPANY TO A NON-RELATED THIRD PARTY TO BE IDENTIFIED FOR A DISPOSAL CONSIDERATION TO BE DETERMINED AND SATISFIED ENTIRELY IN CASH

The Chairman informed that the Ordinary Resolution was to seek the shareholders' approval on 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 the Company to a non-related third party to be identified for a disposal consideration to be determined and satisfied entirely in cash ("**Proposed Disposal Mandate**").

Thereafter, the Chairman opened to the floor for questions. There were questions received from the Minority Shareholders Watch Group ("**MSWG**") and shareholders prior to and during the meeting, relating to the Proposed Disposal Mandate. 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 EGM respectively.

8. 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 12.16 p.m. for the votes to be tabulated by the Poll Administrator and verified by the Scrutineer. The meeting resumed at 12.32 p.m. for the declaration of the results of the poll.

9. ANNOUNCEMENT OF RESULT

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 THE COMPANY TO A NON-RELATED THIRD PARTY TO BE IDENTIFIED FOR A DISPOSAL CONSIDERATION TO BE DETERMINED AND SATISFIED ENTIRELY IN CASH

Ordinary Resolution 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:	227	No. of Shareholders:	53	Accepted
No. of Shares:	464,427,656	No. of Shares:	2,548,541	
% of Voted Shares:	99.4542	% of Voted Shares:	0.5458	

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

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.

10. CONCLUSION

There being no other business to be transacted, the meeting concluded at 12.33 p.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

- signed -

CHAIRMAN

ANNEXURE A

QUESTIONS FROM MSWG, SHAREHOLDERS AND PROXIES PRIOR TO THE EGM

(a) MSWG

1. MBC, through its indirect wholly owned subsidiary, Kekal Shipping Pte Ltd, has identified the bulk carrier Alam Kekal for disposal consideration to a non-related third party. The specific amount for this consideration will be determined later and will be satisfied entirely in cash. Once the disposal of the bulk carrier is completed, the Company will no longer have a source of revenue and potential profit contribution from Alam Kekal in the future (page 9 of MBC's Circular 2023).

(a) Considering that the bulk carrier contributed approximately 26% to the Company's revenue in FYE 2022, how does the Company plan to address the potential loss of income resulting from the proposed disposal?

(b) How does the Company plan to maintain a competitive edge against its peers in the face of lower charter rates for dry bulk and a decreasing number of bulk carriers the Company owns?

The Company's Response:

(a) Currently the Company owns 2 vessels, Alam Kekal and Alam Kuasa. The Company is considering the disposal of Alam Kekal in this EGM and the remaining vessel, Alam Kuasa which is on long term charter with third party until year 2031 will continue its operations.

The Company has been recoding profit for Alam Kekal for the last 2 financial years, but it was not always the case. Since Alam Kekal was acquired, the Company had to make an impairment loss provision of USD773,000 for the financial year 2020 due to the weak market condition. It was only reversed in financial year 2021 when the market condition improved.

However, the charter rate has declined recently and if the current charter rate were to persist or worsen, the Company may incur financial loss by continuing to operate Alam Kekal,. Hence, the Company proposes to dispose of Alam Kekal so that the value of the vessel can be preserved while the second-hand market prices for bulk carriers is still relatively favourable to the Company.

(b) The Company is unable to control the market price of charter rate and is subject to the market forces affecting the charter rates if the Company continues to operate Alam Kekal.

The charter rate for Alam Kuasa's long term charter with a third party has been fixed and it will be generating stable income and cash flows for the Group. It will not be severely affected by the volatile charter rate.

2. 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 of 31 December 2022) (page 4 of MBC's Circular 2023). However, the audited NBV is lower than the bulk carrier's cost of RM121.9 million.

Does this mean the Board is willing to accept a potential loss in the sale? What is the Board's rationale behind this thinking?

The Company's Response:

The vessel, if sold at a price not below the net carrying amount would mean that the Company will not be incurring any financial losses. Annual depreciation charge has been recognized in the accounts since the purchase of the vessel for approximately 5 years given that the vessel is 5 years old. It is reasonable to anticipate a sale price that takes into account the 5 years' depreciation from its original cost.

3. The Company 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 (page 6 of MBC's Circular 2023).

What are the future businesses or investments that MBC is looking at?

The Company's Response:

The Board and Management are actively evaluating prospective businesses. An announcement will be made when a decision is made.

(b) Shareholders and Proxies

4. Requests for door gifts, e-wallets and e-vouchers as a token of appreciation
- Tee Beng Ngo

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.

5. Whether the Company already have a business to buy? If there is no prospective target to be acquired, why not continued to operate Alam Kekal and generate profits thereon?
- Chang Yee Fong
- Chan Fung Han

The Company's Response:

The Company currently have yet to enter into any agreement to dispose of Alam Kekal and is seeking a mandate from shareholders to accord the Board discretionary authority for the disposal, as the

timeline from reaching an agreement with buyers to delivery is considerably short for transactions of such nature.

The Board and management are actively evaluating prospective businesses. An announcement will be made when a decision has been made.

The time charter rates in recent months have experienced a decline from its high as seen in 2021 and 2022 and are likely to remain volatile going forward. Furthermore, second-hand prices of bulk carriers have also moderated from their historical highs, yet remain attractive and present an opportunity for the Group to monetise its remaining dry bulk assets. The Board remains committed to maximise recurring earnings and monetisation of its assets to enhance shareholders' value.

6. Why the Company proposed this resolution when the buyer, valuation, and disposal price are all not determined at this juncture? If shareholders had approved this resolution, would it be deemed detrimental to rights of shareholders if the final disposal price is not favourable?

- Chan Fung Han

The Company's Response:

The period between entering into disposal agreements to the subsequent delivery of vessels is relatively short, leaving the Company insufficient time to call for an EGM after the agreement is signed.

The mandate from shareholders required will only be carried out if the following criterias are met:

- Valuation – At a price not less than 90% of market valuation by reputable international professional valuers
- Valuation report not exceeding 3 months old
- Not lower than its latest audited net book value
- Non-related party transaction
- Cash deal
- Mandate for 12 months

7. (a) There are only 2 vessels remaining, and if Alam Kekal to be disposed, Maybulk will remain with only 1 vessel. What is the direction of the company, will Maybulk remains bulk carrier and shipping business or will Maybulk actually leave this industry?

(b) The disposal of Alam Kekal will bring disadvantages like diseconomy of scale and diseconomy of scope, can the Board of Directors or Management explain how to prevent or minimise this?

- Sim Lai Huat

The Company's Response:

(a) The time charter rates in recent months have experienced a decline from its high as seen in 2021 and 2022 and are likely to remain volatile going forward. Furthermore, second-hand prices of bulk carriers have also moderated from their historical highs, yet remain attractive and present an opportunity for the Group to monetise its remaining dry bulk assets. The Board remains

committed to maximise recurring earnings and monetisation of its assets to enhance shareholders' value.

Upon disposal of Alam Kekal, the Company will still continue to operate Alam Kuasa under a long-term charter with a third party until year 2031, with secured charter rates.

- (a) With regards to economies of scale, it should not be an issue as the Company is essentially leasing the vessel on time charter basis. The Company has minimum operations overheads mainly administrative cost which have been kept to a very low level.

8. Whether the Company will distribute dividend from the gain arising from disposal of Alam Kekal?

- *Chow Jiann Woei*

- *Chan Fung Han*

The Company's Response:

As outlined in the circular to shareholders and the earlier presentation, the proceeds from the disposal will be allocated for the following purposes:

- Future business expansion with proposed utilisation of RM126.28 million
- Working capital with proposed utilisation of RM10.88 million
- Estimated expenses for the disposal of Alam Kekal of RM2.80 million

The decision of dividend distributions will be subject to periodic evaluation by the Board of Directors. Consideration will be given to factors such as profitability and financial commitments of the Company.

ANNEXURE B

QUESTIONS FROM SHAREHOLDERS AND PROXIES DURING THE EGM

- 1. With the cash disposal, what's the Board's plan with the cash proceeds?**

- Yap Yik Yong

The Company's Response:

This question was addressed earlier (Question 8 - Annexure A).

- 2. (a) How's the Group's latest cashflows position? With the current on-going secured charters/ contracts, would the Group able to sustain its out-going cashflows commitment for the next two (2) years?**

- Yap Yik Yong

The Company's Response:

Please refer to our financial results for the first quarter ended 31 March 2023, the Company's cash position as at 31 March 2023 is RM222 million. The long term contract secured for Alam Kuasa will expire in 2031 which guarantees the Company with a stable source of income and cash flows.

- 3. Any special dividends?**

- Teh Kian Lang

The Company's Response:

This question was addressed earlier (Question 8 - Annexure A).

- 4. How much is the loss of income arising from the Proposed Disposal?**

- Yap Yik Yong

The Company's Response:

The revenue contribution by Alam Kekal is about 26% in previous years. However, it is important to note that profit from Alam Kekal is not guaranteed from year to year as profitability depends highly on market charter rate. Based on the prevailing market charter rate which has fallen below the break-even point, Alam Kekal may even incur losses on a daily basis.

- 5. What businesses has the Company identified to acquire with the sales proceeds obtained? Will the new business earn more than what Alam Kekal has been earning?**

- Lim Hock Sing

The Company's Response:

The Board has yet to identify any business to be acquired at this point of time. Nonetheless, the Board will carefully evaluate every business proposal that is presented to the Board.

- 6. What will happen to our remaining vessels? Will these also be sold eventually and the company exits the ship ownership and management business totally?**

- *Lim Hock Sing*

The Company's Response:

The remaining vessel, Alam Kuasa is under a long-term charter arrangement with a third party, which will end in year 2031.

- 7. This relatively new asset was only purchased in 2018, why dispose this particular asset and not others?**

How many other such assets, especially the older ones, that are still held by our company?

This asset currently generates a significant revenue and profit for our company and has been increasing; what new type of business is our company diverting the proceeds of this disposal that will significantly & sustainably perform better; please explain and justify this new business decision and by what expected percentage (%)?

How will the Board guarantee that such proceed is not squandered by your so called new business?

- *Ho Yueh Weng*

The Company's Response:

Currently the Company owns 2 vessels, Alam Kekal and Alam Kuasa. The Company is considering the disposal of Alam Kekal in this EGM and the remaining vessel, Alam Kuasa which is on long term charter with third party until year 2031 will continue its operations.

The Company has been recoding profit for Alam Kekal for the last 2 financial years, but it was not always the case. Since Alam Kekal was acquired, the Company had to make an impairment loss provision of USD773,000 for the financial year 2020 due to the weak market condition. It was only reversed in financial year 2021 when market condition improved.

However, the charter rate has declined recently and if the current charter rate were to persist or worsen, the Company may incur financial loss by continuing to operate Alam Kekal,. Hence, the Company proposes to dispose of Alam Kekal so that the value of the vessel can be preserved while the second-hand market prices for bulk carriers is still relatively favourable to the Company.

- 8. I would like to know any merger and acquisition ("M&A") or privitisation for the year 2023?**

- *Lee Kong Meng*

The Company's Response:

The Board is unable to comment on privatisation as it shall be decided by the shareholders. With regard to M&A, the Board will seek shareholders' approval once a business of substantial value has been identified.

9. What would the core business of the Company following the sale of the disposal of Alam Kekal, a bulk carrier?

- Lim Jit Thin

The Company's Response:

The Company will still carry out its bulk carrier business through Alam Kuasa which is under the long-term charter which ends in year 2031. The Company has also recently acquired a shelving and storage business earlier this year.

10. Why sell ship? Can be good to hold on?

- Teh Kian Lang

The Company's Response:

This question was addressed earlier (Question 5 – Annexure A).

11. Can't the board identify the vendor and determine the disposal consideration before seeking the shareholders' approval? How long it will take to identify the vendor and engage the valuer?

- Yap Yik Yong

The Company's Response:

Given the market's volatility, buyers often require swift vessel delivery. The Company will face challenges in completing the disposal if it were to seek shareholders' approval before completing the sale of the vessel, as the market price could potentially decrease further by that time. Hence, the Company is required to seek shareholders' mandate prior to securing a buyer and the disposal mandate will only be carried out if the outlined criteria presented earlier are met.

12. Is the Company into ship trading?

- Teh Kian Lang

The Company's Response:

The Company is not into ship trading and the rationale for the disposal of Alam Kekal is as follows:-

- To provide an opportunity for the Group to realise the value of its asset at a favourable price and realise a gain on disposal;
- To make available funds for future business expansion and working capital requirements of the Group; and
- To facilitate a timely sale of Alam Kekal as and when opportunities arise for the Group.

- 13. Dry bulk business is a cyclical business. The longer and lower the cycle goes, the higher and longer the up cycle tends to be. Unless one is in a hurry to cash out and pocket the profit, why is the Board so sure of the mid to long term industry cycle?**

- *Chiew Lik Ing*

The Company's Response:

The market for charter rate is very volatile. During periods of low charter rates, the Company could potentially face not only operating losses, but may also be compelled to account for impairment losses. The Board holds the view that it is in the best interest of the Company to proceed with vessel disposal when the market for second-hand bulk carriers is still favourable .

- 14. The Board / Management is not known for any track record, why then proposing to diversify?**

- *Chiew Lik Ing*

The Company's Response:

The profile of all Board of Director and Management is available in the Annual Report. Currently the Company has yet to identify any potential business and will seek for shareholders' mandate as and when necessary.

- 15. What is the Company's future plans?**

- *Hong Cheng Wan @ Peng Cheng Wan*

The Company's Response:

This question was addressed earlier (Question 5 - Annexure B).

- 16. The Company is still suffering RM9,714,988 loss taken from your circular notice on page 2.2, would it affect the net tangible assets ("NTA") of the Company?**

- *Lim Jit Thin*

The Company's Response:

The differences between original costs of investment (i.e. vessel purchase price) and net book value as at December 2023 being the normal depreciation value of the asset.

The vessel is already 5 years old and have been depreciated for 5 years. Hence, the net book value will be RM112 million.

The Company will not incur loss as the vessel will not be sold below the net carrying value. Thus, the NTA of the Company will not be negatively affected.

17. Are the Directors entitled for any meeting allowance for attending on this meeting?

- Yap Yik Yong

The Company's Response:

There is no meeting allowance for Directors attending the EGM.

18. MBC, through its indirect wholly owned subsidiary, Kekal Shipping Pte Ltd, has identified the bulk carrier Alam Kekal for disposal consideration to a non-related third party. The specific amount for this consideration will be determined later and will be satisfied entirely in cash. Once the disposal of the bulk carrier is completed, the Company will no longer have a source of revenue and potential profit contribution from Alam Kekal in the future (page 9 of MBC's Circular 2023).

(a) Considering that the bulk carrier contributed approximately 26% to the Company's revenue in FYE 2022, how does the Company plan to address the potential loss of income resulting from the proposed disposal?

(b) How does the Company plan to maintain a competitive edge against its peers in the face of lower charter rates for dry bulk and a decreasing number of bulk carriers the Company owns?

- Nur Amirah Binti Amirudin

The Company's Response:

This question was addressed earlier (Question 1 - Annexure A).

19. Any takeover offer from other companies?

- Hiu Chee Keong

The Company's Response:

The Company is not aware of any such plan.

20. Does the Board intends to exit from the bulk carrier's business?

- Yap Yik Yong

The Company's Response:

The Company still has one remaining vessel, Alam Kuasa, which is under a long-term charter until year 2031, thus MBC will still be in bulk carrier's business for the time being.

21. Will the Company plan to change name?

- Hong Cheng Wan @ Peng Cheng Wan

The Company's Response:

There is currently no plan to change the Company's name. An announcement will be made if there is any plan to change the Company's name in future.

22. What is the cost of investment and market valuation of Alam Kuasa, your remaining fleet?

- Tan Kay Wee

The Company's Response:

The initial cost of Alam Kuasa in 2018 is US\$30.6 million and the latest market valuation as at 31 December 2022 is at US\$33 million.

23. How much does the Company earn with the current business for Alam Kuasa?

- Lim Jit Thin

The Company's Response:

The Company is unable to disclose the earnings of Alam Kuasa from the long-term charter with third party as this is a commercially sensitive information.